

The Insolvency Act 1986

Statement of administrator's revised proposals

2.22B

Name of Company
ACORDIS UK LIMITED

Company number
00149921

In the
High Court of Justice, Leeds District Registry
[full name of court]

Court case number
508 of 2005

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

I/We (a) Ian Brown and Neville Barry Kahn of Deloitte & Touche LLP, 1 City Square, Leeds LS1 2AL

*Delete as applicable

attach as a schedule to this form a copy of 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

(b) Insert date

(b) 26 July 2007

Signed

Joint / Administrator(s)

Dated

26-7-2007

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

SATURDAY



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AAY5QS76
18/08/2007
COMPANIES HOUSE

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When you have completed and signed this form please send it to the Registrar of Companies at
Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ



COMPANIES HOUSE

26 July 2007

Direct 0113 292 1346
Direct fax 0113 244 8942
jameclark@deloitte.co.uk

Dear Sirs

ACORDIS UK LIMITED (IN ADMINISTRATION) ("COMPANY")

At the last meeting of creditors on 5 May 2006, the Joint Administrators of the Company were authorised by creditors to exit the administration by way of dissolution, pursuant to paragraph 84 of Schedule B1 to the Insolvency Act 1986, following a distribution of funds to unsecured creditors

The Joint Administrators obtained permission from the Court, pursuant to paragraph 65(3) of Schedule B1 to the Insolvency Act 1986, to distribute dividends to creditors on 8 May 2006 and since that date two interim dividends (a total of 70 pence in the pound) have been paid to the unsecured creditors of the Company (save for personal injury claimants with valid proofs who are being dealt with separately but who will receive, in due course, the same level of dividend as other unsecured creditors of the Company). The Joint Administrators have obtained a number of extensions to the administration, the latest of which expires on 12 August 2007

Since the last creditors' meeting, a number of issues have arisen (detailed in the enclosed statutory statements) which have caused the Joint Administrators to re-consider the exit strategy for the administration. The Joint Administrators are now of the view that it would be more beneficial to the interests of creditors as a whole for the Company to be placed in Creditors' Voluntary Liquidation and for the final dividend to unsecured creditors to be distributed by the Joint Liquidators once all remaining issues have been resolved. If the Company were to be placed into Creditors' Voluntary Liquidation, the Joint Administrators propose to be appointed Joint Liquidators

The Joint Administrators have discussed and agreed this proposal with the Creditors' Committee which has already resolved in favour of this proposed course of action. The Administration Creditors' Committee will become the Liquidation Creditors' Committee

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Member of
Deloitte Touche Tohmatsu

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The placing of the Company into liquidation will not have a negative impact on the outcome to creditors and it is intended to avoid further costs of additional extensions to the Administration in order to accommodate the prolonged settlement of employee related claims. In addition, the placing of the Company into Liquidation will allow the Joint Liquidators to finalise the possible claim relating to the waste management licence and therefore allow payment of the final dividend. This will not be possible whilst the Company is in Administration.

I would also remind you that the Committee has agreed that the office holders' fees for the final distribution at £120,000 plus VAT and out of pocket expenses, and that there is no additional fee request at this time.

A resolution of the creditors of the Company is required to sanction this revision to the Joint Administrators' proposals. In order to deal with this issue as cost effectively as possible, we have not called a meeting of creditors but propose to deal with this resolution by way of correspondence pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986.

We enclose, therefore, for your attention a notice of revision of administrators' proposals (Form 2 22B) and a notice of business by way of correspondence (Form 2 25B) together with their relevant attachments. If you wish to vote on the resolution in respect of the proposed revision to the Joint Administrators' proposals, please complete Form 2 25B as appropriate and return to the Joint Administrators at the above address (marked for the attention of James Clark) **by 12 noon on 10 August 2007.**

Yours sincerely
For and on behalf of Acordis UK Ltd


Ian Brown
Joint Administrator

ACORDIS UK LIMITED**STATEMENT OF REVISED PROPOSALS OF ADMINISTRATORS****STATEMENT TO BE ATTACHED TO FORM 2.22B PURSUANT TO RULE 2.45 (1) OF THE INSOLVENCY RULES 1986**

Court and court reference	High Court of Justice, Leeds District Registry, Chancery Division Court case number. 508 of 2005
Name, number and registered address of the Company	Acordis UK Limited (company number 00149921) of 1 City Square, Leeds LS1 2AL
Details of appointment of administrators	Ian Brown, Trevor Nigel Birch and Neville Barry Kahn were appointed as joint administrators of the Company on 13 May 2005 by the Company's directors pursuant to paragraph 22 of Schedule B1 to the Insolvency Act 1986 Trevor Nigel Birch resigned as joint administrator of the Company on 4 January 2007
Directors and secretary of the Company	Directors John Anthony Cross, David Thomas Powers Secretary Eversecretary Limited To the best of the Joint Administrators' knowledge, neither the Directors nor the Secretary of the Company hold any shares in the Company
Details of proposed revision	Currently, proposal (9), as approved by creditors at a meeting on 5 May 2006, reads as follows "The Joint Administrators apply to Court for sanction to agree the claims of unsecured creditors and to distribute such funds as available to the unsecured creditors as quickly and as efficiently as possible and following the completion of the distribution of funds, the Joint Administrators seek to dissolve the Company as allowed under the legislation " The Joint Administrators propose that the following wording be added to end of proposal (9) as a revision "Should the Joint Administrators think it necessary (and having obtained the sanction of the creditors' committee on this issue), the Joint Administrators may place the Company into Creditors' Voluntary Liquidation (instead of dissolving the Company) and distribute any remaining funds to unsecured creditors in the liquidation. If the Company is to be placed in Creditors' Voluntary Liquidation, the Joint Administrators propose to be appointed Joint Liquidators. The creditors of the Company may, however, nominate a different person as the proposed Liquidator provided such nomination is made after the receipt of the revised proposals and before those revised proposals are

