

The Insolvency Act 1986

Administrator's progress report

Name of Company FG Realisations No 2 Limited	Company number 04090138
In the High Court of Justice, Chancery Division	Court case number 530 of 2012

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

We (a) Antony David Nygate and Shay Bannon of BDO LLP 55 Baker Street, London, W1U 7EU

administrators of the above company attach a progress report for the period

(b) Insert date

From (b) 23 January 2012	to (b) 22 January 2013
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Signed

Joint administrator

Dated

15-2-2013

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.

BDO LLP, 55 Baker Street, London,	
W1U 7EU	
Our Ref 7/KLJ/ADM 933/A6	Tel
DX Number	DX Exchange

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



A30 22/02/2013 #227

COMPANIES HOUSE

FRIDAY



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«NAME»
«A1»
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«A3»
«A4»
«A5»

15 February 2013

Please ask for Kim Jimmieson

Direct Line 020 893 2263
Email kim.jimmieson@bdo.co.uk

TO ALL CREDITORS

Dear Sirs

Fountains Limited ("FL")
Fountains Environmental Limited ("FEL")
FG Realisations No.1 Limited (formerly t/a Fountains Support Services Limited) ("FSSL")
FG Realisations No.2 Limited (formerly t/a Fountains Forestry Limited) ("FFL")
(together "the Companies") - All in Administration

This report is addressed to the creditors of the Companies. Please note that the report encompasses the administrations of all four of the Companies due to their affairs being closely connected and interlinked.

It is now twelve months since my appointment in respect of the Companies. In accordance with Rule 2.47 of the Insolvency Rules 1986 I am now reporting the progress made in implementing the approved proposals and achieving the statutory purpose of the administrations.

1 Statutory Information

The Joint Administrators are Antony David Nygate and Shay Bannon of BDO LLP, 55 Baker Street, London, W1U 7EU and they were appointed in respect of the Companies on 23 January 2012. Under the provisions of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 the Joint Administrators carry out their functions jointly and severally and neither Joint Administrator has exclusive power to exercise any function.

The Joint Administrators were appointed over FL, FEL, FFL and FSSL by a director of each of the Companies, pursuant to Paragraph 22 of Schedule B1 of the Insolvency Act 1986.

The Companies' registered offices are situated at c/o 55 Baker Street, London, W1U 7EU. The administration proceedings are dealt with in the High Court of Justice, Chancery Division and the court case numbers are shown below together with the registered numbers at the dates of incorporation.

Company	Registered No.	In The High Court Of Justice Number	Date of Incorporation
FL	02391409	446/2012	02/06/1989
FEL	01581254	444/2012	19/08/1981
FFL	04090138	530/2012	12/10/2000
FSS	00593535	445/2012	12/11/1957

7/KLJ/ADM 932 Creditors Report
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2 Receipts & Payments

I enclose, for your information, a summary of my receipts and payments to date for each of the Companies showing balances in hand as follows

Company	(£)
FEL	61,603 79
FFL	5,447 05
FSSL	416,136 45
FL	15,067 08

I trust that the receipts and payments shown are largely self explanatory

3 Management of the Companies' Affairs since the Joint Administrators' Appointment

As you will be aware from my previous correspondence, immediately upon appointment the Joint Administrators entered into a sale of the business and certain of the Companies' assets and contracts to OCS Group UK Limited and O C S Forestry Limited (together known as "OCS"), for a net consideration of £1 1m. The consideration was paid in full upon completion of the transaction and the split between the Companies and their constituent assets was provided in my letter of 1 February 2012

It was unfortunately necessary to make any staff working on non-transferred contracts redundant with immediate effect, as these contracts were loss making and the Joint Administrators had no funding available to trade these contracts. Consequently, the business has not traded since the date of our appointment

Following the sale to OCS the Joint Administrators have been assisting with the transfer of the business and assets. Additionally, we have dealt with significant levels of queries from employees, suppliers, landlords and leasing companies. The Joint Administrators and their agents, Wyles Hardy, also assisted OCS and the numerous leasing companies with the return of assets that are owned by third parties.

