

**In the Matter of Search and Secure Limited
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 06229040
Trading As: Search and Secure Limited
Formerly: No previous names
Registered Office: C12 Marquis Court, Marquisway, Team Valley, Gateshead, NE11 0RU
Trading Address: 36A Station Road, New Milton, Hampshire, BH25 6JX

In accordance with Rule 4.106, I, Eric Walls and Wayne Harrison of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 29 September 2010 we were appointed joint liquidators of Search and Secure Limited by resolutions of members and creditors.

Notice is hereby given that the creditors of the above named company, which is being voluntarily wound up, are required, on or before 31 October 2010 to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned E Walls (IP No. 9113) and W Harrison (IP No. 9703) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, insolvency@ksagroup.co.uk, 0191 482 3343, the liquidators of the said company, and, if so required by notice in writing from the said liquidators, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution.

Dated: 4 October 2010

E Walls
Joint Liquidator of Search and Secure Ltd

**Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986
At the offices of KSA, Level 7 Tower 42, 25 Old Broad Street, London, EC2N 1HN
On 29 September 2010 at 12.15 pm**

1. Statutory Information

1.1 Detailed below is information extracted either from the statutory books of the company or from records held by the Registrar of Companies.

Previous Names: Search and Secure Limited

Company Number: 06229040

Date of Incorporation: 27/04/2007

Registered Office: was 36A Station Road, New Milton, Hampshire, BH25 6JX
but recently changed to C12 Marquis Court, Marquis Way,
Team Valley, Gateshead, NE11 0RU

Shareholdings: 1 Ordinary Share of £1, which has been issued and fully paid.

Shareholders:	Kieron Stuchfield	£1 Ordinary Share 1
---------------	-------------------	------------------------

Directors in the last 3 years: Kieron Stuchfield
Victoria Samantha Stuchfield

Company Secretary: Kieron Stuchfield

Nature of Business: Investigation and security activities

Trading Address: The Bungalow, Hillcrest Blandford Raod, Coomber Bissett,
Salisbury, SP5 4LN

2. History of the Company

2.1 The company was incorporated on 27 April 2007. Previously the director had operated as a sole trader with the business commencing in September 2005. The company offered investigation and security services.

2.2 As the company progressed it was felt that more dog handlers would be needed on an "ad hoc" basis and therefore more self employed staff were required. In April 2007 a decision was made to form a limited company. It was at this time, that a decision was also made to use the factoring services of London Scottish Invoice finance, which enabled the company to receive 75% of invoice totals in advance of their clients settling their accounts. It was felt that this was a much needed service as it enabled the company to ensure that any sub contractors working would be paid every week without fail and in advance of their own invoice terms.

2.3 From 2007 onwards the total turnover doubled and then tripled as the company's reputation for good quality work became reasonably well known. The company became the main sub-contractor for one of the biggest security companies in the south. As more work came in, it resulted in higher overheads and charges, especially from the factoring company who took higher charges in order to keep processing high amounts of weekly wages. On quite a few occasions, their charges were in excess of £1,000.00 per week.

2.4 From 2008 onwards, the company began to suffer as a result of the recession. The private sector changed dramatically, the directors attempted to reduce overheads by reducing non essential workers. The directors found that more often than not it was security services

which were terminated first. The company then concentrated on getting work from the Public sector i.e. Council contracts, National Grid etc. This work helped maintain turnover for a period. However, from the start of 2010 turnover dropped from around £19,000.00 per week to around £7,000.00 and on some occasions the weekly figure was below this level. The company began falling behind with its VAT liabilities and had arranged various payment plans which were unsuccessful.

- 2.5** The directors felt that the company had no option but to close. It would appear that a lot of the company's problems stemmed from using the services of a factoring company. Whilst it was essential to keep the work force paid on time every week, it was severely restricting cash flow and reducing the company's profit. This also contributed towards the company's inability to keep up to date with VAT payments. With no obvious future income stream, the directors took the decision to cease trading and seek advice from KSA Group Ltd.
- 2.6** A meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the directors it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the directors felt they had no option but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.
- 2.7** The directors consider that the main reasons for the company's failure were as follows:
1. The high costs associated with the use of a factoring company; and
 2. A lack of available security work in both the public and private sectors.

3. Meetings of Members and Creditors

- 3.1** At a meeting of the board of directors held on 9 September 2010 it was agreed that meetings of members and creditors should be summoned for the purposes of placing the company into Creditors Voluntary Liquidation. Notices were signed summoning the meetings for 29 September 2010. The notices were issued to shareholders and creditors on 13 September 2010.
- 3.2** Accordingly, on 29 September 2010 at a meeting of the shareholders, duly convened at the offices of KSA Group Limited, Level 7 Tower 42, 25 Old Broad Street, London, EC2N 1HN resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls and W Harrison, who are licensed in the UK to act as an insolvency practitioner by the Insolvency Practitioners Association, joint liquidators.
- 3.3** Prior to being asked to advise the directors on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with the company, its directors or shareholders.

