

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company
Igloo Thermo-Logistics Limited

Company number
05076704

In the High Court of Justice
(full name of court)

Court case number
21650/2009

(a) Insert full
name(s) and
address(es) of
administrator(s)

I/We (a)
Stanley Donald Burkett-Coltman
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

Alexander Kinninmonth
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

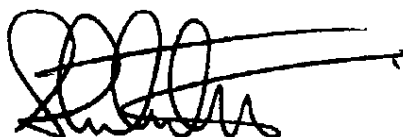
*Delete as
applicable

attach a copy of ~~my~~/our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 16 February 2010

Signed



Joint Administrator(s)

Dated

Contact Details.

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

The contact information that you give will be visible to researchers of the public record

Stanley Donald Burkett-Coltman
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

DX Number

+44 (0) 2380 646 464
DX Exchange



A38IAHRL

A06

23/02/2010

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COMPANIES HOUSE

code

When you have completed and signed this form, please send it to the Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Private and Confidential

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Chandlers Ford, Eastleigh,
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www.rsmtenon.com

Our ref ASK/HJA/5001202/12

11 February 2010

TO ALL KNOWN CREDITORS

When telephoning or emailing please contact Helen Arney on 023 8064 6431 or helen.arney@rsmtenon.com

Dear Sirs

Igloo Thermo-Logistics Limited ("the Company") – In Administration

I refer to my initial letter dated 20 January 2010. I now write to provide creditors with my report and proposals setting out the information required by and to discharge the Joint Administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and Rule 2.33(1) and (2) of the Insolvency Rules 1986 (as amended) ("the Rules")

1 Statutory Details

Attached as **Appendix I** are the statutory details of the Company and information regarding the appointment of the Joint Administrators

2. Circumstances leading to the appointment of Joint Administrators

The business commenced trading in August 2004 by founders Alistair Turner and Anthony Coates-Smith. The Company sought to provide a nationwide, branded, high quality service provider offering frozen, chilled and ambient transport solutions tailored to the food and pharmaceutical industries.

Following two years of trading and high growth the directors found the market for high quality service provision was larger and more diverse than expected. As such they sought investment in order to become the largest and best known service provider in the market.

It soon became apparent that the base costs were too high and it became increasingly difficult for the Company to service its financial obligations and as a result the Company fell into arrears with its VAT and PAYE payments of £377,000. In addition the Company fell into arrears with the landlord in respect of the property in Watford.

The directors successfully negotiated a payment plan with HM Revenue & Customs ("HMRC") in relation to the outstanding debt and also agreed a payment plan with the landlord in respect of one of the business premises.

During November the directors were in discussions with the current shareholders with a view to raising more investment. It became apparent that no further investment was forthcoming as a result the Company was not in a position to adhere to the payment plans. With an imminent threat of either a distraint or petition the Company's management sought advice from Stanley Burkett-Coltman, an Insolvency Practitioner from RSM Tenon Recovery.

Recovery and Insolvency services are provided through RSM Tenon Limited and our Insolvency Practitioners are authorised to act in this capacity by their individual licensing bodies. RSM Tenon Limited is a subsidiary of RSM Tenon Group PLC. Directors and staff acting as Administrative Receivers and Administrators act as agents of the Company over which they are appointed and contract without personal liability.

RSM Tenon Limited is an independent member firm of RSM International, an affiliation of independent accounting and consulting firms. RSM International is the name given to a network of independent accounting and consulting firms each of which practices in its own right. RSM International does not exist in any jurisdiction as a separate legal entity.

RSM Tenon Limited (No 4066924) is registered in England and Wales. Registered Office 66 Chiltern Street, London W1U 4GB, England.



Committed to the efficient
use of natural resources

Following a review of the Company's business, it was quickly established that the Company was insolvent both on a balance sheet and commercial insolvency basis

Having notified both the Company's bank, Lloyds TSB Bank Plc ("Lloyds") and Lloyds TSB Commercial Finance ("LTSBCF") of the Company's financial position, I recommended that the Company filed a notice of intention to appoint Administrators in order to obtain the moratorium protection that this provided. A first Notice of Intention was filed on 7 December 2009 with a second notice being filed on 18 December 2009 due to the circumstances described below and in turn this provided the Company with the required protection until 5 January 2010

With these provisions in place to protect the business, I instructed agents to value the assets of the Company and recommend a disposal strategy. Full details of the strategy adopted are detailed later in this report. As a result of this strategy, a number of parties were identified. As a result of negotiations Total Temperature Management Limited emerged as the sole bidder.

In addition in this interim period I liaised with the Traffic Commissioners with regard to the HGV licences which were crucial to the ongoing business, for the earliest possible hearing to consider a Regulation 31 application. The hearing was subsequently held on 4 January and I attended a hearing before the Traffic Commissioners to consider my application under Regulation 31 to enable me to trade the business of the Company following my appointment (otherwise the business would immediately have to cease to trade). As such the urgency in obtaining the VOSA licences was apparent in advance to accepting my appointment. The Traffic Commissioner granted the application, however this would expire at 23 59 hours on 7 January 2010. An immediate sale was therefore required in order to protect the business and assets and prevent a close down (effective immediately on expiry of the Regulation 31 application which would have resulted in the loss of 70 jobs).