Under the terms of the sale contract the Joint Administrators also have a duty to execute all required documentation reasonably necessary to vest full legal and beneficial title in the acquired contracts to OCS. Significant further work has therefore been undertaken in respect of the novation of customer contracts acquired by OCS, albeit under the terms of the sale contract OCS must settle the costs of the Joint Administrators in dealing with these assignments and novations.

In addition to the sale to OCS the Joint Administrators were able to negotiate the novation of a waste and recycling contract to a third party service provider for the sum of £100,000. This payment is reflected in the attached receipts and payment account for FEL.

The Joint Administrators have also collected in a small number of sundry refunds in respect of property rates and insurance claims.

The administrations have each been extended to 22 July 2013 with the consent of the secured and, where appropriate, preferential creditors.

4 Costs in the Administrations

The pre-appointment expenses incurred by the Joint Administrators were set out in my report dated 14 March 2012

In respect of expenses incurred since the date of appointment I would advise that the following legal fees have accrued and been paid to date

Company	Costs Accrued £	Costs Paid £	Outstanding £
FEL	55,238 00	51,946 00	3,292 00
FSSL	49,759 20	47,650 60	2,108 60
FFL	5,875 80	5,875 80	Nil
FL	6,700 00	6,700 00	Nil

In addition our legal advisors Berwin Leighton Paisner LLP ("BLP") have been assisting the Joint Administrators in executing the necessary documentation to transfer the legal and beneficial title of the contracts to OCS. I would advise that to date BLP has incurred fees of £23,427 66 of which £9,311 remains outstanding. These costs are not included in the table above as they are paid directly by OCS.

In addition, FEL and FSSL have incurred the sum of £54,115 05 and £12,503 94 respectively for agents' fees associated with the orderly return of the company's chattel assets. This sum has been paid in full.

5 Future of the Administrations

It is proposed, in respect of FEL, FFL and FL, that the Joint Administrators continue in office and, where possible, make distributions to the secured and preferential creditors. The secured and, where applicable, preferential creditors of each of the Companies have agreed to extend the administrations for a further six month period to 22 July 2013.

It is anticipated that the administrations of FEL, FFL and FL will exit by way of dissolution. In respect of FSSL it is proposed that the Joint Administrators exit by way of Creditors' Voluntary Liquidation and that Antony David Nygate and Shay Bannon will be Joint Liquidators and act jointly and severally.

6 Prospects for Creditors

6.1 Secured Creditor

As you will note from the enclosed receipts and payments accounts, the following distributions have been made to the secured creditor in respect of its fixed charge security:

Company	Amount (£)
FEL	70,000
FSSL	300,000
FL	50,000

It is anticipated that the secured creditor will receive further distributions under its fixed and floating charge security, however, such distributions will not be sufficient to repay the secured creditor in full.

6.2 Preferential and Unsecured Creditors

In respect of preferential creditors, there may be a distribution payable in respect of FEL which we would estimate to be in the order of 8p in the £. There are no preferential creditors in any other company.

It is anticipated that there may be a small distribution to the unsecured creditors of FSSL by way of the prescribed part, as detailed below

6.3 Prescribed Part

Under the provisions of Section 176A of the Insolvency Act 1986 the Joint Administrators must state the amount of funds available to unsecured creditors in respect of the prescribed part. The provision only applies where a company has granted a floating charge to a creditor after 15 September 2003.

With regard to FSSL, and based upon present information, the Joint Administrators estimate that after allowing for costs the value of the company's net property will be in the region of £350,000. This means that the prescribed part may be £73,000.

With regards to FL, FEL and FFL, the Joint Administrators estimate that there will not be sufficient realisations to enable a distribution to be paid to creditors under the prescribed part.