4. Transactions with Associated Companies or Trading Organisations

- 4.1** There are no known associated companies or trading organisations.

5. Extracts from Accounts and other Financial Information

- 5.1** A summary of the company's recent financial history is attached at Appendix 1 to this report.

6. Statement of Affairs

- 6.1** A statement of affairs of the company as at 29 September 2010 has been prepared by the directors. A summary of the statement of affairs is attached to this report, along with accompanying notes, and an estimated deficiency account in respect of the period of trading.
- 6.2** As a result of The Enterprise Act 2002 the preferential creditor status of HM Revenue and Customs in respect of PAYE, NIC and VAT, was abolished. This change in legislation also introduced provisions for the liquidator to set aside a certain proportion of the company's

net property to deal with the claims of unsecured creditors in advance of the claims of the holder of a floating charge. This is known as the Prescribed Part. **These provisions only apply if a floating charge was created after implementation of The Enterprise Act on 15 September 2003.**



6.3 The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

7. Business at the creditors' meeting

7.1 The Chairman reported that he had been advised by the liquidator to reject one of the proxies received for the creditors' meeting. The proxy nominated the liquidators' firm and not the liquidators individually and was therefore considered invalid. No creditors attended the meeting.

7.2 The chairman opened the meeting and W Harrison of KSA Group Ltd, who had been appointed joint liquidator of the company by the shareholders of Search and Secure Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf. As is stated in the notes to the estimated statement of affairs, the chattel assets of the company have been valued by agents and they have been instructed to dispose of them. These assets consist of 3 motor vehicles and some residual computer and office equipment. The director's wife and in-laws have expressed an interest in purchasing these assets and they have made an offer for them. The agents have informed the liquidator that the offer has been accepted and the meeting was informed that the assets are in the process of being sold to a business that is owned by the director's wife and in-laws. The agreed sale price is £6,000 for the motor vehicles and £750 for the computer and office equipment.

7.3 There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

- the appointment of E Walls and W Harrison of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- The meeting was informed that an agreed fee of £4,000 plus VAT plus disbursements had been paid to KSA Group Limited in respect of the costs of assisting the directors in preparing the statement of affairs and summoning and holding the meetings of members and creditors. The meeting was also informed that KSA Group Ltd had received funds of £4,700 made up from third party funds.
- it was agreed that liquidators' remuneration would be calculated by reference to time costs incurred by the liquidators and their staff and authorisation was given for the liquidators to draw remuneration on account of those time costs when they felt it was appropriate.
- The liquidator informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidators' firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 50p per mile would be made.

- it was agreed that the level of the liquidators' specific performance bond should be set at £25,000

7. Business conducted at the meeting

- 7.1** No creditors attended the meeting other than the director. A number of proxies had been received in favour of the chairman.
- 7.2** The chairman opened the meeting and W Harrison of KSA Group Ltd, who had been appointed joint liquidator of the company by the shareholders of Search and Secure Limited, presented a brief report to the meeting and reviewed the statement of affairs of the company which had been drawn up to the date of liquidation on his behalf.
- 7.3** There being no further issues raised by the creditors the chairman moved to the formal business of the meeting. Accordingly, creditors approved the following resolutions:

- the appointment of E Walls and W Harrison of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, was confirmed.
- a creditors' committee was not established.

In the absence of a creditors committee:

- The meeting was informed that an agreed fee of £4,000 plus VAT plus disbursements had been paid to KSA Group Limited in respect of the costs of assisting the directors in preparing the statement of affairs and summoning and holding the meetings of members and creditors. The meeting was also informed that KSA Group Ltd had received funds of £4,700 made up from third party funds.
- it was agreed that liquidators' remuneration would be calculated by reference to time costs incurred by the liquidators and their staff and authorisation was given for the liquidators to draw remuneration on account of those time costs when they felt it was appropriate.
- The liquidator informed the meeting that the current charge out rates for staff likely to deal with matters pertaining to this liquidation were as follows:

	£ per hour
Administrators	40 – 100
Managers	100 – 175
Partners	175 – 300

- It was agreed that all disbursements incurred by the liquidators' firm should be reimbursed at direct cost save in the case of postage, stationery and telephone for which a charge of £7.50 per creditor would be levied, and motor travel where a charge of 50p per mile would be made.
- it was agreed that the level of the liquidators' specific performance bond should be set at £25,000

