

The Insolvency Act 1986

Statement of administrator's revised proposals**Pursuant to paragraph 54 of Schedule B1 to the Insolvency Act 1986
and Rule 2.34 of the Insolvency (Scotland) Rules 1986**

Name of Company AC199 Realisations Limited	Company number SC102977
-----------------------------------------------	----------------------------

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

I/We (a) John Montague of Grant Thornton UK LLP, 1-4 Atholl Crescent,
Edinburgh, EH3 8LQ and Robert Caven of Grant Thornton UK LLP, 95 Bothwell
Street, G2 7JZ, hereby report that *a meeting ~~an adjourned meeting~~ of the creditors
of the above company was held at/by correspondence.

We attach as a schedule to this form a copy of my/ our revised proposals in respect
of the administration of the above company.

A copy of these revised proposals was sent to all known creditors on 8 February 2012

(b)

Signed

Joint / Administrator(s)

Dated

8/2/12

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

	Tel
DX Number	DX Exchange

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

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh-2



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SCT

16/02/2012

#279

COMPANIES HOUSE

THURSDAY

Our Ref JM/ARE/EKM/A00351/7

To the Creditors

Recovery and Reorganisation

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12 January 2012

Dear Sirs

AC199 Realisations Limited - In Administration (formerly Airchannel Limited)

1 INTRODUCTION

- 1.1. Following my appointment, together with my partner Robert Caven as Administrators of the above Company by the directors on 23 March 2010 and subsequent approval of our proposals at the meeting of creditors held on 1 June 2010 we are seeking an amendment to the proposals in pursuant to paragraph 54 of Schedule B1 to the Insolvency Act 1986.
- 1.2. This letter should be read in conjunction with the Joint Administrators proposals of 17 May 2010 which sets out the original proposals and subsequent periodic reports to creditors. If any creditor requires a further copies of earlier correspondence they should contact the Joint Administrators at the address shown in this letter. Alternatively copies can be obtained from Companies House.
- 1.3. In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.

Chartered Accountants

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A list of members is available from our registered office.

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2 STATUTORY INFORMATION

2.1. The Company's statutory details are as follows:

Registered number	SC102977
Date of incorporation	30 January 1987
Registered office	Stirling Road Industrial Estate, Dykehead Road, Airdrie, Lanarkshire, ML6 7UJ
Authorised share capital	827,686 Ordinary £1 Shares 368,750 Preferred Ordinary £1 Shares
Issued share capital	827,686 Ordinary £1 Shares 368,750 Preferred Ordinary Shares
Directors:	Shareholding
Colin Glassey	Nil
Steve Holman	Nil
Alastair Paul Henry Shanks	18,000
Alexander Gavin Shanks	719,295
James Sheldon	50,000
Secretary	Shareholding
James Sheldon	As above

2.2. The Joint Administrators were appointed by the Directors of the company on 23 March 2010. The notice of appointment was lodged with Court of Session at Edinburgh. There is no court reference. The administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings.

3 VARIATION TO THE PROPOSALS FOR ACHIEVING THE OBJECTIVE OF THE ADMINISTRATION

- 3.1. The original objective of the Administrators was to pursue realisation of the assets for the benefit of preferential and secured creditors and, if possible, achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up.
- 3.2. Following a more detailed understanding of the cross guarantee obligations and inter-company liabilities, creditors have previously been advised in progress reports that there will be no funds available to enable a distribution, other than to the secured creditors. Creditors will also recall from the original proposals documentation that no prescribed part would be set aside for unsecured creditors as the floating charge was created prior to 15 September 2003.
- 3.3. Accordingly it is now appropriate to vary the proposals to include a statement, in accordance with Paragraph 52 (1) of Schedule B1 of Insolvency Act 1986, that the Joint Administrators are of the opinion that there will insufficient funds to allow a distribution to unsecured creditors. The revision of the proposals will not impact on the outcome for unsecured creditors which remains as previously reported. However it will enable a more cost efficient progression of the administration including distribution to the secured creditor and approval of fees by the secured creditor in accordance with Rule 2.39 of Insolvency (Scotland) Rules 1986.

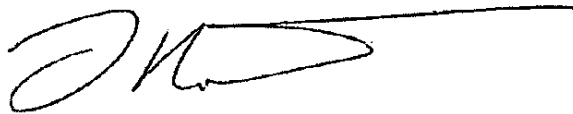
4 MEETING OF CREDITORS

In order to effect this variation to the proposals it is necessary to convene a further meeting of creditors. For the convenience of creditors the Joint Administrators propose to conduct the meeting by correspondence in accordance with Paragraph 58 of Schedule B1 of Insolvency Act 1986 and Rule 2.28 of Insolvency Scotland Rules 1986. Formal notice of the creditors meeting is enclosed, accompanied by a form of proxy and claim form. Completed proxy's and claim forms should be returned by 2 February 2012.

Any creditor or group of creditors whose debt (s) amount to 10% of the total debts of the company may, within 5 days from the date of this letter request that a formal meeting of creditors is summoned to consider the revisions proposed.

Should you have any queries regarding this please contact my colleague Andrew Ellis (by phone on 0131 659 8525 or by email at andrew.r.ellis@uk.gt.com) in the first instance.

Yours faithfully
for and on behalf of AC199 Realisations Limited

A handwritten signature in black ink, appearing to be 'J Montague', with a long horizontal line extending to the right.

John Montague
Joint Administrator

The affairs, business and property of AC199 Limited (formerly Airchannel Limited) are being managed by John Montague and Rob Caven, appointed as joint administrators on 23 March 2010. The joint administrators act as agents of the Company and without personal liability.