7 Joint Administrators' Remuneration

Where there is insufficient realisable property to enable a distribution to be made to unsecured creditors other than by reason of prescribed part (which is mentioned above), the Joint Administrators' remuneration will be subject to the approval of the secured and preferential creditors as set out in Rule 2.106(5A) (a) & (b) of the Insolvency Rules 1986.

The secured creditors have approved the Joint Administrators' remuneration on a time cost basis (subject to their being sufficient realisations in the administrations) and I provide below a summary of the time costs accrued and drawn to date. In respect of FEL additional agreement was sought from the preferential creditors which was provided on 8 January 2013.

Company	Time costs accrued (£)	Time costs drawn (£)	Time costs outstanding (£)
FEL	267,238.15	200,278.00	66,960.15
FSSL	113,679.80	56,183.00	57,496.80
FFL	28,697.35	20,670.00	8,027.35
FL	26,140.60	14,239.00	11,901.60

I attach to this report schedules that provide a breakdown of the work undertaken in the administrations to date. I also draw your attention to the extract from the Insolvency Rules 1986 in respect of the rights of creditors as regards the fees and expenses of the Joint Administrators.

As detailed in section 3 above, the Joint Administrators have a duty to execute the necessary documentation to transfer the legal and beneficial title of the contracts to OCS, the costs of which must be borne by them. I would advise that to date 44.25 hours at an average hourly rate of £469.31 has been spent in dealing with contract negotiations equating to time costs of £20,767. In respect of these costs, £18,561 has been paid by OCS to date. These costs are not included in the table above.

8 Joint Administrators' Disbursements

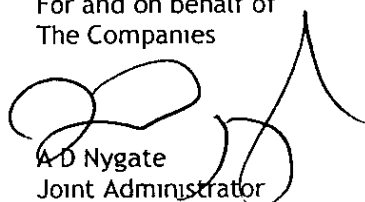
Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements. I provide below a summary table detailing the disbursements that have been accrued and been drawn in the administrations.

Company	Disbursements accrued (£)	Disbursements drawn (£)	Disbursements outstanding (£)
FEL	2,648 47	2,600 42	48 05
FSSL	577 78	Nil	577 78
FFL	294 84	Nil	294 84
FL	426 56	Nil	426.56

Some administrators recharge expenses for example, postage, stationary, photocopying charges, telephone and fax costs, which cannot be economically be recorded in respect of each specific case. Such expenses, which are apportioned to cases, require the approval of the creditors, before they can be drawn, and these are known as category 2 disbursements. The policy of BDO LLP is not to charge any category 2 disbursements.

Should you have any queries in respect of this report, please do not hesitate to contact Kim Jimmieson on the above telephone number.

Yours faithfully
For and on behalf of
The Companies



A D Nygate
Joint Administrator

Authorised by the Institute of Chartered Accountants in England & Wales

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses:-

Rule 2 48A Creditors' request for further information

(1) If--

- (a) within 21 days of receipt of a progress report under Rule 2 47--
 - (i) a secured creditor, or
 - (ii) an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors (including the creditor in question), or
- (b) with the permission of the court upon an application made within that period of 21 days, any unsecured creditor, makes a request in writing to the administrator for further information about remuneration or expenses (other than pre-administration costs) set out in a statement required by Rule 2 47(1)(db) or (dc), the administrator must, within 14 days of receipt of the request, comply with paragraph (2)

(2) The administrator complies with this paragraph by either--

- (a) providing all of the information asked for, or
- (b) so far as the administrator considers that--
 - (i) the time or cost of preparation of the information would be excessive, or
 - (ii) disclosure of the information would be prejudicial to the conduct of the administration or might reasonably be expected to lead to violence against any person, or
 - (iii) the administrator is subject to an obligation of confidentiality in respect of the information, giving reasons for not providing all of the information

