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Red Sky company takeover protects 60 jobs

A company within the troubled Red Sky construction group has been taken over.

Bel-Air Refrigeration, bought by Red Sky a few years ago, has been run by administrators since the whole group went into administration in April.

The acquisition by Belfast-based BI Electrical Services will safeguard 60 jobs within Bel-Air.

The Housing Executive terminated all its maintenance contracts with Red Sky amid allegations over the company's work practices.

BI Electrical Services (NI) Ltd, a specialist in commercial and industrial electrical installation contracts and maintenance, acquired the trade and assets of Bel-Air for an undisclosed sum

Managing director Ian Humphreys said the company intended to build on the 60 jobs saved.

He said Bel-Air had increased its order book in the past two months "in excess of £1m with new works".

"Whilst Bel-Air has been acquired by new owners it will continue trading as normal.

"The acquisition of Bel-Air provides a strategic fit with our existing business, providing electrical services to the public and private sector across Northern Ireland.

He said the two companies would continue to trade independently.

Mark Montgomery of Bel-Air Services, who has worked for the company for over 20 years, said the acquisition provides a solid foundation for continued growth.

He said: "The acquisition secures the future of Bel-Air given that BI Electrical Services is a very well established business and there will be new opportunities that will arise as a result."

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Buyout saves 60 jobs after Red Sky collapse

By Margaret Canning
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Around 60 jobs have been saved after an air conditioning company owned by failed Housing Executive contractor Red Sky was bought out of administration.

BI Electrical Services, which carries out electrical installation contracts and maintenance, said newly-acquired firm Bel-Air Refrigeration was a "strategic fit" for its operation. Ian Humphreys, managing director of BI Electrical Services, said: "We were attracted by the quality of the products and the fact that this is a viable business that has been trading profitably.

"Over the last number of years following the success of BI Electrical Services we have been in the fortunate position of seeking to grow our business through acquisition which has been funded through cash reserves so there are no borrowings associated with BI Electrical Services or Bel-Air."

It's understood at least £1m has been paid for Bel-Air after a spokesman said it recently secured £1m worth of new business, including installing air conditioning systems at the new office of law firm Allen -amp; Overy at Belfast's Obel building.

The new company will trade as Bel Air Services.

Bel-Air was acquired by Red Sky in 2007 but in April the Northern Ireland Housing Executive cancelled its £7m-per-year contracts with Red Sky after a probe into the contractor firm.

A recent report by BDO, the administrators of Bel-Air and Red Sky, said its administration was a "direct result" of the Housing Executive's decision to stop the contract with Red Sky.

In a report about Bel-Air, BDO said a sale would benefit secured and preferential creditors but not unsecured creditors, who are owed around £236,000.

Financial statements for Bel-Air for the period ending October 31, 2010, recorded pre-tax profits of £88,000, with projected revenues of £5.4m for this year.

Wayne Horwood, partner of Horwood -amp; Holmes Corporate Finance LLP, which managed the deal, said: "Bel-Air provides a good strategic fit for BI Electrical Services. With the initial acquisition and planned financial and operational investment, Bel-Air will be well positioned for future growth."

Mark Montgomery, a director at Bel Air Services, said: "The acquisition secures the future of Bel-Air given that BI Electrical Services is a very well-established business and there will be new opportunities that will arise as a result.

"In the past, we have been one of Mitsubishi Electric Europe's most successful distributors and that is something that we want to repeat with our immediate goal of becoming the number one provider of Mitsubishi electric conditioning products across the island of Ireland."

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