

The Insolvency Act 1986

Administrative
Receiver's ReportPursuant to Section 48(1) of the Insolvency Act 1986
and Rule 3.8(3) of the Insolvency Rules 1986**S.48(1)**

To the Registrar of Companies

For official use

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Company Number

2002653

Name of Company

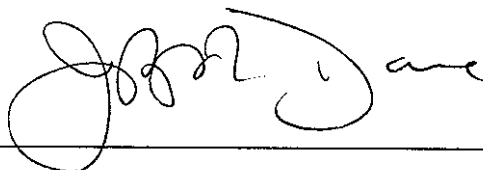
Berkold Refrigeration Limited

We,
ofJohn B R Dare
KPMG
First Floor, Dukes Keep
Marsh Lane
Southampton SO14 3EX

Richard J Hill

the administrative receivers of the company, attach a copy of our report to creditors.

Signed



Date 5 March 1997

KPMG
First Floor, Dukes Keep
Marsh Lane
Southampton SO14 3EX

For Official Use

Insolvency Section

Post Room



**Berkold Refrigeration Limited
DR Cooling Systems Limited
Wessex Marketing Company Limited
(In Administrative Receivership)**

Joint Administrative Receivers' Report
Pursuant to S.48 of the Insolvency Act 1986

14 October 1996

**Berkold Refrigeration Limited
DR Cooling Systems Limited
Wessex Marketing Company Limited**
(in administrative receivership and liquidation)

1. Introduction

- 1.1 In accordance with Section 48 of The Insolvency Act 1986 ("IA 1986"), I set out below my report on the receivership of Berkold Refrigeration Limited, DR Cooling Systems Limited and Wessex Marketing Company Limited ("the Companies") (together with Drakes Refrigeration Limited referred to as "the Group") following the appointment of Richard Hill and myself as Joint Administrative Receivers, on 31 July 1996, by Barclays Bank Plc ("the Bank").

2. Statutory information

	Berkold Refrigeration Limited	DR Cooling Systems Limited	Wessex Marketing Company Limited
Company Number	2002653	1780212	1651893
Date of incorporation	21 March 1986	22 December 1983	16 July 1982
Registered office	1st Floor Dukes Keep Marsh Lane Southampton SO14 3EX	1st Floor Dukes Keep Marsh Lane Southampton SO14 3EX	1st Floor Dukes Keep Marsh Lane Southampton SO14 3EX
Trading address	518 Wallisdown Rd Bournemouth Dorset BH11 3EX	518 Wallisdown Rd Bournemouth Dorset BH11 3EX	518 Wallisdown Rd Bournemouth Dorset BH11 3EX
Business	Servicing of refrigerated units	Design and manufacture of cooling equipment	Direct sales of refrigerated units
Directors	AM Drake RI Drake MJD Drake	AM Drake DL Drake RI Drake MJD Drake	AM Drake DL Drake RI Drake MJD Drake JE Forsythe
Secretary	DG Hitch	DG Hitch	DG Hitch
Share capital	Allotted and fully paid up £	Allotted and fully paid up £	Allotted and fully paid up £
£1 ordinary shares	2	2	2

3. Events leading up to appointment

- 3.1 Following significant losses in 1994 the Group undertook various steps to generate sufficient turnover and reduce costs to return to profitability. Despite an improvement in 1995 the cash effect of earlier losses continued to cause problems.
- 3.2 In September 1995 the directors recognised the need to refinance the business and commenced discussions with a potential investor. These discussions continued into 1996. Despite strong indications of support from the potential investor, an appropriate refinancing arrangement was never completed.
- 3.3 The Group's cash position continued to deteriorate, with turnover in March and April 1996 well below expectations. Payments to the Inland Revenue were deferred in expectation that a substantial cash injection would be forthcoming. When it became clear that Drakes Refrigeration Limited ("Drakes") would be unable to meet its commitments the Inland Revenue issued a winding-up petition against Drakes.
- 3.4 The petition was due to be heard on 31 July 1996. This prompted the Group's bankers to appoint Administrative Receivers on that date to protect its position. A winding-up order was also made against Drakes on 31 July 1996.

4. Action taken since appointment

- 4.1 Due to a dispute over ownership of certain assets of the Group and in view of the winding-up order made against Drakes, trading ceased on 31 July 1996. The business and assets of the Group were advertised and a sale was completed on 23 August 1996.
- 4.2 Litigation in respect of the ownership of trade debtors and certain chattel assets is underway and likely to continue for some time.

5. Debenture holder

- 5.1 The Bank holds a fixed and floating charge over all the assets, undertaking and property of the Group together with a chattel mortgage over certain items of equipment. At the date of our appointment, the Bank was owed £1.091m by Drakes, supported by cross guarantees given by the other companies forming the Group.

6. Statement of affairs

- 6.1 Statements of Affairs were requested from the directors on 2 August 1996. These have not yet been received.

7. Preferential creditors

- 7.1 Preferential creditors in respect of the Companies the subject of this report are estimated as follows:

	£'000
HM Customs & Excise	16

- 7.2 There may be sufficient funds to enable a small dividend to be paid to the preferential creditors.

8. Other creditors

- 8.1 The prospect of funds becoming available for the unsecured non-preferential creditors is dependent on the outcome of litigation in respect of the ownership of trade debtors and certain other assets.

9. Section 48 meeting

- 9.1 Pursuant to Section 48 of The Insolvency Act 1986, a meeting of creditors of the Companies will be held at the offices of KPMG, 1st Floor, Dukes Keep, Marsh Lane, Southampton, SO14 3EX at 10.30 am on 31 October 1996. A formal notice to this effect is attached.

Signed
John BR Dare
Joint Administrative Receiver

14 October 1996