With the Regulation 31 in place, subject to my appointment, it was possible to continue to trade the business on an ongoing basis under the umbrella of the Administration process. Subsequently, on 5 January 2010, Stanley Donald Burkett-Coltman and Alexander Kinninmonth were appointed as Joint Administrators pursuant to Paragraph 12(1)(b) of Schedule B1 of the Act. The appointment provided that any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

2.1. Summary of recent performance

A summary of the recent trading position is shown below

	Mgmt Accts for three months to October 2009 £	Draft Accts for the year ended 31 July 2009 £	Audited Accts for the year ended 31 July 2008 £
Turnover	700,518	3,663,271	3,065,855
Cost of Sales	(513,130)	(2,787,656)	(2,270,396)
Gross Profit	187,387	875,615	795,459
Gross Profit %	(27%)	(24%)	(26%)
Overheads	(263,860)	(1,258,335)	(783,024)
Net Profit/(Loss)	(76,473)	(382,720)	12,435

It should be noted that the accounts have not been verified for accuracy and therefore may not reflect the business's true trading position.

3. Objectives of administration and strategy for achievement by the Joint Administrators

The objective of the Administration process is to -

- (a) rescue the Company as a going concern, or
- (b) achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

The first objective for the Administration could not be met. Without an immediate injection of replacement funding the Company could not be rescued as a going concern. No such funding was available.

The strategy for the Administration is therefore to achieve a better result for the Company's creditors than would be achieved should the Company be wound up.

4. Management of Business by the Joint Administrators following appointment

Having secured the appointment, I continued my negotiations with Total Temperature Management Limited.

In the interim, the Company's business continued to be operated under my management, thereby preserving the business with a view to affecting a going concern sale.

Finalisation of the terms of the sale became protracted. However, I am pleased to report that, as a result of the strategy adopted, during this period of negotiation the integrity of the business was preserved and as a result I was able to save the jobs of the remaining circa 70 employees by selling the business as a going concern at 23.50 hours on 7 January 2010 to Total Temperature Management Limited for £15,000, apportioned, as set out below:

	£
Contracts	1
Goodwill	5,000
Intellectual Property	1
Plant and Equipment	5,497
Stocks	1
Motor Vehicle	4,500
Total	15,000

Payment of the unconditional consideration was on a deferred basis being £10,000 on completion and the balance as follows -

	£
On completion	10,000
By 1 March 2010	1,000
By 1 April 2010	2,000
By 1 May 2010	2,000
Total	15,000

In addition to the unconditional consideration above, there are unconditional sums payable based on future turnover or in the event of a sale of the business, full details of which are continued at **Appendix II**.

Given an element of this consideration is deferred, I sought to protect the position of creditors by both retaining title to assets and obtaining a debenture secured by fixed and floating charges over the assets of Total Temperature Management Limited created on 7 January 2010 and registered on 22 January 2010.

Full details of the valuations achieved, the marketing undertaken and the details of the sale can be found at **Appendix II** to this report.

5. Proposed Exit Route of Administration

It is proposed that the Administration will end with the Company being placed into either Creditors Voluntary Liquidation ("CVL") pursuant to paragraph 83 of schedule B1 to the Act, or into Compulsory Liquidation pursuant to a petition being presented to the court by the Joint Administrators

Enclosed with this report are the Joint Administrators proposals, which include at proposal (c) that, Stanley Donald Burkett-Coltman and Alexander Kinninmonth be the proposed liquidators of the Company

If the Joint Administrators consider it appropriate to exit into a CVL, then pursuant to paragraph 83(7) of Schedule B1 to the Act and rule 2.117(3) of the Rules, the creditors may nominate a different person(s) as the proposed liquidator(s) provided that the nomination(s) is made after the receipt of the proposals but before the proposals are approved. If the Company exits into compulsory liquidation, the Joint Administrators propose to take the appointment as Joint Liquidators pursuant to section 140(1) of the Act

Alternatively, if the Joint Administrators consider that there will be no distribution to creditors who are neither secured nor preferential, and if they also consider that an exit from the administration into liquidation is not appropriate, then the Joint Administrators be authorised to take the necessary procedural steps to bring about the end of the administration and move the Company to dissolution pursuant to paragraph 84 of Schedule B1 to the Act

6. Statement of Affairs

A summary Statement of Affairs is attached to this report as **Appendix III**

6.1 Book Debts (Including Administrators Sales)

The Company's book debts at the date of completion of the sale had a book value of £528,357 including £28,337 of sales achieved between the date of the Administration Order and the date of the sale. After accounting for known bad debts and making a general provision, it is estimated that approximately £316,317 will be recoverable on a going concern basis.

The sale of the business as a going concern preserved the integrity of the debtor ledger by ensuring continuity of supply, thereby preserving and/or reducing the volume of counter claims and credit notes arising by ensuring customer disputes were dealt with by the purchaser under the terms of the sale and purchase agreement in a timely manner and preventing any claims arising for damages due to breach of contract for failure to continue to supply services under the service contracts with the company's customers.

To date the sum of £251,805 has been received which has been paid to Lloyds TSB Commercial Finance under the terms of their invoice finance arrangement. At the date of my appointment LTSBCF were owed £261,370 including their termination charges following termination of the agreement.

