

The Insolvency Act 1986

**Statement of administrator's proposals**

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

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

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

\* 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) Insert date

(b) 9 April 2009

Signed



Joint Administrator

Dated 9 April 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

Carter Backer Winter	
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  
 CF33 050 Cardiff

TUESDAY



A13

\*AP45X9S6\*

12/05/2009

153

COMPANIES HOUSE

The Insolvency Act 1986

**Notice of a meeting of creditors**

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**

i) Insert full name(s)  
and address(es) of the  
administrator(s)

Notice is hereby given by (a) Melvyn Julian Carter and John Alfred George Alexander both of Carter Backer Winter, Enterprise House, 21 Buckle Street, London E1 8NN

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

that a meeting of the creditors of (b) Insulation Industries Limited, whose registered office is Enterprise House, 21 Buckle Street, London E1 8NN

(c) Insert details of  
place of meeting

is to be held at (c) Enterprise House, 21 Buckle Street, London E1 8NN

(d) Insert date and  
time of meeting

on (d) 28 April 2009 at 11.00am

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 not later than **12.00 noon on 27 April 2009**, the business day before the day before 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(s)

Dated 9 April 2009

\* Delete as  
applicable

A copy of the \*proposals ~~/revised proposals~~ is attached

**INSULATION INDUSTRIES LIMITED - IN ADMINISTRATION  
IN THE HIGH COURT OF JUSTICE NO. 11050 OF 2009  
COMPANY NUMBER: 03901978**

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**PROPOSALS BY THE JOINT ADMINISTRATORS FOR ACHIEVING THE PURPOSE OF THE  
ADMINISTRATION, PURSUANT TO THE PARAGRAPH 49(1) OF SCHEDULE B1 OF  
THE INSOLVENCY ACT 1986 AND RULE 2.33 OF THE INSOLVENCY RULES 1986, AS AMENDED**

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the action you should take consult your solicitor, accountant or other professional advisor immediately.

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It is important that creditors complete and return the attached forms, detailing the sums due to you and whether you approve the Joint Administrators' proposals. Both forms must be received no later than **12 noon on 27 April 2009**, in order that your vote can be taken into account.

**SUMMARY**

Following the appointment of John Alfred George Alexander and I as Joint Administrators, both of Carter Backer Winter, Enterprise House, 21 Buckle Street, London, E1 8NN, the proposals outlined in this document are the most appropriate way to achieve the objective of the Administration as set out in paragraph 3(1)(b) of Schedule B1 of the Insolvency Act 1986, as amended. That is, to achieve a better result for the Company's creditors as a whole than would be the likely if the Company were wound up (without first being in Administration).

A notice of the appointment of Joint Administrators was filed in the High Court of Justice, Strand, London, WC2A 2JY on 17 February 2009, reference number of 11050 of 2009. The Company's registered office at Brocus House, Parkgate Road, Newdigate, Surrey, RH5 5AH has been changed to Enterprise House, 21 Buckle Street, London, E1 8NN. Since incorporation the Company traded from leased premises at Units 2 & 3, Bolam Business Park, Off Bassington Drive, Cramlington, Northumberland, NE23 8AD providing specialist manufacture of insulated panels.

The appointment of Joint Administrators was made by the Company's Director pursuant to paragraph 22 of Schedule B1 of the Insolvency Act 1986, as amended. In accordance with Paragraph 100 (2) of Schedule B1, the Joint Administrators are authorised to act jointly and severally. The Company was insolvent in that its liabilities exceeded its assets as well as it being unable to pay its debts as and when they fell due. The Director advised us that in his view, the primary reason for the failure of the Company was a significant decline in sales which the Company could not sustain and from which it could not recover. The Director moved to put the Company into Administration to protect the value of its assets, for the benefit of creditors generally. The Director has advised us that the Company's assets are subject to fixed and floating charges, detailed on Appendix 1.

After reviewing the available options, in order to maximise the value of the Company's assets, it is proposed that a sale of the chattels, together with some assets used by the Company during trading but owned by Isowall Holdings Limited ("IHL") be jointly sold. The Joint Administrators together with IHL are working towards such a sale at present.

In summary, the Joint Administrators' Proposal is to continue realising the Company's assets and at an appropriate time put the Company into Liquidation so that a dividend can be paid to creditors, if there are sufficient funds.

It is the Joint Administrators' opinion that these proposals are the most effective way to achieve the purpose of the administration. Accordingly, creditors are strongly urged to vote in favour of the attached proposals.