(3) Any creditor, who need not be the same as the creditor who requested further information under paragraph (1), may apply to the court within 21 days of--

- (a) the giving by the administrator of reasons for not providing all of the information asked for, or
- (b) the expiry of the 14 days provided for in paragraph (1),
and the court may make such order as it thinks just

(4) Without prejudice to the generality of paragraph (3), the order of the court under that paragraph may extend the period of 8 weeks provided for in Rule 2 109(1B) by such further period as the court thinks just

Rule 2 109 Creditors' claim that remuneration is or other expenses are excessive

(1) Any secured creditor, or any unsecured creditor with either the concurrence of at least 10% in value of the unsecured creditors (including that creditor) or the permission of the court, may apply to the court for one or more of the orders in paragraph (4)

(1A) Application may be made on the grounds that--

- (a) the remuneration charged by the administrator,
- (b) the basis fixed for the administrators remuneration under Rule 2 106, or
- (c) expenses incurred by the administrator,
is or are, in all the circumstances, excessive or, in the case of an application under sub-paragraph (b), inappropriate

(1B) The application must, subject to any order of the court under Rule 2 48A(4), be made no later than 8 weeks after receipt by the applicant of the progress report which first reports the charging of the remuneration or the incurring of the expenses in question ("the relevant report")

(2) The court may, if it thinks that no sufficient cause is shown for a reduction, dismiss it without a hearing but it shall not do so without giving the applicant at least 5 business days notice, upon receipt of which the applicant may require the court to list the application for a without notice hearing. If the application is not dismissed, the court shall fix a venue for it to be heard, and give notice to the applicant accordingly

Statement from the Insolvency Rules 1986 (as amended) regarding the rights of creditors in respect of the Joint Administrators' fees and expenses (continued).-

Rule 2 109 (continued)

(3) The applicant shall, at least 14 days before the hearing, send to the administrator a notice stating the venue and accompanied by a copy of the application, and of any evidence which the applicant intends to adduce in support of it

(4) If the court considers the application to be well founded, it must make one or more of the following orders—

(a) an order reducing the amount of remuneration which the administrator was entitled to charge,

(b) an order fixing the basis of remuneration at a reduced rate or amount,

(c) an order changing the basis of remuneration,

(d) an order that some or all of the remuneration or expenses in question be treated as not being expenses of the administration,

(e) an order that the administrator or the administrator's personal representative pay to the company the amount of the excess of remuneration or expenses or such part of the excess as the court may specify,

and may make any other order that it thinks just, but an order under sub-paragraph (b) or (c) may be made only in respect of periods after the period covered by the relevant report

(5) Unless the court orders otherwise, the costs of the application shall be paid by the applicant, and are not payable as an expense of the administration

Fountains Environmental Limited
In Administration

Summary of Joint Administrators Receipts And Payments from 23 January 2012 (date of appointment) to 22 January 2013