6.2 Plant and Machinery and Computer Equipment ("Plant and Equipment")

The Company's plant and machinery and computer equipment had a book value of £68,029 and £38,219 respectively but were subject to various finance agreements. Independent agents, Edward Symmonds ("ES") instructed by me reported that the Plant and Equipment was valued at £7,550 and £1,950 on a going concern and forced sale basis respectively. The equity in the combined plant and machinery and computer equipment was attributed a value of £5,497 in the sale to TTM. To date, £4,999 has been received under the deferred consideration arrangement.

6.3 Goodwill and Intellectual property

No value was attributed to goodwill in the Company's accounts. ES advised that no value was realisable in a forced sale scenario. As reported earlier, goodwill was included within the sale of assets to TTM and attributed an unconditional value of £5,000. I can confirm that this sum has been received in full. There is however a conditional element of goodwill based on turnover and/or a future sale of the business. (See Appendix II)

6.4 Motor Vehicles

The Company's motor vehicles were reflected in the Company's accounts with a book value of £363,704 however the fleet of vehicles were subject to numerous finance agreements ES valued the equity in the motor vehicles at £5,000 on a forced sale basis and £7,850 on a going concern scenario The equity in the motor vehicles was attributed a value of £4,500 in the sale to TTM This will be paid under the deferred consideration of the whole assets as mentioned above The sale and purchase agreement provided the purchaser with the ability to novate the agreements where possible, thereby reducing the overall level of unsecured creditors where this was achieved In addition there is one vehicle not subject to the sale agreement with a nominal value of £350

6.5 Stocks and contracts

No value was attributed to the stocks and contracts in the Company's accounts however as mentioned earlier these were included in the sale to TTM for the sum of £2 This sum will be paid as part of the deferred consideration referred to earlier in this report

7 Joint Administrators' Receipts and Payments Account

I attach at **Appendix V** a summary of the Joint Administrators' Receipts and Payments account to the date of this report There have been realisations totalling £10,000 as specified above, which does not include the amounts paid to LTSBCF under their factoring agreement Expenses totalling £5,108 have also been incurred, which I trust you will find self explanatory

8 Joint Administrators' Proposals

Pursuant to Paragraph 49 of Schedule B1 of the Act, enclosed with this report are the Joint Administrators' proposals for achieving the purpose of the Administration as set out in Section 3 of this report

9 The Prescribed Part

A debenture was granted in favour of LTSBCF created on 14 September 2004 and registered on 18 September 2004 and a subsequent one created on 10 November 2008 and registered on 12 November 2008 I am pleased to report that LTSBCF will shortly be repaid their indebtedness in full Lloyds TSB Bank Plc ("the Bank") were owed £49,675 as at the date of the Administration Order The Bank also holds a debenture created on 25 February 2009 and registered on 28 February 2009

Since the charge of the Bank follows the commencement of the provisions of Section 176A of the Act, the Joint Administrators are required to set aside a "Prescribed Part" fund especially for unsecured creditors

Such a fund will not apply should the Company's net property amount to less than £10,000 and the Joint Administrators consider that the cost of making such a distribution would be disproportionate to the benefits The "Prescribed Part" is calculated at 50% of the first £10,000 of the net property and 20% of the remainder

10 Joint Administrators' Remuneration

The Joint Administrators are proposing that they should be remunerated by reference to time properly spent by them and their staff in attending to the matters arising from the Administration of the Company pursuant to rule 2.106(2)(b) of the Rules The Joint Administrators will be seeking agreement for such remuneration from the Creditors' Committee or, in the event that such a committee is not formed, from the creditors at the forthcoming meeting by way of formal resolution

Included within this report, as **Appendix V** is a schedule of time costs to date and supporting information as required by Statement of Insolvency Practice number 9 The Joint Administrators have time costs to date of £27,709 and disbursements of £207 In addition, the Joint Administrators incurred pre appointment time costs of £37,537 of which £14,258 relate to the Joint Administrators obtaining their appointment As detailed in the enclosed proposals, it is intended that the costs and expenses in connection with the making of the appointment

of the administrator and the costs and expenses incurred in giving notice of intention to appoint the administrator will be treated as an expense of the administration. The balance of my pre-appointment costs has been paid by way of a contribution to costs from the directors and LTSCF totalling £22,500.

Please go to www.rsmtenton.com and click on "Creditors' Guides" should you require further information relating to Administrator's remuneration, alternatively a copy is available free of charge upon request.

11 Meeting of Creditors

A notice convening the first meeting of creditors is enclosed with this report. This meeting is due to be held on 26 February 2010 at 11 00 a.m. at Sherlock House, 73 Baker Street, London, W1U 6RD.

This meeting is to consider and approve (or otherwise) the Joint Administrators' proposals.

Creditors can either attend the meeting in person or by completing the enclosed proxy form.

12 Joint Administrators' Investigations

Under the insolvency legislation, I have a duty to consider the conduct of those who have been directors of the Company at any time within three years preceding the Administration. I am also required to consider whether any civil proceedings should be taken. Please let me know, using the attached form, if there is any matter of which you believe I should be aware when considering the directors' conduct. I would stress that this request for information forms part of my usual investigation proceedings.

