

Begbies Traynor

23 July 2010

Almost 900 Jobs Saved as Tyneside Companies Rescued

Gateshead-based St James Security Ltd, trading as IPC Security, and sister company Touchline Event Management Ltd have been acquired by contract cleaning company Churchill Contract Services Ltd who are a leading provider of cleaning and other related business services to both the private and public sectors, in a deal that will save 878 jobs, three quarters of them in Tyneside.

Andrew Haslam and Bob Maxwell of Begbies Traynor were appointed as Joint Administrators today (23 July 2010) and immediately negotiated a deal for Harpenden-based Churchill Contract Services Ltd to buy the business and assets of both companies for an undisclosed sum.

St James Security Ltd specialises in security for shopping centres including provision of security guards, mobile patrol vehicles and security technology. Established in 1997, it had a turnover of £13m last year and has worked for Capital Shopping Centres, owner of the Metrocentre, and for several blue chip clients including Marks & Spencers, Sage and Northern Rock. Its sister company provided management, staffing and organisation of major events such as the Great North Run and the Tall Ships Race.

The companies also have offices in East Kilbride, Scotland, and Hersham, Surrey.

Andrew Haslam of Begbies Traynor in Newcastle upon Tyne, said: "This is the best possible outcome in the circumstances – achieving an immediate sale of the businesses as a going concern will safeguard the bulk of the workforce, with only a handful of jobs being lost. In addition, the customer base will receive an ongoing provision of security, experiencing no business interruption with all ongoing and forthcoming contracts being fulfilled.

"It is testimony to the hard work and commitment of all parties involved in the deal that we were able to resolve this situation so quickly after the Tyneside companies ran into funding problems.

"With its base in the South and complementary services also aimed at shopping centres, Churchill Contract Services is an excellent fit. The acquisition will provide cross-selling opportunities as well as enabling it to extend its geographic reach."

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