

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Fontail Properties Limited	Company number 03365237
In the High Courts of Justice, Chancery Division, Companies Court [full name of court]	Court case number 10364 of 2011

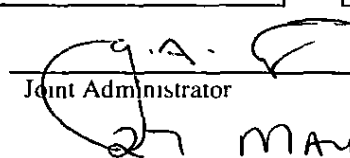
We
Gerard Anthony Friar
KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

Blair Carnegie Nimmo
KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

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

from	to
23 March 2014	27 May 2014

Signed


Joint Administrator

Dated

27 May 2014

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.

Tracey Milne KPMG LLP 191 West George Street Glasgow G2 2LJ United Kingdom DX Number DX 551820 Glasgow 20		Tel DX Exchange
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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

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COMPANIES HOUSE



**Fontail Properties Limited
Ashquay Colchester Limited
(both in administration)**
**Joint Administrators' final progress
report to creditors pursuant to Rule
2.110 of
the Insolvency Rules 1986**

27 May 2014

KPMG LLP
27 May 2014
This report contains 14 Pages

TM/NL/982



Fontail Properties Limited & Ashquay Colchester Limited (both in administration)
Joint administrators' final progress report to creditors pursuant to Rule 2.110 of
the Insolvency Rules 1986
KPMG LLP

27 May 2014

Notice: About this Report

This Report has been prepared by BC Nimmo and GA Friar, the Joint Administrators of both Fontail Properties Limited and Ashquay Colchester Limited, solely to comply with their statutory duty under Rule 2.110 of the Insolvency Rules 1986 to provide the creditors with an update on the progress of the Administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in either Fontail Properties Limited or Ashquay Colchester Limited.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under Rule 2.110 of the Insolvency Rules 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report.

BC Nimmo and GA Friar are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of Scotland.

The Joint Administrators act as agents for Fontail Properties Limited and Ashquay Colchester Limited and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administrations.



Fontail Properties Limited & Ashquay Colchester Limited (both in administration)
Joint administrators' final progress report to creditors pursuant to Rule 2.110 of
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KPMG LLP

27 May 2014

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2	Joint Administrators receipts and payments account



1 Introduction

We, Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP, were appointed Joint Administrators of Fontail Properties Limited ("Fontail") and Ashquay Colchester Limited ("Colchester") (together "the Companies") on 28 November 2011.

We were appointed by the Bank of Scotland plc ("the Bank") under the terms of its debentures over the Companies as follows:

Appointment details

Company	Debenture dated	Debenture registered	Debenture holder
Ashquay Colchester Limited	26 August 2004	15 September 2004	Bank of Scotland plc
Fontail Properties Limited	26 August 2004	15 September 2004	Bank of Scotland plc
<i>Source: Companies House</i>			

In accordance with Rule 2.110 of the Insolvency Rules 1986, we set out below our final progress report.

A copy of this report has been forwarded to the Registrar of Companies, the High Court of Justice, Chancery Division and the creditors of the Companies together with Forms 2.24B and 2.35B ("the Forms"). On registration of the Forms by the Registrar of Companies, the Administration of the Companies will cease with Blair Carnegie Nimmo and Gerard Anthony Friar vacating office as Joint Administrators.

The receipts and payments accounts to 27 May 2014 are attached at Appendix 2.

2 Joint Administrators' proposals – Fontail

The primary objective of the Administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration).

Below are details of the proposals previously agreed in the Administration. There have been no major amendments or deviations from the proposals:

- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of Fontail,



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- to seek an extension of the administration period if deemed necessary by the Joint Administrators,
- to continue to pursue the legal actions while it remains economical to do so,
- to continue to pursue and ingather the various debts still due to Fontail,
- to continue to realise the remaining assets, including disposal of the property assets held by Fontail,
- to investigate and submit a claim for a refund of Corporation tax paid by Fontail,
- that in the event that no creditors' committee is formed, the Joint Administrators' remuneration will be based upon time costs properly incurred at KPMG LLP time rates determined in accordance with Rule 2.106 of the Insolvency Rules 1986. They be authorised to draw fees on account from the assets of Fontail together with disbursements. Further information is given in "A Creditors Guide to Administrators' Fees", a copy of which can be found at www.r3.org.uk/uploads/sip/INTERIM%20SIP9%20April%202010.pdf. If you are unable to access this guide and would like a copy, please contact our colleague, Chris Sim,
- that the costs of KPMG LLP in respect of tax, VAT and pension advice provided to the Joint Administrators be based upon time costs at KPMG LLP rates and shall be paid out of the assets of Fontail,
- in the event that there are sufficient funds only to make a distribution to the preferential and secured creditors, that the Joint Administrators be permitted to pay any realisations to preferential and secured creditors and then take the appropriate steps to dissolve Fontail,
- that the Joint Administrators be discharged at the end of the Administration from liability in respect of any action of theirs as Joint Administrators pursuant to Paragraph 98 (1) of Schedule B1 of the Insolvency Act 1986 immediately following the registration of the notice given pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986, or
- alternatively, in the event that there are sufficient funds to make a distribution to unsecured creditors (or for any other reason), the Joint Administrators be permitted to move Fontail from Administration to Creditors' Voluntary Liquidation, and for the appointment of Blair Carnegie Nimmo and Gerard Anthony Friar as Joint Liquidators of Fontail without further recourse to creditors. In accordance with Paragraph 83 (7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117A of the Insolvency Rules 1986 creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved,



27 May 2014

- that the Joint Administrators be discharged at the end of the Administration from liability in respect of any action of theirs as Joint Administrators pursuant to Paragraph 98 (1) of Schedule B1 of the Insolvency Act 1986 immediately following the registration of the notice given pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986

Joint Administrators' proposals – Colchester

The primary objective of the Administration was to achieve a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in Administration)

Below are details of the proposals previously agreed in the Administration. There have been no major amendments or deviations from the proposals.

- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of Colchester,
- to seek an extension of the administration period if deemed necessary by the Joint Administrators,
- to continue to pursue the legal actions while it remains economical to do so,
- include disposal of the property asset owned by Colchester,
- to continue to pursue and ingather the various debts still due to Colchester,
- to continue to realise the remaining assets, including disposal of the property assets held by Colchester,
- to investigate and submit a claim for a refund of Corporation tax paid by Colchester,
- that in the event that no creditors' committee is formed, the Joint Administrators' remuneration will be based upon time costs properly incurred at KPMG LLP time rates determined in accordance with Rule 2.106 of the Insolvency Rules 1986. They be authorised to draw fees on account from the assets of Colchester together with disbursements. Further information is given in "A Creditors Guide to Administrators' Fees", a copy of which can be found at www.r3.org.uk/uploads/sip/INTERIM%20SIP9%20April%202010.pdf. If you are unable to access this guide and would like a copy, please contact our colleague, Chris Sim,



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- that the costs of KPMG LLP in respect of tax, VAT and pension advice provided to the Joint Administrators be based upon time costs at KPMG LLP rates and shall be paid out of the assets of Colchester,
- in the event that there are sufficient funds only to make a distribution to the preferential and secured creditors, that the Joint Administrators be permitted to pay any realisations to preferential and secured creditors and then take the appropriate steps to dissolve Colchester,
- that the Joint Administrators be discharged at the end of the Administration from liability in respect of any action of theirs as Joint Administrators pursuant to Paragraph 98 (1) of Schedule B1 of the Insolvency Act immediately following the registration of the notice given pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986, or
- alternatively, in the event that there are sufficient funds to make a distribution to unsecured creditors (or for any other reason), the Joint Administrators be permitted to move Colchester from Administration to Creditors' Voluntary Liquidation, and for the appointment of Blair Carnegie Nimmo and Gerard Anthony Friar as Joint Liquidators of Colchester without further recourse to creditors. In accordance with Paragraph 83 (7) of Schedule B1 to the Insolvency Act 1986 and Rule 2.117A of the Insolvency Rules 1986, creditors may nominate a different person as the proposed Liquidator, provided that the nomination is made after the receipt of the Proposals and before the Proposals are approved,
- that the Joint Administrators be discharged at the end of the Administration from liability in respect of any action of theirs as Joint Administrators pursuant to Paragraph 98 (1) of Schedule B1 of the Insolvency Act 1986 immediately following the registration of the notice given pursuant to Paragraph 83 of Schedule B1 of the Insolvency Act 1986