13 EC Regulation on Insolvency Proceedings 2000

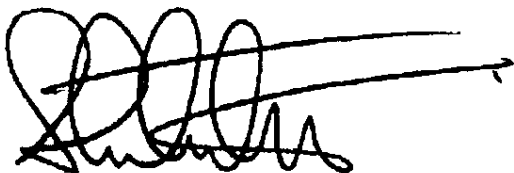
For the following reason it is considered that the EC Regulation on Insolvency Proceedings 2000 will apply. If it does apply, these proceedings will be the main proceedings as defined in article 3 of the EC regulation.

The Company's registered office and from where the Company carried on its business are both situated in the United Kingdom. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom.

14 Further Information

Should you require any further information, please do not hesitate to contact Helen Arney on the telephone number shown at the head of this report.

Yours faithfully
For and on behalf of
Igloo Thermo-Logistics Limited - In Administration



Stanley Donald Burkett-Coltman

Joint Administrator

Licensed in the United Kingdom to act as an Insolvency Practitioner by the Insolvency Practitioners Association

The affairs, business and property of the Company are being managed by the Administrators

Enclosures

Igloo Thermo-Logistics Limited ("the Company") – In Administration
Company Information

Company Name	Igloo Thermo Logistics Limited
Company Number	05076704
Registered Office	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ
Trading Address	Unit 5, Vale Industrial Park, Tolpits Lane, Watford, Hertfordshire, WD18 9QP

Appointment details

Joint Administrators	Stanley Donald Burkett-Coltman and Alexander Kinninmonth of RSM Tenon Recovery
Joint Administrators' address	Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TZ
Date of appointment	5 January 2010
Court	High Court of Justice
Court Reference	21650 of 2009
Appointed by	Directors
Functions	Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone
EC Regulations	The Company's registered office is from where the Company carries on its business. Therefore in the absence of proof to the contrary, the Company's centre of main interests is in the United Kingdom and as such these proceedings will be the main proceedings as defined in article 3 of the EC regulation

Directors and Shareholders

Company Directors	Anthony Coates-Smith Alistair John Turner		
Company Secretary	Alistair John Turner		
Shareholders	Alistair John Turner	62,000	Ordinary
	Anthony Coates-Smith	62,000	Ordinary
	Duncan Bannatyne	18,000	Ordinary
	Richard Farleigh	18,000	Ordinary
		<u>160,000</u>	<u>Ordinary</u>

Share Capital

Authorised	Allotted, called up and fully paid
160,000 Ordinary shares £1 each	160,000 Ordinary shares of £0.50 each

Charges

Debenture created 14 September 2004 registered 18 September 2004 in favour of Lloyds TSB Commercial Finance Limited providing fixed and floating charges over all assets of the Company

Debenture created 10 November 2008 registered 12 November 2008 in favour of Lloyds TSB Commercial Finance Limited providing fixed and floating charges over all assets of the Company

Debenture created 25 February 2009 registered 28 February 2009 in favour of Lloyds TSB Bank Plc providing fixed and floating charges over all assets of the Company

Mortgage created 18 June 2009 registered 24 June 2009 in favour of Lloyds TSB Bank Plc providing security over land and property at Unit 5, Vale Industrial Park, Tolpits lane, Watford, Herfordshire

Igloo Thermo-Logistics Limited ("the Company") – In Administration Sale Details

- The source of the Administrators' initial introduction was Gener8 Finance
- The Administrators' involvement prior to appointment included a meeting with Stanley Burkett-Coltman and the directors of the Company, it's accountant and Financial Controller on 12 November 2009 at the accountants premises. It was clear that the Company was encountering liquidity issues and that unless the directors could facilitate the required injection of additional working capital or funding via rights issue with the Company's existing shareholders to meet its existing and ongoing liabilities that it would need to consider some form of insolvency proceedings
- The directors were unable to obtain the necessary level of funding required to continue trading and Stanley Burkett-Coltman attended the Company's premises for the first time on Friday 4 December to review the position of the business and the options available. It was concluded that it would be in the interests of creditors generally, and employees specifically, if a buyer for the business could be found quickly. This would ensure continuance of service to existing clients and would thus reduce the likely chance of counter-claims from clients against sales invoices already raised
- The objective of Administration is to facilitate the rescue of a Company as a going concern but, if that is not reasonably practicable in all the circumstances, then to implement the next best alternative in the interests of the Company's creditors as a whole
- In order for the business to continue trading it was necessary for Stanley Burkett-Coltman to attend a hearing with the Traffic Commissioners on 4 January to consider the proposed administrators application under regulation 31 to enable them to trade the business of the Company following appointment (otherwise the business would have to immediately cease to trade)
- In this regard an agent was instructed who prepared a report on the historic performance of the Company and it's ability to maintain the required standards as required by VOSA and the Traffic Commissioner ("TC")
- Edward Symmons were instructed on 7 December 2009. The role of Edward Symmons was to prepare and provide inventories of all of the Company's assets, advise on the value of the assets and then to advise on the marketing and sale of the business and undertake a marketing campaign
- In an effort to generate interest and offers in the business, Edward Symmons contacted around a dozen of Igloo's competitors and provided brief sales particulars to those requesting further information. No alternative offers were received by the deadline of 16th December and Edward Symmons or the joint administrators were not made aware of any serious alternative interest in an acquisition other than from purchaser
- Edward Symmons provided a valuation on the Company's assets as follows -

