

**In the Matter of Foremost Engineering Services Limited  
And in the Matter of the Insolvency Act and Rules 1986**

Company Number: 05492862  
Trading As: Foremost Engineering Services Limited  
Formerly: No previous names  
Registered Office: Unit 102, Tedco Business Works, Henry Robson Way, South Shields,  
NE33 1RF  
Trading Address: Same as registered office

In accordance with Rule 4.106, I, Eric Walls of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, give notice that on 17 August 2011 was appointed liquidator of Foremost Engineering Services 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 2011 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) of KSA Group Limited, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU, Alternative Contact: E Walls, [insolvency@ksagroup.co.uk](mailto:insolvency@ksagroup.co.uk), 0191 482 3343, the liquidator of the said company, and, if so required by notice in writing from the said liquidator, is, 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: 18 August 2011

E Walls  
Liquidator of Foremost Engineering Services Ltd

## 7. Business conducted at the meeting

7.1 A number of creditors attended the meeting and several proxies had been forwarded naming the chairman of the meeting as proxy holder.

7.2 The chairman opened the meeting and Eric Walls of KSA Group Ltd, who had been appointed liquidator of the company by the shareholders of Foremost Engineering Services 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 A number of issues were raised by creditors, including:

- The ongoing trading of the company and when the director first had concerns over the solvency of the company.
- Contracts undertaken by the company, how payments were received and whether the contracts had been completed
- The banking facilities utilised by the company prior to liquidation
- The current employment status of the director

Some of those issues raised were dealt with at the meeting, and some would be reviewed by the liquidator in due course.

7.4 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 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 no monies had yet been paid in respect of the costs of calling the meetings of shareholders and creditors and assisting the directors in the preparation of the statement of affairs. It was agreed that a charge of £4,500 plus VAT plus disbursements would be levied by KSA Group Limited, in respect of these costs.
- it was agreed that liquidator's remuneration would be calculated by reference to time costs incurred by the liquidator and his staff and authorisation was given for the liquidator to draw remuneration on account of those time costs when he 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

- the creditors agreed that all disbursements incurred by the liquidator's 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 liquidator's specific performance bond should be set at £50,000

Insolvency Act 1986

Foremost Engineering Services Ltd  
Estimated Statement Of Affairs as at 17 August 2011



	Book Value £	Estimated to Realise £
<b>ASSETS</b>		
Motor Vehicles	1,395.00	500.00
Furniture & Equipment	200.00	50.00
Book Debts	79,427.00	19,857.00
Retentions	32,117.00	3,212.00
Cash at Bank	6,170.91	6,170.91
		29,789.91
<b>LIABILITIES</b>		
<b>PREFERENTIAL CREDITORS:-</b>		
Employees - Arrears of Pay/Holiday Pay		10,805.09
		10,805.09
		18,984.82
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003 OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>		
		NIL
		18,984.82
Estimated prescribed part of net property where applicable (to carry forward)		
		NIL
		18,984.82
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>		
		NIL
		18,984.82
Estimated prescribed part of net property where applicable (brought down)		
		NIL
		18,984.82
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense Creditors	374,514.29	
Employees - Redundancy/Notice Pay	4,031.52	
Director's Loan	906.00	
		379,451.81
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		
		(360,466.99)
		(360,466.99)
Issued and called up capital		
Ordinary Shareholders	1,000.00	
		1,000.00
<b>TOTAL SURPLUS/(DEFICIENCY)</b>		<b>(361,466.99)</b>

**1. Book Debts**

- 1.1 The book value figure for debtors has been taken from the books and records of the company as at the date of liquidation. In assessing the amounts estimated to realise the directors have written off those debts which are known, or are thought to be, irrecoverable.
- 1.2 The directors have valued the book debts on this basis in order to present a prudent view of the affairs of the company. Following liquidation the liquidator will endeavour to collect all amounts due to the company.

**2. Amounts Due to Employees**

- 2.1 In some instances it has been necessary to estimate the amounts due to employees in respect of arrears of wages, holiday pay, pay in lieu of notice and redundancy.

**3. Trade and Expense Creditors**

- 3.1 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.