Dated this: 9 April 2009

  
M J Carter

Joint Administrator

**INSULATION INDUSTRIES LIMITED – IN ADMINISTRATION****STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS**

Following our appointment on 17 February 2009 as Joint Administrators, these are our proposals for your consideration. In addition to our proposals we are required to provide you with certain statutory information.

**STATUTORY INFORMATION****Directors and their shareholdings**

The Company's Director at the date of appointment of the Joint Administrators was Michael Young. Mary Vickers is the Company's secretary. The Company has authorised 500,000 ordinary shares of £1 each. At the date of our appointment, 100,000 were allocated solely to Isowall Holdings Limited.

**Circumstances leading to Administration**

The Company was incorporated on 4 January 2000 as Oakvale Engineering Limited and changed its name to its present format on 21 March 2000. The Company has since incorporation traded as a specialist manufacturer of insulated panels.

The business generated increasing turnover in the early years with growing profits. However, average sales dropped almost by half in the last three months of 2008 and by half again in January 2009. This decline is attributed to the shrinking demand for such panelling as a result of the global economic downturn specifically affecting the manufacturing and business expansion industries. The Director has advised that the Company was shut out of its leased premises by the landlord for non-payment of electricity on the afternoon of the appointment of the Joint Administrators.

The losses suffered by the Company were considered too significant to recover from. Accordingly advice was sought with regard to the Company's solvency. The decision was taken that Administration would be the most appropriate way forward to protect the interests of the creditors and employees.

**The Purpose of Administration**

It is not possible to retain the Company as a going concern as the Company's liabilities far exceed the value of its assets. Accordingly, the purpose of the Administration as defined by the Act will be to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first having been in Administration).

**Procedure for Exit (Ending) the Administration**

Administrations automatically come to an end after one year unless extended by Court Order or the agreement of creditors. We do not anticipate a need to extend this Administration. The current indications are there may be funds available to pay a dividend to unsecured creditors. Please note that the provisions of Section 176A of the Insolvency Act 1986, as amended, (that is to ring fence a percentage of floating charged assets, for the benefit of unsecured creditors) does not apply as the floating charge in favour of Barclays Bank Plc was created prior to the implementation of these provisions. It is therefore proposed that the Company should exit Administration and be put into Liquidation to enable a Liquidator to pay a dividend to creditors in due course. It is proposed that the Joint Administrators be the Joint Liquidators. This has the benefit to creditors of retaining the Administrators' knowledge which is likely to be beneficial to the Liquidation. The timing of the move to Liquidation should be at the Joint Administrators' absolute discretion to allow for the necessary statutory compliances and to maximise the realisable value of the assets.

## INSULATION INDUSTRIES LIMITED - IN ADMINISTRATION

**STATEMENT OF THE JOINT ADMINISTRATORS' PROPOSALS****Matters since our appointment**

Consideration was given by the Director to the possibility of trading out of the Company's current financial difficulty either within or outside of a protective insolvency procedure. However, in light of the considerable liabilities, lack of funding available to continue the business coupled with no access to premises and the uncertainty of whether sales would increase sufficiently to return the Company to solvency, this was not a reasonable possibility. There was also no possibility that any appointed Administrators could trade the Company after their appointment, again as there were no funds with which to do so but also as it would have been uneconomical for an Administrator to maintain the business given the uncertainty of future sales.

As there is was no possibility of the Joint Administrators continuing to trade, for the reasons outlined above, all employees were dismissed with effect from 17 February 2009. Our primary concern at that early stage of the Administration was to protect, in so far as we were able, and to prevent any additional losses causes to employees, giving them the opportunity to make claims to the Redundancy Payments Office and to find alternative employment as quickly as possible.

Professional agents were instructed to provide a valuation of the physical assets. In the meantime, the Joint Administrators, assisted by Michael Young, considered the potential purchasers for the assets of the Company. Consideration was given to finding a buyer from advertising on the open market. The Joint Administrators having considered the potential cost implications of such a marketing strategy, concurred that a more specific and tailored approach was likely to be more beneficial to creditors utilising Michael Young's industry contacts.

The Joint Administrators' considered a sale of the business as a going concern against a break-up sale of the assets. However, the Intellectual Property including licences and certificates used by the Company during trading are owned by IHL, assets which the Joint Administrators do not control. In order to maximise the value for the assets owned by the Company, and with the assistance of Michael Young, it has been agreed in principle that the most beneficial strategy would be to sell both company's assets together, thereby maximising the value for the benefit of creditors. It is intended that the proceeds of such a sale, including those owned by IHL, be paid to the Company for the benefit of creditors.