	Going Concern £	Break-up £	Consideration Achieved £
Leasehold property	nil	nil	nil
Plant and equipment (equity only)	8,400	1,950	5,497
Motor vehicles	7,000	5,000	4,500
Goodwill and Intellectual Property			5,001
Benefit of contracts and records		Nil	1
Stock			1
	<u>15,400</u>	<u>6,950</u>	<u>15,000</u>

- A simple sale of the assets was considered by the proposed administrators however this would have resulted in

Appendix II (continued)

- 69 jobs being lost over the 2 locations in Leeds and in Watford. Thus resulting in claims arising for redundancy / pay in lieu of notice / arrears of wages and unpaid holiday pay claims together with future claims for Job Seekers Allowance. The claims against the Company alone would likely to exceed £100k. A sale as a going concern would result in all of the contracts of employment being transferred to the purchaser under the Transfer of Undertakings (Protection of Employment) Regulations 2006
 - Counter claims arising for breach of contract from the Company's customers of circa £60k to £100k, as TTM would service existing agreements with customers
 - The overall integrity of the debtor ledger of the Company would be compromised thus reducing the level of recovery due from the debtors, together with counter-claims arising for breach of contract. As such it is likely that the secured creditors, Lloyds TSB Commercial Finance and Lloyds Bank Plc would not be repaid in full
 - Claims from the early termination of five finance agreements held with several finance companies and significant claims arising therefrom
- Requests were made to the shareholders, Lloyds TSB Commercial Finance, Lloyds TSB Bank Plc and Gener8 Finance to fund working capital requirements both prior to and subsequent to the notice of intention being filed, however these were not available due to a lack of security. The directors had already provided personal guarantees in respect of previous borrowings
 - Discussions were held with Lloyds TSB Bank Plc and Lloyds TSB Commercial Finance in respect of the proposed sale throughout the whole process. Both creditors provided their support in favour of such action
 - The transaction completed at 23.50 on 7 January 2010 to Total Temperature Management Limited
 - The consideration for the transaction was £15,000 with £10,000 payable on completion and £5,000 deferred as follows -

£1,000 on 1 March 2010,

£2,000 on 1 April 2010, and

£2,000 on 1 May 2010

The deferred consideration is covered by a debenture providing the administrators with a charge over TTM's assets

In addition to the unconditional sums above, we also included two other key conditional provisions based on TTM's turnover and in the event that TTM is sold. In relation to turnover during the period its Monthly Turnover

exceeds £245,000 but does not exceed £300,000, then an amount equal to 5% of this element of their turnover is payable

exceeds £300,000 but does not exceed £350,000 an amount equal to 4% of the Monthly Turnover is payable,

exceeds £350,000 but does not exceed £380,000 an amount equal to 5% of the Monthly Turnover is payable,

In the event that TTM is sold within 12 months of completion (ie 7 January 2011) the purchaser will pay

Appendix II (continued)

an amount equal to 50% of the Sale Proceeds (plus VAT if applicable) which exceeds £250,000 but does not exceed £500,000,

an amount equal to 25% of the Sale Proceeds (plus VAT if applicable) which exceeds £500,000 but does not exceed £1,000,000,

an amount equal to 15% of the Sale Proceeds (plus VAT if applicable) which exceeds £1,000,000 but does not exceed £1,500,000,

an amount equal to 10% of the Sale Proceeds (plus VAT if applicable) which exceeds £1,500,000 but does not exceed £2,000,000,

an amount equal to 5 % of the Sale Proceeds (plus VAT if applicable) which exceeds £2,000,000 or £25,000, which is the lesser amount,

- In relation to personal guarantees given by the directors of the Company, we understand that both Mr Coates-Smith and Mr Turner provided personal guarantees to both the Company's banker, Lloyds Bank Plc and the invoice financier of the Company, Lloyds TSB Commercial Finance
- The sale was not part of a wider transaction. In addition, other than the debenture referred to above, there are no other options by such arrangements or similar conditions in the contract of sale
- The purchaser was TOTAL TEMPERATURE MANAGEMENT LIMITED (Registered Number 07092695) whose registered office is at c/o Cox Costello & Horne Limited, Langwood House, 63-81 Rickmansworth, Hertfordshire, England, WD3
- Anthony Coates-Smith is both a director of the Company and is a director of the purchaser
- Alistair Turner was a director and transport manager of the Company. Mr Turner is involved in the management of the purchaser and continues to retain the role of transport manager
- The following directors have given guarantees for amounts due from the Company to a prior financier and whether that financier is financing the new business

Insolvency Act 1986

Igloo Thermo-Logistics Limited
Estimated Statement Of Affairs as at 5 January 2010

	Book Value £	Estimated to Realise £	£
ASSETS			
Goodwill and Intellectual property	NIL	5,001 00	
Book Debts	500,020 00	316,317 00	
Lloyds TSB Commercial Finance Ltd	(261,370 00)	(261,370 00)	
Lloyds TSB Bank plc	(105,141 00)	(105,141 00)	
Deficiency c/d		<u>(45,193 00)</u>	
Plant & Equipment	106,248 00		5,497 00
Equity in Motor Vehicles	399 00		4,500 00
Stock and Contracts	NIL		<u>2 00</u>
			9,999 00
LIABILITIES			
PREFERENTIAL CREDITORS -			
			<u>NIL</u>
			9,999 00
Estimated prescribed part of net property where applicable (to carry forward)			<u>4,999 50</u>
			4,999 50
DEBTS SECURED BY FLOATING CHARGE			
Deficiency b/d		45,193 00	
			<u>45,193 00</u>
			<u>(40,193 50)</u>
Estimated prescribed part of net property where applicable (brought down)			<u>4,999 50</u>
			4,999 50
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		320,391 90	
HM Revenue & Customs PAYE & NIC)		308,440 00	
HM Revenue & Customs		69,097 00	
			<u>697,928 90</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)			(692,929 40)
Shortfall to floating charge holders (brought down)			<u>40,193 50</u>
			(733,122 90)
Issued and called up capital			
Ordinary Shareholders		80,000 00	
			<u>80,000 00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(813,122 90)</u></u>

