

The Insolvency Act 1986

Administrator's progress report

Name of Company Instant Muscle Limited	Company number 01789716
In the High Court of Justice, <small>[full name of court]</small>	Court case number 1525 of 2008

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

We (a) Anthony Cliff Spicer and Henry Shinnars of Smith & Williamson Limited,
25 Moorgate, London, EC2R 6AY

administrator's of the above company attach a progress report for the period

from

to

(b) 27 February 2008

(b) 26 August 2008

(b) Insert dates

Signed

Joint Administrators

Dated

19 September 2008

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 searchers of the public record

Smith & Williamson Limited	
25 Moorgate, London	
EC2R 6AY	Tel 0207 131 4537
DX Number	DX Exchange

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



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COMPANIES HOUSE

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Smith & Williamson

Instant Muscle Limited (In Administration)

Joint Administrators' first
and final progress report

19 September 2008

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1. Introduction

Further to our appointment as joint administrators of Instant Muscle Limited ("the Company"), we present a report pursuant to Rule 2.47 of the Insolvency Rules 1986 and attach as Appendix A, the required statutory information

This report should be read in conjunction with the joint administrators' proposals of 7 April 2008 and relates to the following administration periods,

- 27 February 2008 to 26 August 2008 as regards it being the administrators' first progress report and
- 27 August 2008 to the date the appointment of the administrators shall cease to have effect (pursuant to paragraph 83(6)(a) of Schedule B1 to the Insolvency Act 1986) as regards it being the administrators' final progress report

2. Receipts & payments

We attach as Appendix B to this report, abstracts of our receipts and payments for the following periods

- 27 February 2008 to 26 August 2008
- 27 August 2008 to the date the appointment of the administrators shall cease to have effect.
- 27 February 2008 to the date the appointment of the administrators shall cease to have effect.

We trust that the abstracts are self explanatory and we comment on the more significant receipts and payments below

2.1. Receipts

2.1.1 Sale of Assets of the Company

As detailed in the joint administrators' proposals, we received a number of offers for contracts operated by the Company prior to the appointment of the Administrators

Two contracts were sold to two separate purchasers in March and May 2008. The total consideration paid for the two contracts was £252,500

The remaining contracts of the Company did not attract any offers

2.1.2 Debtors

Since the appointment of the Administrators, £816,777 in debtors has been realised. In addition, further debtors of £108,115 at book value remain to be collected and it is anticipated that some of these remaining debt collections will be completed by the liquidators in the coming weeks

2.1.3 Residual assets

The Company's residual assets at the closed offices and head office were generally of a poor quality and of little value. The advice of our agents was that the cost of retrieving these items would have exceeded their realisation value. Accordingly, these assets were not realised by the Administrators.

2.2. Payments

2.2.1 Subcontractor Payments

Subcontractors involved in delivering services for the Company prior to the Administration have been paid a total of £112,677, pursuant to their contracts, in relation to services provided to the Company post-administration. Total funds received in respect of the contracts are included in the debt collections detailed above.

2.2.2 Direct Labour Costs

As detailed in the joint administrators' proposals, a limited number of staff were retained by the Administrators in order for the work in progress and debtors to be realised. All retained staff were subsequently made redundant by the Administrators by 30 April 2008.

3. Outstanding matters

3.1. The liquidation of the Company

The administrators are of the opinion that:

- there are no further monies due to the secured creditor of the Company, and
- a distribution will be made to the unsecured creditors of the Company.

Therefore, the administrators are taking immediate steps to move the Company from administration to creditors' voluntary liquidation pursuant to paragraph 83 of Schedule B1 to the Insolvency Act 1986. The effective date that the appointment of the administrators shall cease to have effect and the company shall be wound up will be the date that the Registrar of Companies registers the administrators' notice that paragraph 83 applies.

As soon as the effective date of liquidation is known, the liquidators will write to all known creditors summoning a meeting of creditors (for the purpose only of passing certain resolutions) and inviting creditors to prove their claims.

In accordance with the administrators' proposals approved by creditors, the administrators will be appointed as joint liquidators of the Company.

3.2 Assets to be dealt with in the liquidation

As detailed above, the only unrealised assets of the Company are a small quantity of debtors. We anticipate that these will be collected in the near future by the liquidators.

3.3 Unpaid administration expenses

We will shortly submit the post-administration corporation tax return and any tax arising will, in common with any other unpaid administration expenses (including administrators' remuneration and disbursements), be paid by the liquidators. These expenses will rank as a first charge against the assets in the liquidation.

3.4 Other matters

There are a number of outstanding lease and business rates issues to be resolved. The move to liquidation should assist us in bringing these matters to an early conclusion.

