

Rule 1.24/1.54

The Insolvency Act 1986

Notice to Registrar of Companies
of Voluntary Arrangement
Taking Effect

Pursuant to Section 4 of, or paragraph
30 of Schedule A1 to,
the Insolvency Act 1986

**S.4/
Para 30
Sch A1**

For Official Use

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Company Number

05871176

To the Registrar of Companies

Insert full name of
Company

Name of Company

Scarborough Power Limited

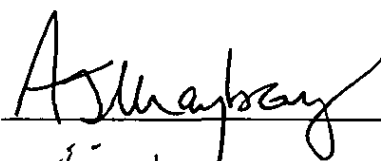
Insert full name and
Address

I Andrew J Maybery
Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

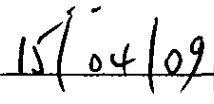
Insert date

the chairman of meetings held in pursuance of Section 4 the Insolvency Act 1986 on
8th April 2009 enclose a copy of my report of the said meetings.

Signed



Date



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

S94109
Scarborough Power Limited

Andrew J Maybery
Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

For Official Use

Liquidation Section

Post Room

FRIDAY



A42

17/04/2009

83

COMPANIES HOUSE

IN THE MATTER OF THE INSOLVENCY ACT 1986

AND

IN THE MATTER OF SCARBOROUGH POWER LIMITED

Report of the Meeting of Creditors held at 11.30am on 8 April 2009 at the Ramada
Wetherby, Leeds Road, Wetherby, LS22 5HE

PRESENT : Andrew Maybery (Joint Nominee & Chairman of the Meeting.
: Christopher Brown (Joint Nominee)
: David Bower (Director)
: Stephen Grieve (Director)
: Ron Whitlam (HLW Commercial Solicitors)
: 36 Creditors by proxy

Mr Maybery opened the meeting and introduced Mr Brown, Mr Whitlam, Mr Bower and Mr Grieve. It was confirmed that neither the Joint Nominees or Hart Shaw had had any previous professional relationship with the company or its directors prior to obtaining instructions on 12 December 2008. The CVA proposal was filed in Court and sent to creditors on 23 March 2009.

It was stated that by the start of the meeting proxies had been received from creditors voting in favour of the proposals totalling £5,692,000. No proxies have been received with instructions to vote against the proposals. The votes in favour include £5,177,388 of associated creditors.

The following modification had been proposed:-

"It is proposed that the company will pay to the Joint Supervisors for the benefit of creditors on approval of the arrangement 25% of the profits generated by the company for each of the three years ending 31st March 2013."

The directors have confirmed that they do not accept this modification.

Modifications proposed by HM Revenue & Customs and Yorkshire Forward were read to the meeting and it was confirmed that these modifications were acceptable to the directors.

The meeting was opened to questions and after an hours discussion a request was made by one of the creditors for a short adjournment so that creditors could discuss what modifications they might wish to propose. When the meeting was reopened the creditors proposed that the meeting be adjourned for several days so that any claims issues could be resolved and modifications formulated. Mr Maybery stated that it was important for the matter to be dealt with today as sufficient creditors had voted in favour for a vote to be carried and if the creditors present wished to propose any modifications they should do so today. The meeting was adjourned again to allow

creditors to have a discussion. The meeting was reopened and the creditors representative proposed that the CVA be extended by one year and that during the second year further income payments are made to a maximum of the amount required to pay a dividend of 18 pence in the pound.

The meeting was adjourned again while the directors considered this modification. The meeting was reopened and it was confirmed that the directors would accept the creditors proposed modification.

The meeting moved to the formal business and the following resolution was proposed:-

"That the proposals for a Company Voluntary Arrangement subject to the following 18 modifications be accepted."

