

Rule 1 26A/1 54

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1 26A(4)(a) or
Rule 1 54 of the
Insolvency Rules 1986**R.1.26A(4)(a)/**
R.1.54

For Official Use

To the Registrar of Companies

Company Number

03494862

Name of Company

Igloos Limited

I / ~~we~~
Kikis Kallis FCCA FABRP
Mountview Court
1148 High Road
Whetstone
London, N20 0RA

supervisor(s) of a voluntary arrangement taking effect on

20 April 2010

Attach my progress report for the period

20 April 2012

to

19 April 2013

Number of continuation sheets (if any) attached

Signed



Date

18/6/2013

Kallis & Company
Mountview Court
1148 High Road
Whetstone
London, N20 0RA

Ref IGL2282/KK/EA/CKP/IG

For Official Use

Insolvency Section

Post Room

SATURDAY



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COMPANIES HOUSE

Igloos Limited
Supervisor's Annual Report
for the year ended 19 April 2013

STATUTORY INFORMATION

Company name	Igloos Limited
Registered number	03494862
Date of incorporation	19/01/1998
Principal trading activity	Rent other machinery and Equipment
Trading address & Registered office	Cherry Park Ardeley, Stevenage, Hertfordshire, SG2 7AH
Supervisor's name	Kikis Kallis FCCA FABRP
Supervisor's address	Kallis & Company, Mountview Court, 1148 High Road, Whetstone, London N20 0RA
Supervisor's date of appointment	20 April 2010
Court name and reference	In the High Court of Justice, 2373 of 2010

The voluntary arrangement was approved on 20 April 2010 and I was appointed Supervisor

Please find below my Annual Report for the year ended 19 April 2013. This report details my comments on the progress of the arrangement and the prospects for its full implementation.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 20 April 2012 to 19 April 2013 is attached at Appendix 1 together with a summary which gives details of all transactions for the 36 months since the commencement of the voluntary arrangement on 20 April 2010.

Voluntary contributions

Under the modified terms of the arrangement Igloos Limited is scheduled to make 33 contributions of £10,000 per month except in August, rising as reviews allow.

A review was undertaken in July 2011 whereby it was agreed that due to improved trading conditions a contribution would be paid in August and commencing October 2011 contributions were to be increased by £2,000 to £12,000 per month.

Following several missed payments, Igloos Limited had accrued arrears of £72,000 as at 19 April 2013. Since the end of the year cheques had been received reducing the arrears to £48,000. Discussions are ongoing to clear the arrears in the next few weeks.

Igloos Limited has confirmed that they have not received any windfalls since the approval of the arrangement.

Igloos Limited
Supervisor's Annual Report the year ended 19 April 2013

Connected party loan repayments

As detailed in the proposal, the following amounts were due to the company as at the time of the approval of the arrangement from connected parties

Oxbury Property LLP	£	53,728 45
Luke Neale	£	37,934 45
David Featherstone	£	2,756 15
Natasha Mawer (formerly Neale)	£	26,675 49
Igloos t/a	£	36,430 29
Cherry Park Bloodstock	£	59,023 54
	£	<u>216,548 37</u>

The proposal provided for sums repaid by connected parties to be paid over to the arrangement fund within 7 days of their receipt by the company. No sums have been received by the Supervisor with regard to the above, although a review of the company's records shows that the sums due from connected parties have been reduced to some £178,000. The company intended to forward a lump sum following the completion of major projects in 2012; however, the profit earned from the projects was lower than anticipated. The directors have indicated that they will personally raise finance in order to repay the amounts due to the company by connected parties. I am liaising closely with the directors in this regard and the company is on notice that unless matters are resolved imminently there will be a Notice of Breach issued.

CREDITOR CLAIMS

	As per Proposals	Lodged to Date
	£	£
Unsecured	524,719 02	584,906 98

There are 13 creditor claims outstanding with a statement of affairs balance totalling £27,131 80.

OFFICE HOLDER'S REMUNERATION AND DISBURSEMENTS

Under the terms of the proposal my remuneration as nominee is to be calculated as a fixed fee of £3,500 plus VAT. This was paid by the Company prior to the commencement of the arrangement.

Under the terms of the proposal my remuneration as supervisor is to be calculated on a time cost basis. My total time costs to 19 April 2013 amount to £39,716 27, of which £9,898 40 was charged in the period between 20 April 2012 and 19 April 2013. I have drawn supervisor's remuneration of £15,500 in the period covered by this report and £38,300 in total during the arrangement.

A schedule of my time costs incurred to date is attached as Appendix 2 and information about current charge out rates and routine work undertaken is attached as Appendix 3.