Appendix IV

Summary of Joint Administrators Receipts and Payments Account

Notes: *This account of receipts and payments should be read in conjunction with the supporting notes*

The Company is VAT registered and the account is exclusive of VAT

The balance in hand is held on an interest bearing account at Clydesdale Bank plc

Igloo Thermo-Logistics Limited
(In Administration)
Joint Administrators' Trading Account
To 12/02/2010

S of A £	£	£
POST APPOINTMENT SALES Sales	<u>28,337 15</u>	28,337 15
<u>TRADING SURPLUS/(DEFICIT)</u>		<u><u>28,337.15</u></u>

Igloo Thermo-Logistics Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 12/02/2010

S of A £		£	£
	SECURED ASSETS		
5,001 00	Goodwill and Intellectual property	5,001 00	
316,317 00	Book Debts	NIL	
			5,001 00
	SECURED CREDITORS		
(261,370 00)	Lloyds TSB Commercial Finance Ltd	NIL	
(105,141 00)	Lloyds TSB Bank plc	NIL	
			NIL
	ASSET REALISATIONS		
5,497 00	Plant & Equipment	4,999 00	
4,500 00	Equity in Motor Vehicles	NIL	
2 00	Stock and Contracts	NIL	
	Trading Surplus/(Deficit)	28,337 15	
			33,336 15
	COST OF REALISATIONS		
	Legal Fees	5,108 06	
			(5,108 06)
	UNSECURED CREDITORS		
(320,391 90)	Trade & Expense Creditors	NIL	
(308,440 00)	HM Revenue & Customs PAYE & NIC)	NIL	
(308,440 00)	HM Revenue & Customs	NIL	
			NIL
	DISTRIBUTIONS		
(80,000 00)	Ordinary Shareholders	NIL	
			NIL
(1,052,465.90)			33,229.09
	REPRESENTED BY		
	Trade Debtors		33,296 14
	Vat Receivable		757 21
	Interest Bearing Current Account		4,134 73
	Vat Payable		(4,958 99)
			33,229.09

**Igloo Thermo-Logistics Limited ("the Company") – In Administration
Office Holder Remuneration**

Case Name	Igloo Thermo-Logistics Limited	
Court	High Court of Justice, Companies Court	
Court reference	21650 of 2009	
Office Holders	Stanley Donald Burkett-Coltman	IP Number 9181
	Alexander Kinninmonth	IP Number 9019
Firm	RSM Tenon Recovery	
Address	Highfield Court, Tollgate Chandlers Ford Eastleigh Hampshire, SO53 3TZ	
Type of Appointment	Administration	
Date of Appointment	5 January 2010	

1. Overview of Case

1.1. Appointment

We were appointed Joint Administrators on 5 January 2010 following an application by the directors of the Company

1.2. Strategy

I would refer you to the main body of this report for the details of the progress made in the Administration for this reporting period. It has been the Joint Administrators' policy to delegate the more routine aspects of the administration of this case to junior staff to maximise the cost effectiveness of the work performed. These members of staff are supervised by senior staff or the Joint Administrators. Any matter of particular complexity or significance that requires responsibility of exceptional kind has been dealt with by senior staff of the Joint Administrators.

1.3. Existing fee arrangements

Resolutions regarding remuneration and disbursements will be sought at the forthcoming meeting of creditors.

1.4. Outcome to Creditors

Please refer to the main body of the report for details.

2. Explanation of office-holders charging and disbursement recovery policies

2.1. Time recording

Time properly incurred on cases is charged to the assignment at the hourly rate prevailing at the time
The current hourly charge out rates are outlined below

	£
Director and Associate Director	315-430
Senior Manager, Manager and Supervisor	155-330
Other Senior Professionals	110-145
Support and Administration Staff	85-100

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of RSM Tenon Recovery

2.2. Disbursement recovery

Certain costs may be incurred in relation to a case and in the first instance, paid by RSM Tenon Recovery, and then recharged to the case. The amount recharged is the exact amount incurred. Examples are statutory bond, statutory advertising, land registry searches, insurance, travel and subsistence, archiving and storage costs

2 2 1 Other costs which may be charged to the case are room hire for meetings held at the offices of RSM Tenon Recovery and the cost of sending out reports to creditors, if material. The costs recharged are based upon the actual cost of the materials used or the costs which would have been incurred if that service had been sourced externally

2 2 2 The current level of costs recharged are detailed below

Category	Cost	Basis
Stationery	4p, 3p, 35p	Per envelope, letterhead or label
Photocopying	5p	Per page
Faxes	50p	Per page
Storage	£7 20p	Per box per year
Room hire	£100	Fixed charge
Car Mileage	40p	Per mile
Other Travelling		Actual

