

The Insolvency Act 1986

Administrator's Progress Report

Name of Company Insulation Industries Limited	Company number 03901978
In the High Court of Justice [full name of court]	Court case number 11050 of 2009

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

We (a) John Alfred George Alexander and Melvyn Julian Carter of Carter Backer
Winter, Enterprise House, 21 Buckle Street, London, E1 8NN


administrator(s) of the above company attach a progress report for the period
from to

(b) Insert dates

(b) 17 August 2009

(b) 24 August 2009

Signed



Joint / Administrator(s)

Dated 24 August 2009

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

J A G Alexander	
Enterprise House, 21 Buckle Street	
London E1 8NN	Tel: 020 7309 3800
DX Number: 513	DX Exchange: London City

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ
Cardiff

DX 33050



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COMPANIES HOUSE

TUESDAY

INSULATION INDUSTRIES LIMITED (In Administration) ("the Company")
Registered Office: Enterprise House, 21 Buckle Street, London, E1 8NN
Company number: 03901978

**JOINT ADMINISTRATORS' COMBINED FIRST AND FINAL PROGRESS
REPORT PURSUANT TO RULES 2.47 AND 2.117 INSOLVENCY RULES 1986**

John Alexander and Melvyn Carter, both of Carter Backer Winter, Enterprise House, 21 Buckle Street, London, E1 8NN, were appointed Joint Administrators of the Company by its Director on 17 February 2009. The Joint Administrators are authorised to act jointly and severally in exercising any and all functions exercisable by an Administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986 ("the Act").

This is our combined first and final progress report, and I confirm the objective of the Administration is as defined in paragraph 3(1)(b) of schedule B1 of the Act, that is, to achieve a better result for the Company's creditors as a whole than would have been likely if the Company were wound up (without first being in Administration).

I confirm it is now appropriate, in accordance with the agreed Proposals, to move the Company to Creditor's Voluntary Liquidation and in so doing bring the Administration to an end. The Administration will be deemed to have ended when the attached notice is filed at Companies House. At the same time, the Joint Liquidators' appointment will be effected.

There have been no extensions to the initial period of the Administration.

An abstract of our Receipts and Payments account to 24 August 2009 is attached at Appendix 1 for your attention. Please be advised that the balance of funds will be transferred to the Joint Liquidators on their appointment. The assets not recovered during the Administration will be transferred to the Joint Liquidators.

Asset realisations

Creditors will recall, with reference to the Director's Statement of Affairs, that the book debts were factored with Barclays Bank Plc. Barclays has instructed Optima Legal to collect the outstanding book debts and collections are ongoing. Contrary to the Director's Statement of Affairs, it is unknown at present whether there is likely to be a surplus. The duly appointed Liquidators will continue to monitor the progress of the book debt collections.

The vehicles subject to finance have been sold, and the monies due to Bank of Scotland discharged in full. The net realisation, as shown in the accompanying Receipts and Payments account, is £10,164.54.

The stock, fixtures & fittings, and plant & machinery were sold by the Administrators to Specialist Panels UK Limited, an unconnected company, for £45,000 plus VAT. The purchase price will be paid in 6 equal instalments of £7,500 plus VAT on a quarterly basis. The first instalment was received in August 2009, with the final instalment falling due in November 2010.

The Statement of Affairs also identified intercompany debtors. Structural Panel International Limited was shown as a debtor with a book value debt of £267,088. Structural Panel Industries Limited was shown as a debtor with a book value debt of £182,314. The Director anticipated both these debtors were expected to realise nil. However, the Joint Administrators have made a formal demand of each company in respect of the debts due, and the duly appointed Joint Liquidators will continue to establish whether any funds can be recovered in respect of these debts.

Creditors

The Directors' Statement of Affairs showed preferential claims of £12,041, and unsecured liabilities totalling £584,059. No adjudication of the claims received to date has been undertaken. This will be undertaken during the subsequent Liquidation only if and when there are sufficient funds to enable a dividend to be paid.