It was intended that a sale would have been completed soon after our appointment, but given the level of interest and the complexities associated with selling more than one Company's assets, matters have not progressed as quickly as originally intended. We are hopeful that the benefit of allowing extra time for interested parties to come forward will be reflected in the ultimate sale price achieved. The deadline for offers has now passed and the details of the sale agreement are being finalised. Until such a sale has been completed I am unable to provide you with any further details.

To confirm, the Joint Administrators have not traded since our appointment.

The Company operated a factoring agreement with Barclays Bank Plc. Following the appointment of the Joint Administrators, Barclays Bank Plc instructed Optima Legal to recover the debts due in order to settle the factoring liability. On current information, there is likely to be a surplus which will be forwarded to the Joint Administrators.

The Company also had three vehicles that were subject to finance agreements. I am advised that each vehicle has been sold and the outstanding finance settled. The remaining surplus is expected shortly.

**Statement of Affairs**

A Statement of Affairs has been prepared by the Director, and is attached as Schedule 1.

**Creditors' Meeting**

A meeting of the Company's creditors has been convened for 28 April 2009. The purpose of this meeting is to give creditors an opportunity to vote on these proposals. Creditors' do not have to vote in person but can vote using the enclosed form of proxy. Creditors are entitled to appoint a creditors committee if you wish. However, given the relatively small number of creditors, it may not be appropriate in this case. Your nominations, if any, can be detailed on the enclosed proxy form.

**INSULATION INDUSTRIES LIMITED – IN ADMINISTRATION****EC Regulations**

The EC Regulation on Insolvency Proceedings 2000 applies to this Administration and these proceedings are main proceedings by virtue of the fact that the Company's main interests are situated within this jurisdiction

**PROPOSALS**

The Joint Administrators seek creditors' approval to:

1. The Joint Administrators to continue to realise the assets of the Company;
2. The Joint Administrators draw their firms' pre-appointment time costs of £852.50. The time spent, which has been charged at Carter Backer Winter's standard rates for this type of work (as attached), has been incurred in dealing with the preparation prior to the appointment of the Joint Administrators. A summary of this time is enclosed (Schedule 3).
3. Settle the pre-appointment costs of Edwin Coe LLP totalling £4,345, plus VAT. This was incurred in dealing with the preparation of the necessary appointment documentation.
4. The Joint Administrators to draw remuneration to be fixed on the basis of time properly given by the Joint Administrators and their staff in attending to matters arising in the Administration, to be charged at Carter Backer Winter's standard rates, changing from time to time, for this type of work (as attached), as and when funds are available. Enclosed (Schedule 3) is a summary of the time and costs incurred by the Joint Administrators to 3 April 2009, being the last practicable date.
5. The Joint Administrators exit the Administration by moving the Company to Creditors' Voluntary Liquidation, the timing being at the absolute discretion of the Joint Administrators, in accordance with paragraph 83 of Schedule B1 of the Insolvency Act 1986, as amended.
6. The Joint Liquidators being John Alexander and Melvyn Carter. In accordance with paragraph 83 (7) of Schedule B1 of the Insolvency Act 1986, as amended and the Insolvency Rules 2.117 (3), creditors may nominate a different person(s) as proposed Liquidator(s) provided that the nomination is received before these proposals are approved. Nominations, if any, for an alternative Liquidator(s) can be detailed on the attached proxy form.
7. The duly appointed Joint Liquidators' remuneration be fixed on the basis of time properly given by the Joint Liquidators and their staff in attending to matters in the liquidation, including the making of a distribution to unsecured creditors, to be charged at Carter Backer Winter's standard rates, changing from time to time, for this type of work (as attached), and drawn as and when funds are available.
8. The Joint Liquidators receiving from the Joint Administrators all funds held and unrealised assets, for the purpose of paying a dividend to unsecured creditors to be admitted for the purpose in due course.
9. The Joint Liquidators being authorised to destroy the Company's books and records one year after the Company has been dissolved at Companies House.

These proposals shall be subject to such modifications or conditions as the creditors may approve or impose, subject to the approval of the Joint Administrators.