	Estimated to realise per directors Statement of Affairs £	Movement in Last Six Month Period £	Subject to Fixed Charges £	Subject to Floating Charges £	Total £
Receipts					
Goodwill	1 00		100,001 00		100,001 00
Bank Interest		283 09	114 11	315 90	430 01
Equipment, Motor Vehicles, Stock & Book Debts	413,918 00			413,918 00	413,918 00
Rates Refunds		475 70		25,211 30	25,211 30
Sundry Refunds		4,545 48		12,849 09	12,849 09
Cash at Bank	250 00			319 16	319 16
Third Party Receipt for fees associated with Contract Novation		5,819 50		18,561 00	18,561 00
	<u>414,169 00</u>	<u>10,172 37</u>	<u>100,115 11</u>	<u>471,174 45</u>	<u>571,289 56</u>
Payments					
Joint Administrators Pre Appointment Fees		31,759 74		31,759 74	31,759 74
Joint Administrators Fees		200,278 00		200,278 00	200,278 00
Joint Administrators Disbursements		2,600 42		2,600 42	2,600 42
Legal Fees and Disbursements		14,673 50	5,238 00	46,708 00	51,946 00
Agents Fees & Disbursements		39,998 39		54,115 05	54,115 05
Fees for the Preparation of Statement of Affairs				3,000 00	3,000 00
Press Office Costs		424 55		3,853 66	3,853 66
Insurance		105 02		2,187 57	2,187 57
Storage Costs				282 56	282 56
Sundry Expenses				50 00	50 00
Bank Charges		464 55	20 00	444 55	464 55
Contract Novation Fees		5,819 50		18,561 00	18,561 00
Input VAT		60,025 72	1,065 60	69,521 62	70,587 22
	<u>276,152 61</u>	<u>276,152 61</u>	<u>6,323 60</u>	<u>433,362 17</u>	<u>439,685 77</u>
Distribution to Secured Creditor		70,000 00	70,000 00		70,000 00
Balances In Hand		(415,977 02)	23,791 51	37,812 28	61,603 79
			<u>100,115 11</u>	<u>471,174 45</u>	<u>571,289 56</u>

BDO LLP
55 Baker Street
London
W1U 7EU

A D Nygate & S Bannon
Joint Administrators
15 February 2013

FG Realisations No 1 Limited (formerly t/a Fountains Support Services Limited)
In Administration

Summary of Joint Administrators' Receipts And Payments from 23 January 2012 (date of appointment) to 22 January 2013

	Estimated to realise per directors' Statement of Affairs	Movement In Last Six Month Period	Subject to Fixed Charges	Subject to Floating Charges	Total
	£	£	£	£	£
Payments					
Goodwill	1 00		1 00		1 00
Freehold Land & Buildings	118,195 00		387,000 00		387,000 00
Equipment, Motor Vehicles, Stock & Book Debts	167,918 00			167,918 00	167,918 00
Cash at Bank	-			336,901 62	336,901 62
Bank Interest	-	267 70	251 19	226 70	477 89
Sundry Refunds		8,114 71		8,929 34	8,929 34
Rates Refunds				718 35	718 35
	<u>286,114 00</u>	<u>8,382 41</u>	<u>387,252 19</u>	<u>514,694 01</u>	<u>901,946 20</u>
Payments					
Legal fees & disbursements		4,817 50	30,000 00	17,650 60	47,650 60
Agent's Fees		36,434 45	2,000 00	10,503 94	12,503 94
Fees for the Preparation of Statement of Affairs		-		3,000 00	3,000 00
Joint Administrators Pre Appointment Fees, as agreed by creditors				35,521 00	35,521 00
Joint Administrators Fees		-6,323 39	6,400 00	56,183 00	56,183 00
Input VAT				24,551 21	30,951 21
	<u>(37,940 34)</u>	<u>(37,940 34)</u>	<u>38,400 00</u>	<u>147,409 75</u>	<u>185,809 75</u>
Distribution to Secured Creditor					
Balances In Hand		300,000 00	300,000 00		300,000 00
		253,677 25	48,852 19	367,284 26	416,136 45
			<u>387,252 19</u>	<u>514,694 01</u>	<u>901,946 20</u>

A D Nygate & S Bannon
Joint Administrators
15 February 2013

FG Realisations No 2 Limited (formerly t/a Fountains Forestry Limited)
In Administration

Summary of Joint Administrators' Receipts And Payments from 23 January 2012 (date of appointment) to 22 January 2013