3. Description of work carried out

Section 4 of this appendix outlines the time costs to date in relation to activities undertaken during this matter. These matters can be summarised as follows

3.1. Pre-appointment

Time spent in this category comprises the activities required to obtain an Administration Order

3.2. Administration and planning

The following activities have been undertaken

- > Statutory duties associated with the appointment including the filing of relevant notices,
- > Notification of the appointment to creditors, members, employees and other interested parties,
- > Setting up case files,
- > Reviewing available information to determine appropriate strategy,
- > Setting up and maintaining bank accounts,

Members of staff of different levels were involved in the above activities depending upon the experience required

3.3. Investigations

The time spent comprises

- > Corresponding with the former directors and management,
- > Review of questionnaires and comments provided by interested parties,
- > Review of Company documentation,
- > Liaising with the creditors' committee on such matters, and
- > Completion of statutory returns to the Department of Trade and Industry

Due to the complex nature and importance of the investigations, the staff utilised to conduct such work involved experienced members of staff

3 4. Realisation of assets

Please refer to the main body of the report for full details of the assets realised

Members of staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

3 5. Trading

The business continued to trade for a short period of time provide details of reasons

Trading activities included,

- > Planning appropriate trading strategy,
- > Liaison with employees,
- > Dealing with suppliers,
- > Contact and negotiation with customers,
- > Authorisation of commitments,
- > Review of trading position,

Staff were chosen depending upon the appropriate level of experience required for the activity they were required to undertake

3.6 Creditors

The time spent includes the following matters

- > Recording and maintaining the list of creditors,
- > Dealing with employee related matters,
- > Dealing with reservation of title claims,
- > Recording creditor claims
- > Reporting to creditors,
- > Meetings of creditors,
- > Dealing with creditor queries,
- > Reviewing and evaluating creditor claims,

Appendix V (continued)

4. Time and chargeout summary

To date a total of 166 75 hours have been spent post appointment at an average charge out rate of £391 28 bringing the total cost to date to £65,246

A summary table is shown below

Classification of work function	HOURS					Time cost £	Average hourly rate £
	Director & assoc director	Senior manager, manager & supervisor	Other senior professionals	Admin & support staff	Total		
Pre-appointment	67 75	50 15	0 00	1 90	80 55	37,536 50	466 00
Administration & planning	5 80	1 70	6 70	0 40	14 60	3,752 50	257 02
Realisation of assets	22 70	14 50	0 00	0 00	37 20	13,698 00	368 23
Creditors	9 30	20 60	0 70	3 80	34 40	10,259 00	298 23
Total	<u>37 80</u>	<u>36 80</u>	<u>7 40</u>	<u>4 20</u>	<u>86 20</u>	<u>27,709 50</u>	<u>321 46</u>

The above costs exclude VAT

Fees paid – pre-appointment via LTSBCF and the directors personally £22 500 00

5. Disbursements

5.1. Category 1

Category 1 disbursements incurred are outlined below

	Incurring £	Paid £
Travel	207 50	-
Total	<u>207 50</u>	<u>-</u>

The above costs exclude VAT

5.2. Category 2 disbursements

No Category 2 disbursements have been charged to this matter

Rule 2.35

Notice of a meeting of Creditors

Name of Company Igloo Thermo-Logistics Limited	Company number 05076704
In the High Court of Justice (full name of court)	Court case number 21650/2009

(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
Stanley Donald Burkett-Coltman
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

Alexander Kinninmonth
RSM Tenon Recovery
Highfield Court, Tollgate
Chandlers Ford
Eastleigh
Hampshire, SO53 3TZ

(b) Insert full name and
address of registered
office of the company

that a meeting of creditors of (b)
Igloo Thermo-Logistics Limited

(c) Insert details of place
of meeting

is to be held at (c)
(c) Sherlock House 73 Baker Street

(d) Insert date and time
of meeting

on (d) 26 February, 2010 at 11am

The meeting is

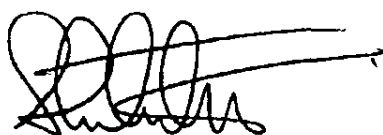
*Delete as applicable

- *(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ('the schedule')
~~*(2) an initial creditors' meeting requested under paragraph 52(2) of the Schedule~~
~~*(3) to consider revisions to my proposals under paragraph 54(2) of the Schedule~~
~~*(4) a further creditors' meeting under paragraph 56 of the Schedule~~
~~*(5) a creditors' meeting under paragraph 62 of the Schedule~~

I invite you to attend the above meeting

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12 00 hours on the business day before the day fixed for the meeting, details in writing of your claim



Signed

Joint Administrator

Dated 12 February 2010

*Delete as applicable

A copy of the *proposals/ revised proposals is attached

Igloo Thermo Logistics Limited – In Administration

Statement of Administrators' proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986

In accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986 ("the Act") and The Insolvency Rules 1986 ("the Rules"), Stanley Donald Burkett-Coltman and Alexander Kinninmonth the Joint Administrators ("Administrators") of Igloo Thermo Logistics Limited ("the Company"), make the following proposals for achieving the purpose of the Administration

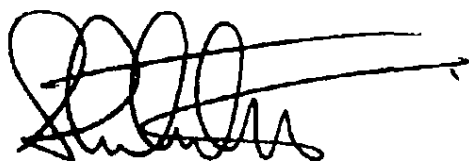
These proposals and the attached report to creditors together set out the information required by and discharge the administrators' duty pursuant to Paragraph 49 of Schedule B1 of the Act and Rule 2.33 of the Rules.