Administrators' Remuneration

At a meeting of creditors held on 28 April 2009, the creditors resolved that the Joint Administrators' remuneration shall be fixed on the basis of the time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration at Carter Backer Winter's standard rates for this type of work, as amended from time to time, and to allow the said remuneration to be drawn as and when funds are available. A schedule of the Joint Administrators' time costs to 24 August 2009 is attached at Appendix 2. To date, no fees have been invoiced. Any unsettled Administration costs will be a prior claim on the Liquidation assets and will be discharged accordingly.

Additionally, creditors agreed that the Administrators be authorised to draw their firm's pre-appointment time costs of £852.50. These fees also remain outstanding and will be discharged from Liquidation assets.

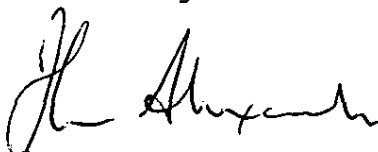
The Company is registered for VAT and therefore VAT is recoverable.

Exit from Administration

The approved Proposals determined that the Company should exit Administration by moving to Creditors' Voluntary Liquidation. Melvyn Carter and I will be the Joint Liquidators in accordance with the agreed Administration Proposals. Due to the fact that deferred consideration will be paid by Specialist Panels UK Limited until November 2010, the Joint Administrators take the view that it is more cost-effective to now place the Company into Creditors' Voluntary Liquidation to continue realising the Company's assets. This avoids the need to expend further time costs in reporting again as Administrators.

Notice of the appointment of the Joint Liquidators will be circulated in due course.

Dated: 24 August 2009



J A G ALEXANDER
JOINT ADMINISTRATOR

Insulation Industries Limited (In Administration)
Joint Administrators' Final Receipts & Payments Account
From 17 February 2009 to 24 August 2009

	SofA	Period Ended
	£	24 August 2009
		£
RECEIPTS		
Book Debts	87,063	0.00
Vehicles	14,646	10,164.54
Structural Panel International Limited	0	0.00
Structural Panel Industries Limited	0	0.00
Stock	16,179)	
fixtures & fittings	1,500)	7,500.00
Plant & Machinery	12,000)	
Rates Refund	0	186.07
Bank Interest Gross	0	8.23
	<u>0</u>	<u>17,858.84</u>
PAYMENTS		
Agents/Valuers Fees		2,207.13
Storage Costs		1,776.84
Insurance of Assets		1,995.25
		<u>5,979.22</u>
BALANCE		<u><u>11,879.62</u></u>
Made up as follows:		
VAT Receivable		266.53
VAT Payable		(1,125.00)
Cash at Bank		12738.09
		<u><u>11,879.62</u></u>

Pre Appointment Time: From 01/02/2009 to 16/02/2009

Hours	Partner	Manager	Other Senior Professional	Assistants and Support Staff	Total Hours	Total Cost	Average Hourly Rate
Administration and Planning	0.00	0.00	1.60	3.00	4.60	852.50	£185.33
Cost per employee category	£0.00	£0.00	£296.52	£555.98	4.60	£852.50	£185.33

Post Appointment Time: From 17/02/2009 to 24/08/2009

Hours	Partner	Manager	Other Senior Professional	Assistants and Support Staff	Total Hours	Total Cost	Average Hourly Rate
Administration and Planning	12.50	3.80	13.60	24.83	54.73	14,424.50	£263.56
Cashiering	0.00	0.00	0.00	14.92	14.92	0.00	£0.00
Compliance	3.75	0.00	58.30	34.65	96.70	23,401.25	£242.00
Creditors	0.50	1.30	5.30	5.70	12.80	3,149.50	£246.05
Employees	0.00	0.00	5.70	0.70	6.40	2,065.00	£322.66
Investigations	1.50	0.25	9.90	11.10	22.75	5,325.00	£234.07
Proposal Preparation	2.25	0.50	0.00	0.00	2.75	1,173.75	£426.82
Realisation of Assets	21.00	0.00	57.60	9.40	88.00	30,835.00	£350.40
Cost per employee category	£12,994.78	£1,593.32	£43,336.28	£22,449.62	299.05	£80,374.00	£268.76

Post Appointment Disbursements

Advertising	578.60
Court Fees	8.00
Lien Fines	90.00
Insolvency Bond	135.00
Search Fees	17.00
Total	828.60