A copy of 'A Creditors' Guide to Insolvency Practitioners' Fees under Voluntary Arrangements' published by the Association of Business Recovery Professionals and 'Statement of Insolvency Practice 9' are available at the link <http://www.kallis.co.uk/services/creditors>. Hard copies can be obtained on request to my office.

Igloos Limited
Supervisor's Annual Report the year ended 19 April 2013

During the course of the year I have taken the necessary steps to discharge my duties as supervisor in accordance with the terms of the arrangement. This includes monitoring for receipt of the company's contributions, agreeing creditors' claims, and paying a dividend to creditors.

It was originally envisaged that the Supervisor's fees for the duration of the arrangement would amount to £18,000, which equates to £6,000 for every year of the arrangement. The duration of the arrangement was extended by 6 months subsequent to the outcome statement detailing the Supervisor's fees having been produced. I have spent additional time liaising with HM Revenue & Customs in order to agree their final claim, chasing the company for late or missed contributions and collating information with regard to the company's recent trading performance.

My expenses to 19 April 2013 amount to £1,489.31 of which £760.56 was incurred in the period between I have drawn £1,460 to date of which £750 was drawn in the period between 20 April 2012 and 19 April 2013.

The following expenses have been incurred but have not yet been paid.

Type of expense	Incurred to date	Incurred in reporting period	Amount still to be paid
Postage	£29.31	£10.56	£29.31

PROGRESS AND PROSPECTS FOR THE FULL IMPLEMENTATION OF THE ARRANGEMENT


The modified arrangement requires a minimum dividend of 100p in the £. This will be achieved by way of voluntary contributions and the payment of a lump sum. The proposal is due to expire on 19 October 2013. The most recent dividend was for 20.52p in the £ and was paid to all proving unsecured creditors in October 2012, bringing total dividends paid to date to 41.89p in the £. I am currently liaising with the directors in order to agree the payment of a lump sum from personal monies in order to repay the amounts due to the company by connected parties.



KIKIS KALLIS FCCA FABRP
SUPERVISOR

Voluntary Arrangement of Igloos Limited

Statement of Affairs		From 20/04/2012 To 19/04/2013	From 20/04/2010 To 19/04/2013
SECURED ASSETS			
Uncertain	Goodwill	NIL	NIL
		NIL	NIL
SECURED CREDITORS			
	The Royal Bank of Scotland	NIL	NIL
(173,199 00)	Coutts & Co	NIL	NIL
		NIL	NIL
HIRE PURCHASE			
14,516 24	Factored Book Debts	NIL	NIL
(7,975 18)	RBS Invoice Finance Limited	NIL	NIL
350,000 00	Plant and Machinery	NIL	NIL
(452,000 00)	Lombard North Central plc	NIL	NIL
		NIL	NIL
ASSET REALISATIONS			
250,000 00	Plant & Machinery	NIL	NIL
119,000 00	Book Debts	NIL	NIL
216,548 37	Other Debtors	NIL	NIL
	Company Contributions	108,000 00	316,000 00
	Bank Interest Gross	344 70	1,210 04
		108,344 70	317,210 04
COST OF REALISATIONS			
	Petitioners Costs	750 00	750 00
	Specific Bond	NIL	680 00
	Supervisor's Fees	15,500 00	38,300 00
	Court Fees	NIL	30 00
		(16,250 00)	(39,760 00)
UNSECURED CREDITORS			
(27,131 80)	Trade & Expense Creditors	825 77	1,703 77
(289,630 00)	HM Revenue & Customs (PAYE)	67,850 44	131,778 12
(16,782 25)	HM Revenue & Customs (CT)	7,565 59	22,522 47
(191,174 97)	HM Revenue & Customs (VAT)	43,758 20	88,995 64
		(120,000 00)	(245,000 00)
DISTRIBUTIONS			
(100 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(207,928 59)		(27,905 30)	32,450.04
REPRESENTED BY			
	Bank 1 Current Interest Bearing		32,450 04
			32,450.04


Kikis Kallis FCCA FABRP
Supervisor

Appendix 2

Igloos Limited (under a voluntary arrangement)

Analysis of Supervisor's time costs for the period 20 April 2010 to 19 April 2013						
Classification of Administration	Partner Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost £
Administration & planning	24 60	0 50	49 45	2 84	77 39	15,672 86
Financials	-	-	0 50	20 34	20 84	1,594 79
Realisation of assets	4 70	0 80	22 57	-	28 07	5,372 00
General matters	22 90	0 80	16 38	-	40 08	9,808 87
Creditors	12 90	0 80	19 00	0 20	32 90	7,267 75
Total Hours	65.10	2.90	107.90	23 38	199.28	
Total Fees (£)	20,278 25	664 00	16,994 87	1,779 15		39,716.27
Average hourly rate (£)	311 49	228 97	157 51	76 09		199 30