Dated: 9 April 2009



**M J Carter**  
**Joint Administrator**

## Schedule 1

## Insulation Industries Limited (In Administration)

Director's Estimated Statement of Affairs as at 17 February 2009

(Section 176A does Not Apply as charge created 10 June 2002)

	Book Value £	Estimated to Realise £
<b>Assets Subject to a Fixed Charge</b>		
Book Debts	354,430	338,853
Barclays Bank Plc (Factoring agreement)	(251,790)	(251,790)
Surplus Carried Forward	102,640	87,063
 Vehicles	33,272	24,000
Bank of Scotland	(9,354)	(9,354)
Surplus Carried Forward	23,918	14,646
 <b>Assets Subject to a Fixed and Floating Charge (in favour of Barclays Bank Plc)</b>		
Surplus B/F		101,709
Inter-Company Loans;		
Structural Panel International Limited (dormant)	267,088	Nil
Structural Panel Industries Limited	182,314	Nil
Stock	25,957	16,179
Fixtures and Fittings	2,601	1,500
Plant and Machinery	13,716	12,000
Barclays Overdraft	(8,884)	(9,214)
Surplus Carried Forward	482,792	122,174
 <b>Estimated Value of Assets Available for Preferential Creditors</b>		122,174
 <b>PREFERENTIAL CREDITORS:</b>		
Pension Contributions		(732)
Employee Holiday Pay		(2,190)
Employee Arrears of Pay		(9,119)
		(12,041)
 <b>Estimated Value of Assets Available for Unsecured Creditors</b>		110,133
 <b>UNSECURED CREDITORS:</b>		
Trade and Expense		(455,246)
HM Revenue & Customs (PAYE)		(8,290)
HM Revenue & Customs (VAT)		(48,454)
Employees (Pay in Lieu & Redundancy)		(72,068)
Contingent Claim from Michael Young in respect of PG's		(1)
Inter-Company Loans:		
Isowall Holdings Limited	14,256.00	Nil
Mercantile Services International Limited	40,251.00	Nil
Young Nominees Limited	24,031.00	Nil
		(584,059)
 <b>Estimated Deficiency to Unsecured Creditors</b>		(473,926)
 <b>SHAREHOLDERS</b>		
Issued Ordinary Shares of £1 Each		(100,000)
 <b>ESTIMATED TOTAL DEFICIENCY</b>		(573,926)

**Schedule 2**

**Insulation Industries Limited (In Administration)**

**Joint Administrators' Receipts and Payments Account for the period  
From 17 February to 9 April 2009**

**£**

**RECEIPTS**

**(Subject to a fixed charge in favour of Bank of Scotland Plc)**

Vehicles	13,500.00
less Finance	<u>(7,035.78)</u>
	6,464.22

**EXPENDITURE**

Nil	<u>0.00</u>
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**BALANCE**

6,464.22



Insulation Industries Limited - In Administration

Time and Charge Out Summaries between 17 February and 3 April 2009

	Hours					Average Hourly Rate	
	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	£
Administration and Planning	3.00	0.80	1.60	12.50	17.90	£2,665.81	198.58
Cashiering	0.00	0.00	0.00	2.33	2.33	£0.00	135.00
Compliance	2.50	0.00	19.50	24.95	46.95	£10,407.50	8.00
Employees	0.00	0.00	4.00	0.00	4.00	£1,400.00	90.00
Review	1.50	0.00	0.00	0.00	1.50	£652.50	2431.58
Proposal Preparation	0.00	0.50	0.00	0.00	0.50	£195.00	
Creditors	0.00	0.50	0.30	0.00	0.80	£300.00	
Debtor Realisations	0.50	0.00	0.00	0.00	0.50	£217.50	
Realisation of Assets	14.25	0.00	38.70	0.00	52.95	£19,743.75	
	21.75	1.80	64.10	39.78	127.43	£35,582.06	
Cost per Employee Category	£9,461.25	£702.00	£22,435.00	£2,983.81		£35,582.06	

Time and Charge Out Summaries prior to 17 February 2009

	Hours					Average Hourly Rate	
	Partner	Manager	Other Senior Professionals	Assistants and Support Staff	Total Hours	Total Costs	£
Pre-Appointment Time	0.00	0.00	0.90	0.00	0.90	£315.00	350.00
	0.00	0.00	0.90	0.00	0.90	315.00	£350.00
Cost per Employee Category	£0.00	£0.00	£315.00	£0.00		£315.00	