	Estimated to realise per directors' Statement of Affairs	Movement in Last Six Month Period	Subject to Fixed Charges	Subject to Floating Charges	Total
	£	£	£	£	£
Receipts					
Goodwill	1 00	-	1 00		1 00
Equipment, Motor Vehicles, Stock & Book Debts	31,160 00	-		31,160 00	31,160 00
Petty Cash	1,100 00				
Bank Interest	-	1 87		7 20	9 07
Sundry Refunds		4,545 49		7,058 69	7,058 69
	<u>32,261 00</u>	<u>4,547 36</u>	<u>1 00</u>	<u>38,225 89</u>	<u>38,228 76</u>
Payments					
Legal Fees and Disbursements				5,875 80	5,875 80
Joint Administrators' Pre Appointment Fees, as agreed by creditors				2,507 35	2,507 35
Joint Administrators' Fees				20,670 00	20,670 00
Fees for the Preparation of Statement of Affairs				3,000 00	3,000 00
Input VAT				728 56	728 56
				<u>32,781 71</u>	<u>32,781 71</u>
Balances In Hand		4,547 36	1 00	5,444 18	5,447 05
			<u>1 00</u>	<u>38,225 89</u>	<u>38,228 76</u>

A D Nygate & S Bannon
Joint Administrators
15 February 2013

BDO LLP
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Fountains Limited
In Administration

Summary of Joint Administrators' Receipts And Payments from 23 January 2012 (date of appointment) to 22 January 2013

	Estimated to realise per directors' Statement of Affairs	Movement in Last Six Month Period	Subject to Fixed Charge
	£	£	£
Receipts			
Shares & Other Investments	100,000 00	-	100,001 00
Goodwill	1 00	-	1 00
Bank Interest	-	56 77	64 91
Sundry Refunds		420 02	420 02
	<u>100,001 00</u>	<u>476 79</u>	<u>100,486 93</u>

Payments

Legal fees & disbursements
Joint Administrators' Pre Appointment Fees, as agreed by creditors
Joint Administrators' Fees
Fees for the Preparation of Statement of Affairs
Bank Charges
Input VAT

6,700 00
7,522 04
14,239 00
1,025 00
40 00
5,893 81

35,419 85

Distribution to Secured Creditor
Balances in Hand

50,000 00
64,413 32

100,486 93

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A D Nygate & S Bannon
Joint Administrators
15 February 2013

Summary of Time Charged and Rates Applicable for the Period From 23 January 2012 to 22 January 2013

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FG Realisations No 1 Limited (formerly t/a Fountains Support Services Limited) - In Administration

Summary of Time Charged and Rates Applicable for the Period From 23 January 2012 to 22 January 2013

Description	PARTNER		MANAGER		ASSISTANT MANAGER		EXECUTIVE		OTHER STAFF		GRAND TOTAL		AV RATE	
	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	Hours	£	£	£
Pre Appointment Matters	1 00	658 00									1 00	658 00	658 00	
Steps on Appointment	2 00	1,316 00	28 75	11,652 50			28 70	4,391 10			59 43	17,359 60	292 00	
General Administration	10 25	6,744 50	15 20	5,608 10			13 65	2,439 40	4 25	382 50	43 35	15,174 50	350 05	
Asset Realisation/Dealing			39 00	13,077 75	1 55	406 10					40 55	13,483 85	332 52	
Trading Related Matters			8 50	3,867 50							8 50	3 867 50	455 00	
Employee Matters			5 50	1,595 00	16 35	4,283 70					21 85	5,878 70	269 05	
Creditor Claims			67 50	23 393 75			86 05	11,842 65			153 55	35,236 40	229 48	
Reporting			52 75	19 450 25			18 75	1 687 50			71 50	21,137 75	295 63	
Distribution and Closure			2 50	883 50							2 50	883 50	353 40	
	13 25	8 718 50	219 70	79,528 35	17 90	4 689 80	147 15	20,360 65	4 25	382 50				

Net Total 402 25 113,679 80 282 61

Other Disbursements 577 78

Billed 56,183 00

Grand Total 58 074 58

Summary of Time Charged and Rates Applicable for the Period From 23 January 2012 to 22 January 2013

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Summary of Time Charged and Rates Applicable for the Period From 23 January 2012 to 22 January 2013

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