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 HMRC (former IR) claim in the CVA will include PAYE/NIC due to the date, of the meeting to approve the arrangement, (or the commencement of the prior administration) and CTSA / assessed tax for the accounting period(s) ended on or before the date of approval of the arrangement (or date of commencement of the prior administration).
3. The HMRC (former HMC&E) claim in the CVA will include assessed tax, levy or duty to the date of approval or (to the date of commencement of the prior administration).
4. No none preferential distribution will be made until:
 - (a) CTSA return has been filed for the accounting period ended on or immediately prior to the date, of approval, or of commencement of the prior administration.
 - (b) A vat and /or other levy or duty return to HMRC has been filed up to the date of the approval or (the date of commencement of the prior administration) or
 - (c) An HMRC Determination or assessment has been made and the supervisor has admitted their final claims.
5. CTSA/VAT due on realisation of assets included in the arrangement will be regarded as an expense of realising the asset payable out of the net sale proceeds.
6. Set-off of funds due from the Crown against debts due to the Crown will be in accordance with statute and established legal principles.
7. The arrangement shall terminate upon:
 - (a) The making of a winding up order against the company, or the passing of a winding up resolution or the company going into administration.
 - (b) (where there is express authority for the supervisor so doing) the supervisor issuing a certificate of termination.

8. 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 distribute to arrangement creditors.
9. The Supervisor shall set aside sufficient funds for Winding Up proceedings against the Company and such funds will rank ahead of any other expenses of the arrangement.
10. Failure to comply with any express term of the arrangement shall constitute a breach of the company's obligation under the arrangement. The supervisor shall work with the company to remedy any breach of obligation. Rule 1.19 shall apply where any variation is proposed. But if any breach of obligation is not remedied within 60 days of its occurrence this shall constitute default of the CVA that cannot be remedied and the supervisor shall petition for a winding up order.
11. No time limit for lodging claims shall apply to HMRC.
12. The duration of the arrangement shall not exceed 24 months, without the prior approval of 75% majority in value of creditors' claims voting for the resolution.
13. Failure to pay creditors a minimum dividend of 43p in the £ will constitute a default of the arrangement incapable of being remedied and the Supervisor shall petition for the compulsory winding up of the company.
14. That the arrangement shall only be extended with the consent of creditors.
15. The shareholders and BB Newco shall not be entitled to receive any payment in respect of the debts due and owing to them whilst the arrangement continues in effect and the unsecured creditors receive dividends totalling 43p in the £ or until the company goes into liquidation whichever is the sooner."
16. Clause 9.2.2(b) be inserted to provide:
The profits generated by the Company in the year ended 31st March 2011 ('the Second Year Profits') shall be calculated by the Company's accountants as soon as is reasonably practicable following the year end and agreed in their absolute discretion by the Joint Supervisors. The Company will pay the Second Year Profits up to a maximum of such sum as will provide a dividend of 18p in the pound to creditors into the Scheme Fund immediately following the Joint Supervisors' approval of the calculation of the Second Year Profits.
17. Clause 9.2.3(b) be inserted to provide:
If the total sums paid into the Scheme Fund are insufficient to pay a total dividend of 43p in the pound to creditors then the Company after calculation of the sum payable pursuant to Clause 9.2.2(b) hereof the Company will pay such further sum into the Scheme Fund as is required to pay a dividend of 43p within 28 days of being notified off the sum required by the Joint Supervisors.
18. Clause 9.3 of the Proposal be amended to provide that the duration of the Arrangement shall be a maximum of 30 months.

Those voting in person or by proxy voted as follows:-

Creditor	Represented By	Accept £	Reject £
Ajax Equipment Limited	John Wilkinson	68,766.88	
Arco Limited	Chairman	304.39	
Astute Technical Recruitment Limited	Chairman	5,960.00	
Atritor Limited	John Wilkinson	73,300.43	
BB Newco Limited	Chairman	1,700,000.00	
Bfl Brofind Spa	Chairman	23,000.00	
Carron Engineering & Construction Ltd	John Ruene	288,829.53	
CBISS Trading under a1-Environment Ltd	Chairman	22,213.10	
Centri-force Engineering Co Ltd	Chairman	15,001.81	
Chris Scaife T/a Peter Scaife	Bev Anderson	34,260.99	
Coolmation Ltd	Chairman	2,300.00	
Drager Safety UK Ltd	Chairman	16,425.25	
Eclipse Combustion Ltd	Chairman	14,918.20	
Edina UK Ltd	Anthony J Fenton	37,169.14	
Effekta (UK) Ltd	Chairman	2,383.88	
EMCE Ltd	Chairman	21,284.34	
Energy Data Company Limited	Chairman	8,000.00	
Erskine Systems	Chairman	761.40	
Exoteric Gas Solutions Limited	Chairman	73,416.00	
Fabricom Contracting Ltd	R Webster	137,184.49	
GEM Operations International Limited	Chairman	1,699,934.00	
Hertel Total Asset Management Ltd	Chairman	81,709.15	
Hertel (UK) Ltd	Chairman	20,285.49	
HM Revenue & Customs	Chairman	43,072.28	
John Morefield Limited	Chairman		26,474.34
Multi Fan Systems Limited	Chairman	9,420.09	
Nixon Hire.co.uk	Chairman	2,076.90	
North Yorkshire Fire & Rescue Service	Chairman	1,380.00	
Scarborough Scaffolding	MA Dalton	4,662.25	
Siemens PLC	Chairman	117,354.04	
Valves & Flow Control Resources Limited	Chairman	29,734.43	
Wastec Limited	Chairman	5,766.79	
Wolds Engineering Services Limited	Chairman	5,071.50	
Yorkshire Forward	Chairman	200,000.00	
Yorkshire Coast Workshops Limited	Chairman	823.82	
Yorwaste Ltd	Chairman	1,771,687.22	
TOTAL		6,538,457.79	26,474.34
		99.60%	0.40%

