

**In the Matter of Sapphire Construction Limited
And in the Matter of the Insolvency Act and Rules 1986**

Sapphire Construction Limited

Company Number: 05397334
Trading As: Sapphire Construction Ltd
Formerly: No previous names
Registered Office: 15 Marsh Road, Thatcham, Berkshire, RG14 4QR
Trading Address: Same as registered office

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 17 August 2010 we were appointed joint liquidators of Sapphire Construction 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: 23 August 2010

E Walls
Joint Liquidator of Sapphire Construction 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 17 August 2010 at 10.30 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:	Sapphire Construction Limited
Company Number:	05397334
Date of Incorporation:	17/03/2005
Registered Office:	was 15 Marsh Road, Thatcham, Berkshire, RG18 4QR but recently changed to C12 Marquis Court, Marquis Way, Team Valley, Gateshead, NE11 0RU
Shareholdings:	2,000 Ordinary Share of £1, 20 of which has been issued and fully paid.
Shareholders:	Paul Maslin £1 Ordinary Share 20
Directors in the last 3 years:	Paul Maslin
Company Secretary:	Paul Maslin
Nature of Business:	Services to the construction industry
Trading Address:	Mousefield Family Farms, Long Lane, Shaw, Newbury, Berkshire, RG14 2TG

2. History of the Company

2.1 The company was incorporated on 17 March 2005 and began trading shortly thereafter. The company operated as a builder and construction engineers for various clients in the construction industry.

2.2 The director has a background of over 30 years experience in the construction industry and decided to set up his own business. The company had a good reputation and was able to complete various works specialising in highway maintenance civil, drainage and footings, traffic calming and landscaping contracts.

2.3 The company had operated successfully since incorporation and employed many experienced employees from the local area. The onset of the economic downturn saw a decline in the level of work available to the company.

2.4 The director attempted to trade through in the hope of gaining new contracts from existing clients however, it quickly became apparent that the continuity of business was not there and the business liabilities began to increase to a level which was unmanageable. With no obvious future income stream, the director took the decision to cease trading and seek advice from KSA Group Ltd.

2.5 A meeting was arranged with representatives of KSA Group Ltd. Based on financial information provided by the director it was evident that the company was insolvent. After consulting further with representatives of KSA Group Ltd the director felt he had no option

but to call the meetings of shareholders and members necessary to place the company into voluntary liquidation.

2.6 The director considers that the main reason for the company's failure was as follows:

1. A decline in the level of work in the construction industry.

3. Meetings of Members and Creditors

3.1 At a meeting of the board of directors held on 29 July 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 17 August 2010. The notices were issued to shareholders and creditors on 3 August 2010.

3.2 Accordingly, on 17 August 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 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 17 August 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.** The company has no floating chargeholder and therefore the prescribed part rules do not apply.

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 conducted at the meeting

- 7.1** No creditors, other than the director, 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 W Harrison of KSA Group Ltd, who had been appointed joint liquidator of the company by the shareholders of Sapphire Construction 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 will be 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 £5,287.50 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 £50,000

Sapphire Construcion Limited
Summary of Recent Financial History

Accounting Information

The following information has been extracted from the Company's annual accounts for the period to 31 March 2008 and for the year to 31 March 2009.

	Annual Accounts 31 March 2009 £	Annual Accounts 31 March 2008 £
Profit and Loss Account		
Turnover	1,047,178	775,822
Gross Profit	223,553	198,576
Director's Remuneration	52,000	87,933
Dividends	0	0
Net profit/ (Loss) After Taxation & Dividends	4,811	(26,969)
	<hr/>	<hr/>
Balance Sheet		
Fixed Assets	61,826	68,285
Current Assets	119,445	100,754
Liabilities	(182,303)	(174,882)
Total Assets Less Liabilities	<hr/> <u>(1,032)</u>	<hr/> <u>(5,843)</u>
Capital and reserves	20	20
Profit and loss account	(1,052)	(5,863)
Shareholders Reserves	<hr/> <u>(1,032)</u>	<hr/> <u>(5,843)</u>

Sapphire Construction Limited
 Estimated Statement Of Affairs as at 17 August 2010