Proposals

The Administrators propose that

- (a) they continue to manage the business, affairs and property of the Company in order to achieve the purpose of the Administration such that
 - (i) they dispose of the Company's ownership of such assets at such time(s) on such terms as they consider expedient,
 - (ii) they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company which supplies or has supplied goods or services to the Company
 - (iii) in addition, they do all such things and generally exercise all their powers as Administrators as they in their discretion consider desirable or expedient in order to achieve the purpose of the administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these proposals, and
- (b) the administration shall continue (subject to the statutory provisions relating to automatic termination) until the realisable assets of the Company have been realised and all liabilities incurred during the administration have been discharged or until such a time as deemed appropriate by the Administrators. At this stage the Company shall be dissolved or placed into liquidation as outlined below. If necessary, the Joint Administrators may propose to seek an extension of their appointment as administrators from the creditors and/or the Court pursuant to paragraph 76 of Schedule B1 to the Act
- (c) in the event that the Joint Administrators are of the view that it is appropriate for the Company to move from administration into liquidation, whether compulsory or voluntary, the Joint Administrators be authorised to take steps to place the Company into whichever liquidation process they, at their discretion, deem appropriate. In either circumstance, it is proposed that the Joint Administrators would take the appointment as Joint Liquidators of the Company and that they will act jointly and severally in their duties. In relation to moving into creditors' voluntary liquidation, and in accordance with paragraph 83(7) and Rule 2.117(3), creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before those proposals are approved

- (d) if the Joint Administrators consider that there will be no distribution to creditors who are neither secured nor preferential, and if they also consider that an exit from the administration into liquidation is not appropriate, then the Joint Administrators be authorised to take the necessary procedural steps to bring about the end of the administration and move the Company to dissolution pursuant to paragraph 84 of Schedule B1 to the Act
- (e) upon the Company either proceeding into liquidation or dissolution as set out above, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from administration to dissolution
- (f) they be at liberty to incur and pay such costs and expenses, including professional fees, as considered to be incidental to the achievement of the purpose of the Administration or for the purposes set out herein or to the Joint Administrators' statutory duties
- (g) they shall be remunerated by reference to time properly spent both for their services as Administrators and also for their staff in attending to the matters arising in the administration of the Company, charged at the charge out rates prevailing at the time the work is undertaken. The Administrators' remuneration will be agreed by the Creditors' Committee or in the event that no Committee is formed by creditors at the first meeting of creditors, by way of resolution for the acceptance of these proposals
- (h) the costs and expenses in connection with the making of the appointment of the administrator and the costs and expenses incurred in giving notice of intention to appoint the administrator will be treated as an expense of the administration under R2 67 of the Insolvency Rules 1986. These charges will be calculated by reference to the charge out rates prevailing at the time the work is undertaken
- (i) they be at liberty to recharge disbursements as detailed in the circulated report and outlined in the Creditors guide to Administrators' fees, available on www.tewnongroup.com
- (j) they be at liberty to pay costs and remuneration in relation to proposals (g), (h) and (i) above when funds become available, at their discretion
- (k) they consult with the Creditors' Committee, if formed, at appropriate intervals concerning the conduct of the Administration and the implementation and development of these proposals and where they consider it expedient obtain the sanction of that Committee on behalf of the creditors of the Company (and without further reference to them) to any proposed action on the part of the Joint Administrators



Stanley Donald Burkett-Coltman
Joint Administrator

Date 12 February 2010

Insolvency Act 1986
Proxy (Administration)
Igloo Thermo-Logistics Limited
In Administration

Name of Creditor _____

Address _____

Name of Proxy Holder

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well.

1 _____

2 _____

3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion.

I appoint the above person to be my/the creditor's proxy holder at the meeting of creditors to be held on 26 February 2010 at 11am, or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

For Against

*Please tick as appropriate

1 For the acceptance of the Joint Administrators' proposals/revised proposals as circulated (excluding paragraph (e) as covered by resolution 3 below and paragraphs (g) to (j) as covered by resolution 2 below)

☐☐☐☐

2 For the acceptance of the Joint Administrators' proposals relating to remuneration and disbursements as outlined in paragraphs (g) to (j)

☐☐

3 That upon the Company either proceeding into Liquidation or dissolution, the Joint Administrators discharge from liability, pursuant to paragraph 98 of Schedule B1 shall take effect 14 days following either the Company entering into liquidation or filing the notice of moving from Administration to dissolution

4 For the appointment of _____ (name)
of _____ (firm)

as liquidator of the company

CONTINUED ON NEXT PAGE

Igloo Thermo-Logistics Limited
In Administration

- 5 If you wish to appoint a member of the creditors committee, please complete the following -

For the Appointment of _____ (name of individual)
of _____ (company/organisation name)
representing _____ (name of creditor)
as a member of the creditors committee

This form must be
signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if
the creditor has not
signed in person

Position with creditor or relationship to creditor or other authority for signature