4. Prescribed part

Under the provisions of Section 176A of the Insolvency Act 1986, we must report on the amount of funds available for distribution to unsecured creditors in respect of the prescribed part.

A company's net property is the amount of its property which would be available for the satisfaction of claims of holders of debentures secured by, or holders of, any floating charge created by the Company. As the secured creditor was repaid in full prior to the appointment of the administrators, the prescribed part does not apply.

5. Administrators' fees & disbursements

For the period ending 31 August 2008, the joint administrators and their staff have accrued time costs totalling £247,510. The joint administrators have drawn £234,209 plus VAT on account of these costs.

In accordance with Statement of Insolvency Practice 9 ("SIP 9"), we attach a breakdown of our total time costs at Appendix D together with our hourly charge out rates at Appendix E.

Since 1 January 2003, disbursements incurred by insolvency practitioners are reported to creditors in two categories. Category one disbursements are those directly attributable to the administration and relate to the reimbursement of expenditure properly incurred in the administration, as defined by SIP 9.

Category two disbursements relate to any expense recharged to the case by the joint administrators' firm.

Category one disbursements of £2,553.29 have been accrued in the course of the administration. These disbursements principally relate to travel expenses and the statutory insolvency bond. At present £1,063 of these disbursements has been paid.

No Category two disbursements have been paid during the course of the administration.



Anthony Spicer & Henry Shinnars
Joint Administrators

Appendix A. Statutory information

Relevant Court:	High Court of Justice, Chancery Division, Companies Court, The Strand, London, WC2A 2LL
Court Reference:	1525 of 2008
Trading Names	Instant Muscle Limited
Registered Office	25 Moorgate London EC2R 6AY
Registered number	01789716
Joint Administrators	Anthony Spicer & Henry Shinnars Smith & Williamson Limited 25 Moorgate London EC2R 6AY

All functions are to be exercised by the administrators jointly and severally

Date of Appointment	27 February 2008
Appointor	The directors
Receipt and Payments	An abstract of receipts and payments is attached

Appendix B. Receipts and payments accounts

	Directors' statement of affairs	27 February to 26 August 2008	27 August 2008 to end of administration	27 February 2008 to end of administration
RECEIPTS				
Rental Income		36,691		36,691
Carnage Services Refund		150		150
Sales		1,480		1,480
Miscellaneous Income		2,580		2,580
Furniture & Equipment	10,130	670		670
Book Debts & Prepayments	850,174	816,778	25,680	842,458
Cash at Bank		168,016		168,016
Business Rates Refund - Pre Appointment		1,114		1,114
Contract Sale		452,500		452,500
Bank Interest Gross		14,428	2,358	16,787
Petty Cash		3,373		3,373
VAT Payable		47,082		47,082
	860,304	1,544,862	28,038	1,572,900
PAYMENTS				
Sub Contractors		120,378		120,378
Direct Labour		53,717		53,717
PAYE & NI		16,581		16,581
Rental of Head Office & Equipment		43,406		43,406
Telephone / Internet		4,771		4,771
Hire of Equipment		2,048		2,048
Sundry Expenses		18,652		18,652
IT Support		34,775		34,775
Record Retrieval Costs		38,011		38,011
Administrators' Fees		234,209		234,209
Administrators' Expenses		1,064		1,064
Sale Proceeds to Sub Company		200,000		200,000
Legal Fees		40,298		40,298
Legal Expenses		125		125
Storage Costs		1,989	256	2,244
Statutory Advertising		531		531
Bank Charges		840	153	992
VAT Receivable Flt Chg		71,104	45	71,149
		882,498	453	882,951
Balance In Hand				689,949
				1,572,900

Appendix C. Statement of Insolvency Practice (SIP9)

Breakdown of time spent by Smith & Williamson Limited employees for the period ended 31 August 2008

Classification of work function	Director (hours)	Associate director (hours)	Manager (hours)	Administrator (hours)	Assistants & support staff (hours)	Total hours	Time cost £	Average hourly rate £
Administration & planning	16 05	45 40	71 80	205 80	115 35	454 20	70,952 75	156 21
Realisation of Assets	2 75	94 35	25 90	5 85	0 00	128 95	36 849 75	285 77
Trading	0 00	3 50	358 30	73 75	0 50	436 05	96,807 75	222 01
Creditors	0 00	34 35	53 15	109 50	79 50	276 50	42 899 75	155 15
Totals	18 80	177 60	509 15	394 80	195 35	1,295 70	247 510 00	191 02

Appendix D. Hourly charge out rates

	£
Director	350
Associate Director	310
Manager	240
Administrator/Senior Administrator	120-135
Support Staff	55-90