Analysis of Supervisor's time costs for the period 20 April 2012 to 19 April 2013						
Classification of Administration	Partner Hours	Manager Hours	Senior Hours	Support Hours	Total Hours	Total Cost £
Administration & planning	8 40	-	17 20	1 46	27.06	5,873 79
Financials	-	-	0 25	8 31	8.56	667 61
Realisation of assets	0 80	-	7 50	-	8.30	1,633 00
General matters	1 60	-	-	-	1 60	506 00
Creditors	1 20	-	4 75	0 20	6 15	1,218 00
Total Hours	12 00	-	29 70	9 97	51 67	
Total Fees (£)	3,906 50	-	5,218 50	773 40		9,898 40
Average hourly rate (£)	325 54	-	175 71	77 54		191 55

PRACTICE FEE RECOVERY POLICY FOR KALLIS & COMPANY

Introduction

The insolvency legislation was changed in April 2010 for insolvency appointments commenced from that time in order to allow more flexibility on how an office holder's fees are charged to a case. This sheet explains how we may apply the alternative fee bases. The new legislation allows different fee bases to be used for different tasks within the same appointment. The basis or combination of bases set for a particular appointment are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the court. Further detail about how an office holder's fees are approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at www.kallis.co.uk. Alternatively a hard copy may be requested from Kallis & Company, Mountview Court, 1148 High Road, Whetstone, London N20 0RA.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn and time costs incurred and will also enable the recipients to see the average rates of such costs. Under the new legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under the old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

Time cost basis

This is the basis that we use in the majority of cases and we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge Out Rates – current and historic hourly rates

Grade of staff	Effective from 01/10/2012	Effective from 01/10/2010	Effective from 01/10/2007
Partner – appointment taker	£275-335	£275-320	£275-300
Senior Manager	£275	£275	£275
Manager	£170-£275	£170-£275	£170-£275
Senior/Case Administrator	£90-£175	£90-£175	£90-£175
Support Staff	£60-£85	£60-£85	£60-£85

These charge-out rates charged are reviewed periodically and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Each unit of time is 6 minutes. The work is recorded under the following categories:

- Administration and Planning – which includes work such as planning how the case will be administered and progressed, the administrative set up of the case, notifying creditors and others of the appointment, keeping the records relating to the case up to date, and reporting on progress of the case to creditors and others. All other statutory matters.
- Financials – which includes work relating to the financial aspects of the estate including completion and agreement of tax returns (VAT, PAYE and CT), banking and reconciliations, and expense payments.
- Realisation of Assets – which includes work such as identifying, securing and insuring assets, dealing with retention of title claims, collecting debts owed, and selling assets.

- Investigations – which includes work such as undertaking an initial review of the financial affairs of the company and bankrupt, undertaking a detailed investigation with a view to making recoveries for the benefit of creditors where matters such as preferences or wrongful trading come to light as a result of the initial review, and reporting to the Insolvency Service on the conduct of the directors
- Creditors - which includes work such as communicating with creditors, dealing with creditors' claims, and where funds realised allow, paying dividends to creditors Dealing with employees and liaising with the redundancy payments office
- Trading – which includes work such as managing and controlling all aspects of the business, and preparing financial records and information relating to that trading

Percentage basis

The new legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal Different percentages can be used for different assets or types of assets Where we would like to realise any asset or type of assets on a percentage basis we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis

Fixed fee

The new legislation allows fees to be charged at a set amount Different set amounts can be used for different tasks Where we would like to charge a set amount for a task or different set amounts for different tasks we will provide further information explaining why we think that this basis is appropriate and ask creditors to approve the basis

All bases

The officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate

Agent's Costs

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes

Solicitors/Legal Advisors, Auctioneers/Valuers, Accountants, Quantity Surveyors, Estate Agents, Other Specialist Advisors

Disbursements

In accordance with Statement of Insolvency Practice 9 (SIP9) the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors Disbursements are categorised as either Category 1 or Category 2

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Kallis & Company, in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and company search fees

Category 2 expenses are incurred by the firm and recharged to the estate, they are not attributed to the estate by a third party invoice and/or they may include a profit element These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage

It is proposed that the following Category 2 disbursements are recovered

Room Hire	£50 per hour
Mileage	40p per mile
Storage	£15 per box annually
Destruction costs	£5 50 per box