3 Outcome of the Administrations

3.1 Sale of properties

At the date of appointment of the Joint Administrators, the Companies principal assets comprised freehold properties ("the Properties") as detailed overleaf



Property assets

Company	Property
Ashquay Colchester Limited	Peartree Road, Stanway, Colchester, Essex
Fontail Properties Limited	277-279 High Street, Slough, Berkshire
<i>Source Joint Administrators' records</i>	

Fontail

277-279 High Street, Slough, owned by Fontail, was sold for £1,050,000 (excluding VAT)

Colchester

Peartree Road, Stanway, owned by Colchester, was sold for £2,150,000 (excluding VAT)

3.2 Rental and insurance income

Fontail

In the period between the date of our appointment and the sale of the properties, we ingathered rental income in the sum of £33,024.08. After deduction of associated costs the surplus generated for the benefit of the Administration was £31,964.84.

Colchester

In the period between the date of our appointment and the sale of the properties, we ingathered rental and insurance income in the sum of £81,258.54. After deduction of associated costs the surplus generated for the benefit of the Administration was £54,544.66.

3.3 Other income

Fontail

Other income in the form of cash at bank, insurance refunds and bank interest, in the sum of £5,651.51 was received during the course of the Administration.



Colchester

Other income in the form of cash at bank, bank interest and a dividend payment from an inter-company debtor, in the sum of £3,581 98 was received during the course of the Administration

4 Cost of realisations

4.1 Joint Administrators fees

Fontail

Fees and expenses in the sum of £20,000 (excluding VAT), in attending to matters within the Administration have been drawn

Colchester

Fees and expenses in the sum of £45,000 (excluding VAT), in attending to matters within the Administration have been drawn

4.2 Legal fees

Fontail

Legal fees of £17,564 40 have been incurred and settled within the term of the Administration

Colchester

Legal fees of £20,869 50 have been incurred and settled within the term of the Administration

4.3 Other costs

Fontail

During the course of the Administration we paid, agents fees, statutory advertising, insurance costs, rent deposits and bank charges in the sum of £28,177 17

Colchester

During the course of the Administration we paid, agents fees, statutory advertising, insurance costs and bank charges in the sum of £20,019 96



5 Cost of liabilities

5.1 Secured lenders

The Bank holds fixed legal charges over the properties owned by the Companies. The estimated amount due to the Bank is set out below.

Secured lender's indebtedness

	£000
Amounts secured by cross guarantee	
Ashquay Colchester Limited	5,906
Fontail Properties Limited	5,906
<i>Source: Company records and Joint Administrators' estimates</i>	

Note: Although Colchester and Fontail had no direct bank debt as at the date of our appointment, they each guaranteed the debt of their immediate parent company, Vinegar Properties Limited ("Vinegar"). BC Nimmo and GA Friar were appointed as Joint Administrative Receivers of Vinegar on 28 November 2011, at which point Vinegar owed £5,906m to the Bank.

The following distributions have been made to the Bank under the terms of the cross guarantees:

- Fontail - £997,256, and
- Colchester - £2,080,665

5.2 Preferential creditors

The Companies did not have any employees at the date of appointment and therefore, have no preferential creditors.

5.3 Floating charges

In addition to the legal charges, the Bank also holds a debenture over all the business and assets of each of the Companies.



The following floating charge distributions have been made to the Bank

- Fontail - £18,581.32, and
- Colchester - £32,146.06

5.4 Unsecured creditors

The Bank's floating charge was granted after 15 September 2003. Therefore s 176A is applicable and a Prescribed Part of the Company's net property was made available for unsecured creditors.