	approved "
Reasons for the proposed revision	<p>The Joint Administrators believe that it would be in the best interests of creditors of the Company to place the Company into Creditors' Voluntary Liquidation and to distribute remaining funds to creditors out of the liquidation for the following reasons</p> <p>(1) there are a large number of personal injury claims made against the Company which are still on-going and which are affected by test case litigation being pursued by third parties against certain insurers of the Company (including the Excess Insurance Company) The outcome of this litigation will affect the administration estate as it will determine the extent (if any) of the relevant insurers liability in respect of these claims Based on the information currently known by the Joint Administrators, this litigation is likely to take over a year to reach a conclusion (as the case is likely to go through the Court of Appeal and the House of Lords) The Administration would, therefore, need to be extended again, at least once, in order for these claims to be resolved Due to the uncertainty surrounding the time required to resolve these claims, the Joint Administrators believe that it would now be far more efficient for these claims to be resolved by a liquidator , and</p> <p>(11) the Company is the holder of a waste licence under which substantial liabilities may be incurred. The Joint Administrators of the Company believe it would be in the best interests of the Company to disclaim this licence which may only be done by a liquidator Liquidation will allow a final payment to be made to the unsecured creditors</p>
Impact of the proposed revision on creditors	<p>If the Company is placed into Creditors' Voluntary Liquidation, the Joint Liquidators will have a number of statutory duties to perform which will involve the incurring of time costs (which would not be necessary if the Company were to remain in administration) However, the Joint Administrators, if appointed Joint Liquidators, do not intend to request further fees beyond those already agreed for the office holders' final costs</p> <p>Without a move to Liquidation, the current office holder is unable to finalise the contingent creditor, and therefore is unable to make a final distribution. The Joint Liquidators will therefore be able to make a final payment to the unsecured creditors</p>

ACORDIS UK LIMITED (IN ADMINISTRATION)

RESOLUTION TO BE PUT TO CREDITORS' MEETING BY CORRESPONDENCE

STATEMENT ENCLOSED WITH FORM 2.25B

- 1 That the Joint Administrators' proposals be revised as follows

Currently, proposal (9), as approved by creditors at a meeting on 5 May 2006, reads as follows

"The Joint Administrators apply to Court for sanction to agree the claims of unsecured creditors and to distribute such funds as available to the unsecured creditors as quickly and as efficiently as possible and following the completion of the distribution of funds, the Joint Administrators seek to dissolve the Company as allowed under the legislation "

The Joint Administrators propose that the following wording be added to end of proposal (9) as a revision

"Should the Joint Administrators think it necessary (and having obtained the sanction of the creditors' committee), the Joint Administrators may place the Company into Creditors' Voluntary Liquidation (instead of dissolving the Company) and distribute any remaining funds to unsecured creditors in the liquidation. If the Company is to be placed in Creditors' Voluntary Liquidation, the Joint Administrators propose to be appointed Joint Liquidators. The creditors of the Company may, however, nominate a different person as the proposed Liquidator "

Notice of conduct of business by correspondence

Name of Company
ACORDIS UK LIMITED

Company number
00149921

In the
High Court of Justice, Leeds District Registry
[full name of court]

Court case number
508 of 2005

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

Notice is hereby given by (a) Ian Brown and Neville Barry Kahn of Deloitte & Touche LLP, 1 City Square,
Leeds LS1 2AL

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

to the creditors of (b) Acordis UK Limited of 1 City Square, Leeds LS1 2AL

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed is (c) 1
resolution for your consideration. Please indicate below whether you are in favour or against each
resolution

(d) Insert address to which
form is to be delivered

This form must be received at (d) Deloitte & Touche LLP (ref CMS), 1 City Square, Leeds LS1 2AL

(e) Insert closing date

by 12 00 hours on (e) 10 August 2007 in order to be counted. It must be accompanied by details in
writing of your claim. Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary for the
number of resolutions
attached


Resolution (1) I am *in Favour / Against
(please delete as appropriate)

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor _____

Signature of creditor _____
(If signing on behalf of creditor, state capacity e.g. director/solicitor)

If you require any further details or clarification prior to returning your votes, please contact me / us at the
address above

Signed 
Joint / Administrator(s)

Dated 26-7-07