

Rule 1.24

**The Insolvency Act 1986**  
**Report of Meetings**  
**Approving Voluntary Arrangement**  
**Pursuant to Section 4 of the**  
**Insolvency Act 1986**

**S.4**

To the Registrar of Companies

For Official Use

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Company Number

550374

Insert full name of  
company

Name of Company

Airflow Developments Limited

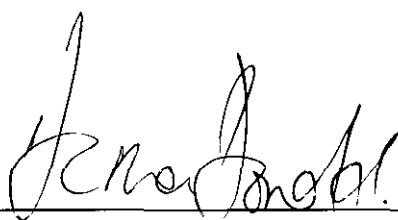
Insert full name and  
address

I ~~Am~~ Douglas MacDonald 5886-3  
 81 St Martins' Lane  
 London  
 WC2N 4AA

Insert date

the chairman of meetings held in pursuance of Section 4 of the Insolvency Act 1986 on  
 16 April 2003 enclose a copy of my report of the said meetings.

Signed



Date

16-04-03

Presenter's name,  
address and reference  
(if any)

AIRFLOW  
 Airflow Developments Limited

Douglas MacDonald  
 The MacDonald Partnership  
 81 St Martins' Lane  
 London  
 WC2N 4AA

For Official Use

Liquidation Section

Post Room





The MacDonald Partnership

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**TO ALL CREDITORS & MEMBERS**

16 April 2003

Our ref: S:\INSOLV\INS-CASEVA\Airflow\CRDLET.doc

Dear Sirs

**AIRFLOW DEVELOPMENTS LIMITED (COMPANY VOLUNTARY ARRANGEMENT)  
HIGH COURT OF JUSTICE NO 2183 OF 2003**

Please find enclosed is a copy of the chairman's report of the meetings of members and creditors in consideration of the company voluntary arrangement proposal of the above named company.

The meetings of creditors and members were held on 16 April 2003 and the proposal for the voluntary arrangement was considered and accepted with modifications by the creditors and members.

If you have not already submitted proof of your debt I would ask you to do so.

Should you require any further information please do not hesitate to contact this office.

Yours faithfully

**Douglas MacDonald  
Supervisor**

Enc.

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**In the matter of the Insolvency Act 1986  
In the High Court of Justice  
In the matter of**

**Airflow Developments Limited  
Court filing Reference 2183 of 2003**

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**Chairman's report on the meeting of creditors and members held at:**

**Address**            First Floor, 81 St Martin's Lane, London WC2N 4AA  
**On**                 Wednesday 16 April 2003  
**At**                 11:00hrs

**Introduction**

The meeting of creditors of the above named company commenced at 11:00hrs. Douglas MacDonald, the chairman, proceeded to open the meeting.

A copy of the nominee's Insolvency Licence and Bond was available at the meeting should any person have requested it.

The chairman introduced the other persons sitting at the table; Hamish Stevenson-Hamilton (Director of Airflow Developments Limited), Mark Johnson-Watts (a solicitor of Airflow Developments Ltd) and Louise Moiseeff (of The MacDonald Partnership).

The chairman then proceeded with the formalities of the meeting.

The chairman did not outline the Voluntary Arrangement proposals as all creditors listed in the proposals had received a copy, and it was therefore, assumed that those present had read the proposal.

The chairman informed the meeting of the proxies in favour of the chairman and explained the process of voting and that the requisite majority required had been achieved. He also outlined the modifications that had been received from the Inland Revenue and HM Customs & Excise.

Both the modifications and the voting schedule are attached to this report.

The meeting was then opened to the floor, and a number of questions were answered by the Chairman and the director.

The Chairman asked if any of the creditors present would like to add any modification to the ones already proposed by the Inland Revenue & HM Customs & Excise.

Mr Gardner of the Martin Partnership put forward the following modification:

"No preferential dividends or interest on connected party loans will be paid for the period of the voluntary arrangement".

This modification was accepted by all present and the directors/members of Airflow Developments Limited.

**Requisite Majorities**

There being no further questions the Chairman proceeded to count the votes received. The requisite majority required under rule 1.19(1) was achieved. The requisite majority was also approved under rule 1.19(4).