**Search and Secure Limited****Summary of Recent Financial History****Accounting Information**

The following information has been extracted from the Company's annual accounts for the period 31 March 2009

	Annual Accounts 31 March 2009 £
Balance Sheet	
Fixed Assets	9,805
Current Assets	41,516
Liabilities	(77,912)
Total Assets Less Liabilities	<u><u>(26,591)</u></u>
Share Capital	1
Profit and loss account	(26,592)
Shareholders Reserves	<u><u>(26,591)</u></u>

	Book Value £	Estimated to Realise £	
ASSETS			
Book Debts	56,439.23	47,846.02	
Amount due to Hitachi Capital (UK) plc	(47,846.02)	(47,846.02)	
		NIL	NIL
Tangible Assets	9,805.00		5,500.00
Cash at Bank	7,000.00		7,000.00
			12,500.00
LIABILITIES			
PREFERENTIAL CREDITORS:-			
			NIL
			12,500.00
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
			NIL
			12,500.00
Estimated prescribed part of net property where applicable (to carry forward)			
			NIL
			12,500.00
DEBTS SECURED BY FLOATING CHARGE			
			NIL
			12,500.00
Estimated prescribed part of net property where applicable (brought down)			
			NIL
			12,500.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		85,664.93	
			85,664.93
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			
			(73,164.93)
			(73,164.93)
Issued and called up capital			
Ordinary Shareholders		1.00	
			1.00
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(73,165.93)</u></u>

B - List of Creditors

Unsecured Creditors

Name	Address	£
Answer IT Ltd	Head Office, The Wattant House, 1 High Street, Altrincham, Cheshire, WA14 1PZ	116.33
Daisy Communications Ltd	Daisy House, Lindred Road Business Park, Nelson, Lancashire, BB9 5SR	31.64
David Hill	T/A V1-K9 Security, 22 Plamer Road, Oakdale, Poole, Dorset, BH15 3AR	3,213.00
David Shores & Co Ltd	36 A Station Road, New Milton, BH25 6JX	2,326.11
GalliNet Lintied	Castle Mill House, Birmingham New Road, Dudley, West Midlands, DY1 4DA	873.62
HM Revenue & Customs	Northampton Debt Office, Princess House, Cliftonville Road, Northampton, NN1 5AE	68,653.43
Leaseway Vehicle Rental Ltd	Manchester Branch, Golborne Point, Ashton Road, Golborne, WA3 3JL	258.50
Malcolm Beddis	T/A Forest K9 Security, 59 Newland Street, Coleford, Gloucestershire, GL16 8NA	867.00
Maximum Security K9 Unit	Dog Handler Rest, 9 Beech Gardens, Hamble, Southampton, SO31 4LE	3,242.75
Mr W G Mccorkindale	Hammetts Farm Cottage, Pimperne, Dorset, DT11 8BU	803.25
Paul Antony Jago Potsides	T/A Sorpion Security Services, 16 Chaucer Road, Cove, Hampshire, GU14 8SW	1,190.00
Sean Emory	Contact by Email	1,164.50
Security Key	Shenstone, Blandford Road, Coombe Bissett, Salisbury, Wiltshire, SP5 4LH	1,173.00
TO'Conner	12 Banks Road, Ashfrod, Kent, TN23 4NR	810.00
When & Where Services	112 Belvoir Close, Fareham, Hampshire, PO16 0PR	758.50
Yellow Pages	C/O RSM Tenon, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	183.30
	Total	85,664.93

Signature _____ Date _____

1. Tangible Assets

- 1.1** The company's tangible assets consist of a small amount of office equipment and three motor vehicles. A professional valuation of these assets was undertaken by Charterfields, international asset consultants. The book value for those assets has been taken from the company's annual accounts for the year 2009. The estimated to realise values have been provided by Charterfields.

2. Trade and Expense Creditors

- 2.1** Details of amounts due to creditors have been taken from the books and records of the company. Inclusion in the statement of affairs of the company does not constitute agreement that these amounts are, or were at any time, owed by the company and does not entitle a creditor to participate in any future distribution.

3. Costs and Expenses of Liquidation and Asset Realisation

- 3.1** The statement of affairs takes no account of the costs and expenses of the liquidation or realising the assets of the company.

**Estimated Deficiency Account
For the period from 1 April 2009 to 29 September 2010.**

	£	£
Reserves Balance at 31 March 2009		(26,592)
Amounts written off for the purposes of the statement		
Tangible Assets	4,305	<u>(4,305)</u>
		(30,897)
Extraordinary Items		
		<u>NIL</u>
		(30,897)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<u>(42,269)</u>
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<u>(73,166)</u>