	Book Value £	Estimated to Realise £	
		£	£
ASSETS			
Plant & Machinery	61,826.00		30,000.00
Cash at Bank	11,045.21		11,045.21
Funds Held By Liquidators	5,287.50		5,287.50
			<u>46,332.71</u>
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employees - Holiday Pay Due		4,601.00	
			<u>4,601.00</u>
			41,731.71
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003			
			<u>NIL</u>
			41,731.71
Estimated prescribed part of net property where applicable (to carry forward)			
			<u>NIL</u>
			41,731.71
DEBTS SECURED BY FLOATING CHARGE			
			<u>NIL</u>
			41,731.71
Estimated prescribed part of net property where applicable (brought down)			
			<u>NIL</u>
			41,731.71
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		39,091.32	
Employees - Redundancy & Notice Pay Due		13,086.00	
Director's Loan Account		373.00	
			<u>52,550.32</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			
			<u>(10,818.61)</u>
			(10,818.61)
Issued and called up capital			
Ordinary Shareholders		20.00	
			<u>20.00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(10,838.61)</u></u>

1. Chattel assets

- 1.1** The chattel assets of the company consist of plant and machinery, motor vehicles and a small amount of office equipment. A professional valuation of these assets has been undertaken by Charterfields, international assets consultants. The book values attributed to those assets have been taken from the company's annual accounts for the year 31 March 2009.

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. Amounts Due to Employees

- 3.1** 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.

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.

B - List of Creditors

Unsecured Creditors

Name	Address	£
Abc Safety Ltd	19 Penwood Heights, Penwood, Highclere, Newbury, RG20 9EY	29.38
Aggregate Industries Uk Ltd	Bardon Hill, Coalville, Leicestershire, LE67 1TL	419.34
BP Diesel Link Services	104 Orbitson Street, Motherwell, ML1 1PX	21.63
Burdens	Accounts Receivable, PO Box 3200, Stoke Hanley, ST4 9HF	9.78
CBL	Dumpers Drove, Horton Heath, Southampton, SO50 7DP	740.24
Chris Stamp	Staion Road, Thatcham, RG19 4QQ	240.00
Construction Learning World	Aspect House, Aspect Business Park, Bennerley Road, Nottingham, NG6 8W	60.00
Crown Garage	Unit 6 Crown Garage House, Crown Yard, Station Road, Thatcham, Berkshire	325.00
Didcot Plant Ltd	Basil Hill Road, Didcot, Oxon, OX11 7HJ	32.90
Hanson	PO Box 1828, The Ridge, Chipping Sodbury, Bristol, BS37 6WD	47.21
HM Revenue & Customs	Durrington Bridge House, Barrington Road, Worthing, West Sussex, BN12 4S	2,817.00
HM Revenue & Customs	Insolvency Operations, Queens Dock, Liverpool, L74 4AF	23,712.00
Jewsons	Sutherland House 1st Floor, Matlock Road, Coventry, CV1 4JQ	341.59
Keyline	PO Box 807, Kirkintilloch, Glasgow, G66 1XL	34.12
Lloyds TSB Credit Card	Essex House, Southchurch Avenue, Southend on sea, SS1 2LB	8,622.38
Mousefield Family Farms	Long Lane, Shaw Newbury, Berkshire, RG14 2TG	100.00
Mursell & Co Ltd	Bank House, 13-15 High Street, Thatcham, RG19 3JG	493.50
Newbury Tools	No1 Hambridge Road, Newbury, Berks, RG14 5SS	277.30
Raymond Brown	160 Cheistchurch Road, Ringwood, Hampshire, BH24 3AR	237.20
Sheila	11 Saunders Meadow, Collingbourne Ducis, Marlborough, Wiltshire, SN8 3FA	111.64
Speedy Asset Services Ltd	Chase House, 16 He Parks, Newton Le Willows, WA12 OJG	97.82
Stanley John	Building 92 Main Street, New Green Park, Newbury, Berkshire, RG19 6HW	49.35
Staples	PO Box 720, Camberly, Surrey, GU15 3WT	21.94
Thames Valley Invoice	20 Instow Road, Earley, Reading, RG6 5QJ	250.00
	Total	<u>39,091.32</u>

Signature _____ Date _____

Estimated Deficiency Account
For the period from 1 April 2009 to 17 August 2010.

	£	£
Reserves Balance at 31 March 2009		(1,052)
Amounts written off for the purposes of the statement		
Plant & Machinery	31,826	
	<hr/>	<hr/>
		(31,826)
		(32,878)
Extraordinary Items		
Employees - Redundancy & Notice Pay		(16,086)
		<hr/>
		(48,964)
ASSUMED TRADING PROFIT/(LOSS) FOR THE PERIOD		<hr/>
		38,145
CREDITORS DEFICIENCY PER STATEMENT OF AFFAIRS		<hr/>
		(10,819)