## **Resolutions**

The following resolutions were passed:

1. Approve the proposal for a Voluntary Arrangement.
2. Approve the modifications, as per the attached schedule.
3. Appoint Douglas MacDonald of The MacDonald Partnership, First Floor, 81 St Martin's Lane, London WC2N 4AA as the Supervisor of the voluntary arrangement.

The meeting was then deemed closed at 11:20 in order for the members meeting to be held to consider the proposals.

## **Members Meeting**

The members meeting commenced at 11:20. The members approved the proposal with the same modifications as the creditors.

## **Conclusion**

The provisions of r1.21(1) had been met, therefore the company voluntary arrangement of the above named company was approved with modifications.

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## **AIRFLOW DEVELOPMENTS LIMITED**

### **Modifications Proposed by Voluntary Arrangements Service (VAS) on Behalf of Inland Revenue (IR) and Customs & Excise (C&E).**

*If any of the modifications are not accepted then the VAS vote(s) must be taken as a rejection.*

1. Where a modification to the proposal is approved by creditors and accepted by the company, the entire proposal shall be construed in the light of the modification and read to give effect to that modification such that any contrary or potentially contrary provisions in the proposal shall either be ignored, or interpreted, in order that the intention of the modification is given priority and effect.
2. The IR claim in the CVA will include PAYE/NIC due to the date of the meeting and CTSA/assessed tax for the accounting period(s) ended on or before the date of approval of the arrangement.
3. CTSA/VAT returns (and any tax levy or duty returns due to C&E) or P35s/CIS36s and payments due for periods post approval shall be rendered when they fall due.
4. All outstanding P35s/SC35s/CIS36s, accounts, CT/CTSA/VAT returns, (and any tax levy or duty return due to C&E) to the date of the creditors' meeting and any other information or explanations required by an Inspector of Taxes or Customs Officer must be provided within 3 months of the approval date.
5. Where prior to payment of a dividend, VAS has not notified a final claim number the arrangement the Supervisor is to calculate the dividend by reference to the VAS provisional claim and hold this amount in reserve until such time as the final claim has been received.
6. No non preferential distribution will be made until:
  - i. A CTSA return has been filed for the accounting period ended on or immediately prior to the date of approval,
  - ii. VAT returns (or other tax levy or duty returns due to C&E) have been filed up to the date of the approval, or
  - iii. An IR Determination of a C&E assessment has been made and final claims have been received by the supervisor.
7. CTSA/VAT due on realisation of assets included in the arrangement will be regarded as an expense of realising the asset and payable immediately out of the net sale proceeds.

8. During the currency of the arrangement, any tax/exercise/VAT repayments that relate to a period prior to the date of approval of the arrangement shall be offset rateably against the appropriate department's preferential and non-preferential claims in the arrangement. Any remaining surplus shall be similarly applied to the claims of other government departments before being offered to the Supervisor for the benefit of arrangement creditors. Any repayments relating to a period after the approval of the arrangement shall be offset against any post approval tax debts. Any remaining surplus will then be treated as a windfall and offered to the Supervisor for the benefit of creditors in the arrangement.

9. The arrangement shall terminate upon:

The making of a winding up order against the company (Where there is express authority for the supervisor so doing) the supervisor issuing a certificate of termination.

10. Upon termination of the arrangement the arrangement trusts expressed or implied shall cease save that assets already realised shall [after provision for supervisor's fees and disbursements] be distributed to arrangement creditors.

11. Should the company receive or become entitled to any assets/funds which had not been foreseen in the proposal details shall be notified to the Supervisor immediately and such sums shall be paid into the CVA until all costs, creditors' claims and statutory interest have been paid in full. Should such costs, claims and interest not be paid in full from the payment, all the company's other obligations under the arrangement shall continue and the payment shall not reduce the amount of any other contribution due from the company.

12. The supervisor shall set aside sufficient funds for Winding Up proceedings against the Company and such funds will rank ahead of Supervisor's fees.

13. The duration of the arrangement shall not exceed 3 years without creditors' approval.

14. If any voluntary contribution falls 30 days into arrears or falls below the amount specified in the arrangement and remains below after 30 days this shall be taken as a failure of the CVA and the supervisor shall petition for a winding up order.