The resolution is approved if more than 75% in value of creditors voting at the meeting were in favour. As a majority of 99.6% was achieved the Company Voluntary Arrangement is hereby approved. However, where there are associated creditors it is necessary to count the non associated creditors who voted against and if they amount to more than 50% of the non associated creditors, the resolution in favour of the proposals is invalid. In this case the associated creditors amount to £5,177,388 and therefore the non associated in favour amount to £1,361,068.79. The non associated creditors voting against amount to 1.91% of the non associated creditors and therefore the resolution in favour of the proposal is valid.

A second resolution was proposed as follows:-

“That in accordance with the provisions of SIP 9 the Nominee’s / Supervisors are authorised to draw the following disbursements for services provided by their own firm:- Bulk Photocopying, Room Hire, Mileage and Document Storage. These disbursements are to be paid at the prevailing rate..”

Those voting in person or by proxy voted as follows:-

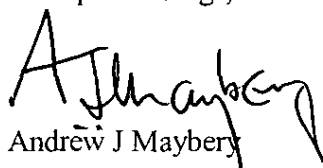
Creditor	Represented By	Accept £	Reject £
Ajax Equipment Limited	John Wilkinson	68,766.88	
Arco Limited	Chairman	304.39	
Astute Technical Recruitment Limited	Chairman	5,960.00	
BB Newco Limited	Chairman	1,700,000.00	
Bfl Brofind Spa	Chairman	23,000.00	
CBISS Trading under a1-Environment Ltd	Chairman	22,213.10	
Drager Safety UK Ltd	Chairman	16,425.25	
Eclipse Combustion Ltd	Chairman	14,918.20	
Effekta (UK) Ltd	Chairman	2,383.88	
EMCE Ltd	Chairman	21,284.34	
Energy Data Company Limited	Chairman	8,000.00	
Erskine Systems	Chairman	761.40	
Exoteric Gas Solutions Limited	Chairman	73,416.00	
GEM Operations International Limited	Chairman	1,699,934.00	
Hertel Total Asset Management Ltd	Chairman	81,709.15	
Hertel (UK) Ltd	Chairman	20,285.49	
John Morefield Limited	Chairman	26,474.34	
Nixon Hire.co.uk	Chairman	2,076.90	
Siemens PLC	Chairman	117,354.04	
Valves & Flow Control Resources Limited	Chairman	29,734.43	
Wastec Limited	Chairman	5,766.79	
Wolds Engineering Services Limited	Chairman	5,071.50	

Yorkshire Forward	Chairman	-	200,000.00
Yorkshire Coast Workshops Limited	Chairman		823.82
Yorwaste Ltd	Chairman		1,771,687.22

TOTAL		5,918,351.12	0.00
5,918,351.12		100.00%	0.00%

As a 100% majority was achieved this resolution was approved.

Finally it was stated that in the opinion of the Supervisors the EC Regulations on Insolvency Proceedings applies to the Voluntary Arrangement and that these proceedings are classed as main proceedings, as the Company's main interest is situated in England and Wales.



Andrew J Maybery
Chairman of the Meeting
8 April 2009