# Schedule 4

## Insulation Industries Limited (In Administration)

Secured Creditors	Estimated Statement of Affairs Value £
Barclays Bank Plc (Factoring Agreement) Fixed charge over book debts	251,789.80
Barclays Bank Plc (Overdraft) Floating charge over certain assets	9,214.60
Bank of Scotland Plc Fixed charge over vehicles	9,354.43
<b>Total</b>	<b>270,358.83</b>

## Preferential Creditors (Employees Collectively)

Pension Contributions*	732.00
Holiday Pay	2,190.00
Arrears of Pay	9,119.00
<b>Total</b>	<b>12,041.00</b>

Unsecured Creditors	£
Aegon Scottish Equitable (Duplication*)	732.33
Blyth Valley Council	1,236.00
Bodycote Testing Limited	1,762.50
Bolam Properties	5,037.57
Brunel Steel Services Limited	6,361.52
Building Research Establishment Limited	1,012.00
Capital Coated Steel Limited	154,933.95
Colorpro Systems Limited (1/a Coilcolour)	10,676.52
Corus UK Limited	86,312.47
D Moody Haulage Limited	18.93
Fireshield Extinguisher Services Limited	64.77
HM Revenues and Customs (PAYE/NIC)	8,290.00
HM Revenues and Customs (VAT)	48,454.00
Hepscott Water Systems Limited	92.24
Knauf Insulation Limited	65,247.54
Maxmade Limited	2,194.08
Menzies LLP	6,626.88
N Irving Transport Limited	4,773.00
Nestaan Limited	75,577.36
O2 UK Limited	129.44
Rockwool Limited	24,188.67
S & B EPS Limited	6,808.02
Stadium Packing Services Limited	2,172.50
Viking Direct (Holdings) Limited	19.54
Michael Young (Contingent)	1.00
Employees (Collectively)	72,068.00
<b>Total</b>	<b>584,058.50</b>

**PROOF OF DEBT - GENERAL FORM**

<b>Insulation Industries Limited - In Administration</b>	
<b>Relevant date for claims: 17 February 2009</b>	
1. Name of Creditor (If a company please also give company registration number)	
2. Address of Creditor for correspondence	
3. Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into liquidation.	
4. Details of any documents by reference to which the debt can be substantiated. [Note the liquidator may call for any document or evidence to substantiate the claim at his discretion]	
5. If the amount shown above includes Value Added Tax, please show: -  (a) amount of Value Added Tax (b) amount of claim NET of Value Added Tax	£ £
6. If amount in 3 above includes outstanding uncapitalised interest please state amount	£
7. If you have filled in both box 3 and box 5, please state whether you are claiming the amount shown in box 3 or the amount shown in box 5(b)	
8. Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
9. Particulars of any security held, the value of the security, and the date it was given	
10. Signature of creditor or person authorised to act on his behalf	
Name in BLOCK LETTERS	
Position with or in relation to creditor	
Address of person signing (if different from 2 above)	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Liquidator	Liquidator

**Notes to help  
completion  
of the form**

Proxy (Administration)

**Insulation Industries Limited – In Administration**Please give full name  
and address for  
communication

Name of Creditor \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_Please insert name of  
person (who must be  
18 or over) or the  
chairman of the  
meeting (see note  
below). 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

Name of Proxy Holder

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_

Please delete words in  
brackets if the proxy  
holder is only to vote as  
directed i.e. he has no  
discretionI appoint the above person to be my/the creditor's proxy holder at the  
meeting of creditors to be held on **28 April 2009**, 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

\*Please delete as  
appropriate1. For the acceptance/rejection\* of the Administrator's Proposals/Revised  
Proposals\* as circulated.2. For the appointment of \_\_\_\_\_ of \_\_\_\_\_ representing  
\_\_\_\_\_ as a member of the Creditors' Committee.3. For the appointment of \_\_\_\_\_ of  
\_\_\_\_\_ as Liquidator.This form must be  
signed

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name in CAPITAL LETTERS  
\_\_\_\_\_Only to be completed if  
the creditor has not  
signed in personPosition with creditor or relationship to creditor or other authority  
for signature  
\_\_\_\_\_

Remember: there may be resolutions on the other side of this form

**CARTER BACKER WINTER**

**CORPORATE RECOVERY AND INSOLVENCY DEPARTMENT**

**SPECIALIST INSOLVENCY APPOINTMENTS**

**TIME COST CHARGE-OUT RATES FROM 1 JANUARY 2009**

	<u>Per Hour</u>
	<u>£</u>
Partner	435
Managers	390
Administrators	350
Junior Assistants	195
Cashier	0
Support Staff	0