15. If during the currency of the arrangement any creditor obtains a winding up order against the company the CVA will default and be incapable of being remedied. The Supervisor shall immediately issue a certificate of such default.

#### **Modifications Proposed By The Martin Partnership:**

1. No preferential dividends or interest on connected party loans will be paid for the period of the voluntary arrangement.

## THE MACDONALD PARTNERSHIP

## VOTING SCHEDULE

FOR THE

VOLUNTARY ARRANGEMENT

PROPOSAL

OF

AIRFLOW DEVELOPMENTS LIMITED

ON 16 APRIL 2003

NAME OF CREDITOR	PROXY HOLDER	AMOUNT	VOTING FOR THE PURPOSES OF REQUISITE MAJORITIES UNDER RULE 1.19 OF THE INSOLVENCY RULES 1986		VOTING FOR THE PURPOSES OF UNCONNECTED PERSONS IN TERMS OF RULE 1.19(4) OF THE INSOLVENCY RULES 1986	
		£	FOR	AGAINST	FOR	AGAINST
<b>Valid proxies voting to accept/reject</b>						
Tracy Adams	Chairman	£1,625.00		0.10%	£1,625.00	
Advanced Industrial Doors	Chairman	£1,080.71		0.06%	£1,080.71	
Airflow Charity Ltd	Chairman	£25,800.00		1.53%	n/a	
Airflow Lufttechnik GmbH	Chairman	£306,034.00		18.19%	n/a	
Gary Arnold	Chairman	£8,603.08		0.51%	£8,603.08	
Paul Bacon	Chairman	£5,150.61		0.31%	£5,150.61	
Peter Barnes	Chairman	£6,499.70		0.39%	£6,499.70	
N Burnham	Chairman	£10,940.00		0.65%	£10,940.00	
Cip Limited	Chairman	£1,816.27		0.11%		£1,816.27
R Covi	Chairman	£2,625.00		0.16%	£2,625.00	
Crouzet Limited	Chairman	£857.75		0.05%	£857.75	
D. Moody Express (Haulage) Ltd	Chairman	£939.94		0.06%	£939.94	
Paul Dawson	Chairman	£5,436.82		0.36%	£5,436.82	
Enhurst Ltd	Chairman	£1,159.43		0.07%	£1,159.43	
Ergo Computer Accessories Ltd	Chairman	£742.30		0.04%	£742.30	
R Gemmell	Chairman	£2,250.00		0.13%	£2,250.00	
John Leslie Gerald FELIX	Chairman	£9,383.08		0.56%	£9,383.08	
Marlin Gunn	Chairman	£7,528.13		0.45%	£7,528.13	
Arthur Harrison	Chairman	£7,263.37		0.43%	£7,263.37	
Paul Ives	Chairman	£2,125.00		0.13%	£2,125.00	
Feetlease (UK) Ltd	Chairman	£9,969.80		0.54%	£9,969.80	
Gilberts (Blackpool) Ltd	Chairman	£2,668.40		0.16%	£2,668.40	
Grant & Stone Ltd	Chairman	£468.60		0.03%	£468.60	
Grundon Waste Management	Chairman	£819.27		0.05%	£819.27	
H Squared Electronics Ltd	Chairman	£805.05		0.04%	£805.05	
Haines Wells	Chairman	£1,061.03		0.06%	£1,061.03	
HM Customs & Excise	Chairman	£148,646.00		8.84%	£148,646.00	
II-VI UK Ltd	Chairman	£231.48		0.01%	£231.48	
Inland Revenue	Chairman	£312,327.00		18.57%	£312,327.00	
Mrs Katie John	Chairman	£6,141.02		0.37%	£6,141.02	
S Johnson	Chairman	£7,019.90		0.42%	£7,019.90	
John Walsh & Co (Inserts) Limited	Chairman	£2,097.38		0.12%	£2,097.38	
Johnson-Watts	Chairman	£112,200.00		6.67%	n/a	
Ala Kaluszkio	Chairman	£2,069.42		0.12%	£2,069.42	
Key Industrial Equipment Ltd	Chairman	£1,023.72		0.06%	£1,023.72	
M Kirkwood	Chairman	£750.00		0.04%	£750.00	
Peter Lynn	Chairman	£291.41		0.02%	£291.41	
Marlin Partnership	M Gardner	£48,183.84		2.86%	£48,183.84	
Felix McBurnet	Chairman	£8,107.46		0.48%	£8,107.46	
Bernard Moore	Chairman	£4,833.94		0.29%		£4,833.94
Mr Austin John Nixon	Chairman	£7,230.61		0.43%	£7,230.61	
Powmatic	Chairman	£969.38		0.06%	£969.38	
Pulmax Ltd	Chairman	£1,995.85		0.12%	£1,995.85	
Hugh Ritchie	Chairman	£7,918.64		0.47%	£7,918.64	
Russell Scientific	Chairman	£305.50		0.02%	£305.50	
Scottaire Sales	Chairman	£656.34		0.04%	£656.34	
Servoclean (UK) Services Ltd	Chairman	£7,097.87		0.42%	£7,097.87	
Simplifac Limited	Chairman	£467.65		0.03%	£467.65	
Peter Smith	Chairman	£8,978.52		0.53%	£8,978.52	
Specialist Ducting Supplies	Chairman	£1,123.89		0.07%	£1,123.89	
R Stallwood	Chairman	£7,549.55		0.45%	£7,549.55	
Stanshie Motors & Drives Limited	Chairman	£342,922.00		20.39%	£342,922.00	
JH Stevenson-Hamilton	Chairman	£112,200.00		6.67%	n/a	
M John Tarrant	Chairman	£9,721.18		0.56%	£9,721.18	
TC Ltd	Chairman	£971.49		0.06%		£971.49
Nigel Turner	Chairman	£2,250.00		0.13%	£2,250.00	
Jeffery Wallace	Chairman	£10,053.08		0.60%	£10,053.08	
Radarzone Limited	Chairman	£60,000.00		3.57%	£60,000.00	
Raymond White	Chairman	£2,250.00		0.13%	£2,250.00	
William Hughes Ltd	Chairman	£1,188.89		0.07%	£1,188.89	
A Williams	Chairman	£1,625.00		0.10%	£1,625.00	
Mark White	Chairman	£6,440.28		0.38%	£6,440.28	
R White	Chairman	£2,062.90		0.12%	£2,062.90	