Fontail

There were 4 unsecured creditors with agreed claims totalling £2,640,976.34. The Prescribed Part, after costs, amounted to £6,036.48 which resulted in a dividend of 0.23p per £ of agreed claim. The dividend distribution was facilitated on 9 April 2014.

Colchester

There were 5 unsecured creditors with agreed claims totalling £5,253,494.37. The Prescribed Part, after costs, amounted to £9,425.48 which resulted in a dividend of 0.18p per £ of agreed claim. The dividend distribution was facilitated on 9 April 2014.

6 Final matters

Our duties as Administrators are now complete. The Companies will be dissolved 3 months from the filing of this final report and registration of Form 2.35B with the Registrar of Companies.

BC Nimmo
KPMG LLP
191 West George Street
Glasgow
G2 2LJ

GA Friar
KPMG LLP
191 West George Street
Glasgow
G2 2LJ

27 May 2014



Fontail Properties Limited & Ashquay Colchester Limited (both in administration)
Joint administrators' final progress report to creditors pursuant to Rule 2.110 of
the Insolvency Rules 1986
KPMG LLP
27 May 2014

Appendix 1

Statutory and other information



27 May 2014

Appendix 1a – Ashquay Colchester Limited (“Colchester”)

Statutory and other information

EC Regulation

This Administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the Company is registered in England, has its main centre of interest in England and does not fall within one of the excepted categories. Consequently, the Administration is governed by the Insolvency Act 1986 and not any other European Union Member State's insolvency law.

Relevant court

Notice of the appointment by the debenture holder was lodged at the High Court of Justice on 28 November 2011.

Incorporation

Colchester was incorporated on 15 December 2000.

Extension to initial period of appointment

The Administration has been extended, with the consent of the High Court, by 12 months to 27 May 2014.

Registered office and trading address

Colchester's former registered office was situated at

Watermill Farm
Hazel End
Stansted
Essex
CM24 8TP

As part of the Administration process, the registered office of Colchester has been changed to

c/o KPMG LLP
8 Salisbury Square
London
EC4Y 8BB



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27 May 2014

Colchester traded from leased premises at

51 Hill Street
Belfast
County Antrim
BT1 2LB

Company number

The company number is 04126037



Appendix 1b – Fontail Properties Limited (“Fontail”)

Statutory and other information

This Administration is a main proceeding under the EC Regulation on Insolvency Proceedings. Article 3 of the EC Regulation defines main proceedings and the Company is registered in England, has its main centre of interest in England and does not fall within one of the excepted categories. Consequently, the Administration is governed by the Insolvency Act 1986 and not any other European Union Member State's insolvency law.

Relevant court

Notice of the appointment by the debenture holder was lodged at the High Court of Justice on 28 November 2011.

Incorporation

Fontail was incorporated on 16 May 1997.

Extension to initial period of appointment

The Administration has been extended, with the consent of the High Court, by 12 months to 27 May 2014.

Registered office and trading address

Fontail's former registered office was situated at

Watermill Farm
Hazel End
Stansted
Essex
CM24 8TP

As part of the Administration process, the registered office of Fontail has been changed to

c/o KPMG LLP
8 Salisbury Square
London
EC4Y 8BB



Fontail Properties Limited & Ashquay Colchester Limited (both in administration)
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KPMG LLP

27 May 2014

Fontail traded from leased premises at

51 Hill Street
Belfast
County Antrim
BT1 2LB

Company number

The company number is 03365237



Fontail Properties Limited & Ashquay Colchester Limited (both in administration)
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the Insolvency Rules 1986
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27 May 2014

Appendix 2

Joint Administrators receipts and payments accounts

Ashquay Colchester Limited
(In Administration)
Administrators' Trading Account
To 27/05/2014

