



Mark Montgomery of Bel-Air Services joined BI Electrical Services directors Andrew McClenaghan and Ian Humphreys to mark the birth of the new company after Bel-Air Refrigeration was acquired by BI Electrical Services. About 60 jobs have been saved in the move, that came about after the collapse of Housing Executive contractor Red Sky

Buyout saves 60 jobs after Red Sky collapse

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 acqui-

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sition 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 & 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 & 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."

BUSINESS View

with Business Editor David Elliott



No more excuses on GDP growth figures

I've heard some excuses in my time but yesterday's rally takes the biscuit. The snazzily named Office for National Statistics was probably doing its best to big up the UK's economy but blaming a royal wedding for a slide in the growth rate does sound to me like clutching at straws.

It's as if, faced with miserly growth of 0.2% for the second quarter of the year, the boys and girls at the ONS sat around the Gross Domestic Product table and looked for excuses for our jittery economy.

Certainly they didn't miss major events in the second quarter, only just stopping shy of blaming leaves on the line. Other factors they highlighted were the additional bank holiday and the unusually warm April, two factors which strike me as having minimal impact.

My learned economist friends tell me that a warmer spring reduces the use of electricity and gas (presumably because we were all basking in the Andalusian-style rays which I can't for the life of me remember seeing from this darkened corner of BT towers).

That knocked the production industries by 3.2% but most of that was made up for by growth in the hotel and restaurant sector of 2.2% as more of use dined out or used the additional holiday to go on a short break.

Anyway, weak excuses aside, the truth is the UK economy won't meet its official growth target of 1.7% for 2011 unless UK PLC wins the global economy version of the Euromillions lottery.

I know what you're thinking, 'it could be you' and all that, but it won't happen and we'll have to make do with only percentage-point growth by the end of the year. And we should feel lucky to get that because there were plenty of experts expecting a contraction in the new figures.

They had a much more plausible excuse up their sleeves if the GDP pendulum happened to fall on the negative side, one which will no doubt be reflected in the growth numbers for the period we're currently in.

The gurus were much more worried about Europe than weddings because bailing out countries like Greece may be initially felt in a fiscal sense by countries in the eurozone but will also have a big impact on us.

And never mind the cost of the bailout, the austerity

'The latest GDP figures are a warning shot across the bow. We're going to have to work harder in a smaller market'

measures being implemented from Athens to Athenry mean demand for our exports is going to suffer whether we like it or not.

For Northern Ireland in particular, that's a blow because our overdependence on the public sector means exports are our life blood and one of the only ways we'll manage to pull our own economy out of recession.

The latest GDP figures are a warning shot across the bow. We're going to have to work harder in a smaller market place to make a pound or two. No excuses accepted.

Pharma giant plans new products to boost sales

BRITAIN'S biggest drug maker GlaxoSmithKline (GSK) has said a pipeline of new products would help sustain growth as it revealed a rise in underlying sales.

The pharmaceuticals company said a range of new drugs — including for epilepsy, lupus and rotavirus — should help it boost its margins in the year ahead.

GSK said underlying sales, which exclude sales of scrapped diabetes blockbuster Avandia,

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pandemic flu vaccines and antiviral drug Valtrex, rose 5% in the quarter. Total sales declined 4% but this was an improvement on the previous two quarters.

The company reported pre-tax profits before major restructuring in the three months to June 30 were £1.27bn, compared to £130m a year earlier. However, last year's

figure included a huge £1.57bn legal charge.

GSK is undergoing restructuring which includes plans to sell off some of its lesser known consumer brands — mainly sold in the US and Europe — to allow it to focus on its blockbuster names such as Lucozade, Sensodyne, Horlicks and Panadol.

The company reported a 60% drop in annual profits for 2010 after it paid out £4bn to resolve

legal disputes following claims about the alleged side-effects of some of its drugs.

Glaxo said sales in Japan and the US offset a 1% decline in European sales — Japanese sales were ahead 12% and the United States was up 3%. Emerging markets leapt 20%.

It said an additional £300m in savings has been identified, which will bring total cost cuts to £2.5bn by next year.

With energy like this we can rule the world

There I am bleating about exports and a timely email pops in, both for the second part of this editorial and for the Northern Ireland economy. What luck.

"Welcome to Export First!" it exclaims with a gusto that suggests I ask questions later.

It seems a number of private sector firms and organisations have come together to try to boost Northern Ireland's exporting expertise under the Export

First umbrella. Great news and not a moment too soon. "As the Northern Ireland economy seeks to recover and indeed expand; key drivers of productivity; innovation and export activity must be developed if a sustainable economy is to be achieved," the organisation declares. How true. With energy and co-ordination like this and a little bit of innovation there's no reason why we can't conquer the economic world, no matter what shape it's in.