**4. Costs and Expenses of Liquidation and Asset Realisation**

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

## Foremost Engineering Services Limited – In Liquidation

Report To a Meeting Of Creditors Held Pursuant To Section 98 Of The Insolvency Act 1986  
At the offices of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead,  
NE11 0RU On 17 August 2011 At 11.00 am



### 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: None known

Company Number: 05492862

Date of Incorporation: 28 June 2005

Registered Office: was Unit 102 Tedco Business Works, Henry Robson Way, South Shields NE33 1RF but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU

Shareholding: 1000 Ordinary Shares of £1 each, all of which have been fully issued and paid

Shareholders: Robert White £1 Ordinary Shares  
1000

Directors: Robert White  
Thomas Graham (Resigned 21 September 2009)  
Richard Morris (Resigned 26 January 2009)  
Mark Wrightson (Resigned 14 March 2008)

Company Secretary: Robert Ord

Nature of Business: Building Services Engineers

Trading Address: Unit 102 Tedco Business Works, Henry Robson Way, South Shields, NE33 1RF

### 2. History of the Company

2.1 The company was incorporated on 28 June 2005 and began trading shortly thereafter. The company operated as building services engineers, specialising in the installation of mechanical, electrical and plumbing services over a range of sectors. The company operated from a head office based in South Tyneside.

2.2 The company began well and as it steadily grew was able to cover a wider area of the UK. This, along with its flexible and professional approach, meant the company could take on jobs in a variety of sectors across the country and won contracts within retail, office development, shop fit and government sectors, including the military and prison service.

2.3 The company traded reasonably well from the outset and generated a good level of work. Over the years the company built up a proven track record within the retail sector and successfully completed jobs for major clients, who were household names in retail. However, in similar fashion to other businesses operating in the sector, the company experienced a significant reduction in turnover from late 2010 onwards.

2.4 During the beginning of 2011 contracts became increasingly harder to secure. The company continued to get regular pricing and estimation work, however fewer and fewer resulted in contracted work. Those that did had decreasing margins. The company suffered a decline in turnover as many of its customers, which included Governments

agencies, were reducing their spending budgets as a result of the current economic climate and the effects of the past spending review.

**2.5** The reduction in available work led to the market place becoming increasingly competitive resulting in far narrower profit margins. The company found it was unable to compete against major contractors. The situation was further compounded when an estimator priced a job incorrectly, resulting in a loss for the company. It was at this point that the company's lack of cash flow resulted in it struggling to meet its liabilities on time.

**2.6** With this in mind a meeting was arranged with representatives of KSA Group Ltd. In July 2011 the company instructed KSA Group Ltd with a view to proposing a company voluntary arrangement ("CVA") to come to an agreement with its creditors in respect of its liabilities. Regrettably, the CVA became unworkable and accordingly, the director felt he had no option but to place the company into creditors' voluntary liquidation.

**2.7** The director considers that the main reasons for the company's failure were as follows:

1. A significant and prolonged decrease in the demand for the company's services; and
2. Increased and prolonged decreasing margins resulting in the company being unable to secure sufficient contracts going forward.

### **3. Meetings of Members and Creditors**

**3.1** At a meeting of the board of directors held on 25 July 2011 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 17 August 2011. The notices were issued to shareholders and creditors on 25 July 2011.

**3.2** Accordingly, on 17 August 2011 at a meeting of the shareholders, duly convened at the offices of KSA Group Ltd, C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU resolutions were passed placing the company into Voluntary Liquidation and appointing E Walls, who is licensed to act as an insolvency practitioner by the Insolvency Practitioners Association, liquidator.

**3.3** Prior to being asked to advise the director on the affairs of the company the partners and staff of KSA Group Limited had had no material professional relationship with either the company, its directors or shareholders.

### **4. Transactions with Associated Companies or Trading Organisations**

**4.1** Mr T Graham, a former director of this company also acted as a director of Foremost Electrical Services Limited. That company was liquidated on 20 January 2010.

### **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 17 August 2011 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** The statement of affairs takes no account of the cost and expenses of the liquidation or of realising the company's assets.

# Foremost Engineering Services Limited

## Summary of Recent Financial History



### Accounting Information

The following information has been extracted from the company's unaudited accounts for the years ended 30 April 2010 and 30 April 2009.