S of A £	£	£
POST-APPOINTMENT SALES		
Rental income	53,686 07	
Insurance income	27,572 47	
	<u> </u>	81,258 54
OTHER DIRECT COSTS		
Sundry costs	115 39	
	<u> </u>	(115 39)
TRADING EXPENSES		
Service charge	26,388 79	
Repairs and maintenance	209 70	
	<u> </u>	(26,598 49)
TRADING SURPLUS/(DEFICIT)		<u><u>54,544 66</u></u>

Ashquay Colchester Limited
(In Administration)
Administrators' Abstract of Receipts & Payments
To 27/05/2014

S of A £		£	£
	FIXED CHARGE ASSETS		
2,530,000 00	Core portfolio	2,150,000 00	2,150,000 00
	FIXED CHARGE COSTS		
	Administrators' fees	36,000 00	
	Legal fees	13,474 00	
	Insurance of property	4,432 16	
	Property agents fees	15,428 20	
			(69,334 36)
	FIXED CHARGE CREDITORS		
(2,530,000 00)	Fixed charge creditor	2,080,665 64	(2,080,665 64)
	ASSET REALISATIONS		
36,741 00	Book debts	NIL	
156 00	Cash at bank	1,701 06	1,701 06
	OTHER REALISATIONS		
	Bank interest gross, INCLUDING FINAL	1,877 02	
	Trading Surplus/(Deficit)	54,544 66	
	Intercompany debtor	3 90	
			56,425 58
	COST OF REALISATIONS		
	Administrators' fees	9,000 00	
	Legal fees	7,395 50	
	Statutory advertising	84 60	
	Bank charges	75 00	
			(16,555 10)
	FLOATING CHARGE CREDITORS		
(2,825,111 00)	Floating charge	32,146 06	(32,146 06)
	UNSECURED CREDITORS		
(18,936 00)	Trade & expense	9,425 48	
(4,971,862 00)	Connected companies	NIL	
			(9,425 48)
	DISTRIBUTIONS		
(2 00)	Ordinary shareholders	NIL	NIL
(7,779,014.00)			(0 00)
	REPRESENTED BY		NIL

Fontail Properties Limited
(In Administration)
Administrators' Trading Account
To 27/05/2014

S of A £	£	£
POST-APPOINTMENT SALES		
Rental income	33,024 08	33,024 08
OTHER DIRECT COSTS		
Sundry	607 28	(607 28)
TRADING EXPENSES		
Lisney's management fees	451 96	(451 96)
TRADING SURPLUS/(DEFICIT)		31,964.84

Fontail Properties Limited
(In Administration)
Administrators' Abstract of Receipts & Payments
To 27/05/2014

S of A £		£	£
1,240,000 00	FIXED CHARGE ASSETS		
	Core portfolio	1,050,000 00	1,050,000 00
	FIXED CHARGE COSTS		
	Administrators' fees	17,000 00	
	Legal fees	8,168 90	
	Insurance of property	1,758 51	
	Rent deposits	16,019 71	
	Property agents fees	9,795 90	(52,743 02)
(1,240,000 00)	FIXED CHARGE CREDITORS		
	Fixed charge creditor	997,256 98	(997,256 98)
7,081 00	ASSET REALISATIONS		
135 00	Book debts	NIL	
	Cash at bank	109 04	
	Insurance funds	4,327 69	4,436 73
	OTHER REALISATIONS		
	Bank interest gross, INCLUDING FINAL	1,214 78	
	Trading Surplus/(Deficit)	31,964 84	33,179 62
	COST OF REALISATIONS		
	Administrators' fees	3,000 00	
	Legal fees	9,395 50	
	Statutory advertising	553 05	
	Bank charges	50 00	(12,998 55)
(4,115,111 00)	FLOATING CHARGE CREDITORS		
	Floating charge	18,581 32	(18,581 32)
(7,793 00)	UNSECURED CREDITORS		
(2,366,623 00)	Trade & expense	6,036 48	
	Connected companies	NIL	(6,036 48)
(2 00)	DISTRIBUTIONS		
	Ordinary shareholders	NIL	NIL
(6,482,313.00)			0.00
	REPRESENTED BY		NIL