**Valid proxies held at Chairman's discretion**

D Burnham	Chairman	£7,592.85	0.45%	£7,592.85	
Cermag Ltd	Chairman	£286.49	0.02%	£286.49	
Endat Group	Chairman	£881.25	0.05%	£881.25	

**Professional Advisers / Other representatives**

Airflow No 1 Settlement	J Stevenson-Hamilton
Airflow No 2 Settlement	J Stevenson-Hamilton

**Invalid Proxies and POD's**

Aims - no proxy  
 Davies Turner Air Cargo Limited - no proxy  
 Davies Turner & Co - no proxy  
 DNA (UK) Ltd - no name of proxy holder  
 Peter Malcolm Downing - No proxy  
 Hampshire Trust - pod only  
 Isaac Lord Ltd - No proxy  
 Nomad Plc - No proxy form  
 Robal Microspec - No proxy form  
 The London Name Plate - No proxy form

£1,682,211.72	99.55%	0.45%	£1,118,356.02	A	£7,621.70
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Total creditors notified and entitled to vote	
As per list of Creditors in the Proposal	£1,794,594.22
Less - connected creditors included in the list	£882,193.00
	B £2,677,087.22

Percentage of the Non-associated creditors voting against the proposal	{a / b}	0.28%
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#### NOTES ON THE VOTING SCHEDULE

a. In terms of Rule 1.19 of the Insolvency Rules the Proposal must be accepted by a requisite majority of 75% of Creditors voting in favour of the proposal.

b. Where connected persons (as defined by section 249 of The Insolvency Act 1986) of the company are involved in the voting procedure, under rule 1.19(4) of The Insolvency Rules 1986, the resolution to accept the proposal must not be rejected by greater than 50% of the unconnected creditors in a vote who were notified and entitled to vote - in a vote taken of the unconnected creditors.

#### CONCLUSION

Voluntary arrangement has been approved.