	Unaudited Accounts 30 April 2010 £	Unaudited Accounts 30 April 2009 £
<b>Profit and Loss Account</b>		
Turnover	700,172	309,734
Gross Profit (Loss)	186,957	156,834
Gross Profit Percentage	27%	51%
Directors Remuneration	6,000	Nil
Dividends	58,000	38,000
Net Profit After Taxation & Dividends	87,703	107,735
	<hr/>	<hr/>
<b>Balance Sheet</b>		
Fixed Assets	9,755	1,472
Current Assets	308,765	101,041
Liabilities	(287,567)	(101,263)
Total Assets Less Liabilities	<hr/> <u>30,953</u>	<hr/> <u>1,250</u>
Issued Share Capital	1,000	1,000
Reserves	29,953	250
Shareholders Reserves	<hr/> <u>30,953</u>	<hr/> <u>1,250</u>

**KSA Group Ltd**  
**Foremost Engineering Services Ltd**  
**B - Company Creditors**

**Unsecured Creditors**

<b>Name</b>	<b>Address</b>	<b>£</b>
2020 Vision Systems Limited	28 Northumberland Square, North Shields, Tyne & Wear, NE30 1PW	1,572.35
ACS	6 Aire Valley Park, Wagon Lane, Bingley, West Yorkshire, BD16 1WA	187.39
Advantex Network Solutions Limited	Unit 8 Mercantie Road, Rainton Bridge Industrial Estae, Houghton-le-Spring, Tyne and Wear, DH4 5PH	586.23
All Temps Recruitment	Barlcays Asset & Sales Finance, Churchill Plaza, Churchill Way, Basingstoke, Hants, RG21 7GP	889.20
Almai Limited	11 Westoe Village, South Shields, Tyne & Wear, NE33 3EB	19,277.95
Amecal	Met-Cal House, Fisher Street, Newcastle, NE6 4LT	172.60
AB Wallis & Co Ltd	Greasley Street, Bulwell, Nottingham, East Midlands, NG6 9NG	190.20
Beacon Electrical NE Limited	1-3 Franklin Street, South Shields, Tyne & Wear, NE33 1PR	444.12
Brandon Hire Plc	72-75 Feeder Road, Bristol, BS2 0TQ	509.15
BSS Group	Sales Ledger Dept, PO Box 5884, Leicester, LE1 3ZN	19,425.39
Cablecraft	Cablecraft House, Unit 3 Circle Business Centre, Blackburn Road, Houghton Regis, Beds, LU5 5DD	30.84
CAD 21	Unit 21, Apex Business Village, Northumberland Business Park, Newcastle upon Tyne, NE23 7BF	4,992.00
Cable Contractors Limited	Bensway House, Usworth Road, Harlepool, TS25 1PD	1,200.00
CDS Security & Fire	Units 8 & 9, Drongonville Industrial Estate, Gilesgate, Durham, DH1 2XH	500.55
CEF (NE Division)	PO Box 55, 3a Audax Close, Clifton Moor, York, YO30 4RA	1,797.29
Cleaveland Cable Company Limited	Riverside Park Road, Middlesborough, TS2 1QW	44,153.69
CMC Digital Limited	Unit 1, Forest Road Ind Est, South Shields, Tyne & Wear, NE33 1PT	388.80
Compac Services Limited	173 Victroia Road, South Shields, Tyne and Wear, NE33 4NW	8,362.39
Comms Express	Unit 7, Grafton Place, Dukes Park Ind Est, Chelmsford, Essex, CM2 6TG	236.28
Construction Line	PO Box 6441, Basingstoke, Hampshire, RG21 7FN	246.00
Crosslings Ltd	PO Box 5, Coast Road, Newcastle upon Tyne, NE6 5TP	10,003.11
Data Fire & Security	Centre for Advances Industry, Royal Quays, North Shields, NE29 6DE	336.00
Delta T (Trace Heating) Ltd	Five Ways, 57-59 Hatfield Road, Patters Bar, Herts, EN6 1HS	1,510.00
Desco	Azure House, 2 Azure Court, Doxford International Business Park, Sunderland, SR3 3 BE	3,480.00
Electric Centre	PO Box 10466, Aberdeen, AB12 9AT	27,125.01
Electec UK Ltd	94 Birch Crescent, Burnopfield, Newcaslte upon tyne, NE16 6JJ	482.00



**KSA Group Ltd**  
**Foremost Engineering Services Ltd**  
**B - Company Creditors**

<b>Unsecured Creditors</b>		
<b>Name</b>	<b>Address</b>	<b>£</b>
Fusion Provida	Unit 2 D Walton Road, Pattinson North Ind Est, Washington, Tyne and Wear, NE38 8QE	1,979.93
HM Revenue and Customs	Durrington Bridge House, Barrington Road, Worthing, BN12 4SE	57,488.62
HM Revenue and Customs	Insolvency Operations, Queens Dock, Liverpool, LS4 4AF	29,021.76
Hedley Design Limited	Hedley House, Meadowfield, Ponteland, Newcastle upon Tyne, NE20 9SD	360.00
Hansa Association	Roe Street, Congleton, CW12 1PS	1,443.96
Hadrian Air Conditioning	Hadrian House, Crowther Road, Crowther Ind Est, Washington, NE38 0AQ	2,224.80
Harrison Hire & Sales	12/13 Town Green Lane, Settrington, Malton, North Yorkshire, YO17 8NR	11,424.00
Inviron Ltd	Swallow House, Parsons Road, Washington, Tyne & Wear, NE37 1EZ	1,650.00
J & JW Longbottom	Bridge Foundry, Holmfirth, Nr. Huddersfield, HD7 1AW	615.51
Lindab	10 Woodall Road, Redburn Ind Est, Enfield, Middlesex, EN3 4LE	7,749.59
Lord Hire Centres	Shields Road, Byker Hill, Newcastle upon Tyne, NE6 2UD	375.97
Mobile Mini UK Ltd	28 Falcon Court, Preston Farm Business Park, Stockton on Tees, TS18 3TX	685.94
NICEIC	Warwick House, Houghton Hall Park, Houghton Regis, Dunstable, LU5 5ZX	1,198.80
NIS Ltd	5 Naylor Court, Blaydon Haugh Indu Estate, Bladon, Tyne and Wear, NE21 5SD	3,294.00
Nuaire	Home Ventilation, Western Ind Est, Caerphilly, South Wales, CF83 1NA	360.00
Park Electrical Distributors	Unit 3, Quens Park, Earlways, Team Valley Trading Estate, Tyne & Wear, NE11 0QD	10,083.90
Pinpoint Recruitment	93-105 St James Boulevard, Newcastle upon Tyne, NE1 4BW	46,980.20
Rexel Senate Ltd T/A Newey & Eyre	Yardley Court, Edgebaston, Birmingham	111.00
Rexel Senate Ltd T/A WF Electrical	Yardley Court, Edgebaston, Birmingham	5,000.00
R Dinnings Ltd	5B New York Way, New York Ind Est, Newcastle upon Tyne, NE27 0QF	8,914.62
RJ Urmson Commissioning Engineers Ltd	Kellett Street Works, Fellery Street, Chorley, Lancs, PR7 1EL	1,645.00
SAFC Limited	Sunderland Stadium of Light, Sunderland, SR5 1SY	1,285.40
SK (Sales) Ltd	Unit C1, Rhombus Business Park, Sapphire Way, Diamond Road, Norwich, NR6 6NN	1,080.48
Swift Fire & Security	Matthew Elliot House, 64 Broadway, Salford Quays, Manchester, M50 2TS	4,293.84
Tenon	Tenon House, Ferryboat Lane, Sunderland, SR5 3JN	290.00
UK Platforms Limited	1st Floor, Enterprise House, Stafford Park 1, Telford, TF3 3BD	15,591.03
UK Ventilation Ltd	Lonprell Works, Clockmill Road, Gateshead, Tyne & Wear, NE8 2QX	10,892.40
Valliant Group UL Ltd	Nottingham Road, Belper, Derbyshire, DE56 1JQ	375.00
	<b>Total</b>	<b>£ 374,514.29</b>

## Foremost Engineering Services Limited

### Estimated Deficiency Account For the period from 1 May 2010 to 17 August 2011

	£	£
Reserves Balance at 30 April 2010		29,953
Amounts written off for the purposes of the statement		
Motor Vehicles	895	
Furniture and Equipment	150	
Book Debts	59,570	
Retentions	28,905	
	<hr/>	<hr/>
		(89,520)
		(59,567)
Extraordinary Items		
Employees Claims - Redundancy/Notice Pay		(4,032)
		<hr/>
		(63,599)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<hr/>
		(296,868)
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(360,467)