Rule 2.118 **Form 2.35B**

The Insolvency Act 1986

Notice of move from administration to dissolution

2.35B

Name of Company	Company number
The TEG Group Plc	03109613

In the High Court of Justice Leeds District Registry Chancery Division (full name of court)	Court case number 1321 of 2014

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

I/We (a) Daniel James Mark Smith
Deloitte LLP
PO Box 500
2 Hardman Street
Manchester
M60 2AT

William Kenneth Dawson
Deloitte LLP
PO Box 500
2 Hardman Street
Manchester
M60 2AT

(b) Insert name and address of registered office of company

having been appointed administrator(s) of (b) The TEG Group Plc c/o Deloitte LLP, PO Box 500, 2 Hardman Street, Manchester, M60 2AT

(c) Insert date of appointment
(d) Insert name of applicant/appointor

on (c) 19 December, 2014 by (d) the Directors

hereby give notice that the provisions of paragraph 84(1) of Schedule B1 to the Insolvency Act 1986 apply

We attach a copy of the final progress report

Signed ______________________
Joint / Administrator(s)

Dated 11/12/2015

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

Daniel James Mark Smith
Deloitte LLP
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2 Hardman Street
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+44 161 832 3555
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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

Deloitte.

The TEG Group Plc (in administration) ("the Company")

Court Case No 1321 of 2014
High Court of Justice,
Chancery Division,
Leeds District Registry
Company Number 3109613

Registered Office: c/o Deloitte LLP, PO Box 500, 2 Hardman Street, Manchester, M60 2AT

Final Progress report to creditors for the period 19 June 2015 to 10 December 2015 pursuant to Rules 2.47 and 2.110 of the Insolvency Rules 1986 (as amended) ("the Rules").

Daniel James Mark Smith and William Kenneth Dawson ("the Joint Administrators") were appointed Joint Administrators of The TEG Group plc on 19 December 2014 by the directors The affairs, business and property of the Company are managed by the Joint Administrators The Joint Administrators act as agents of the Company and contract without personal liability All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales

For the purposes of paragraph 100(2) of Schedule B1 of the Insolvency Act 1986 (as amended), the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation

11 December 2015

Contacts

Joint Administrators of the Company

Daniel James Mark Smith &
William Kenneth Dawson

The TEG Group plc (in administration)
c/o Deloitte LLP
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Manchester
M60 2AT

Contact details

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Key messages

	Commentary
Purpose of administration	• The purpose of the administration is to achieve a better result for the Company's creditors as a whole than a liquidation
Progress of administration	• The Company is a holding company to TEG Energy Limited ("Energy") and TEG Environmental Limited ("Environmental") which are both in administration, and three other solvent subsidiaries • The costs of the administration have been settled and distributions have been made to Bank of Scotland plc ("BoS"), Lloyds Bank Commercial Finance ("LBCF") and the Loan Note Holders ("LNH") (together "the Secured Creditors") • The Joint Administrators will cease to act pursuant to Paragraph 84 of Schedule B1 of the Insolvency Act 1986 and the Company will be dissolved 3 months after
Costs	• The basis of the Joint Administrators' remuneration has been fixed by reference to time costs incurred • The Joint Administrators' time costs incurred during the report period are £40,329 • The Joint Administrators have drawn fees of £32,779 during the period Further detail on the Joint Administrators' remuneration is on page 9 • The Joint Administrators' pre-administration costs of £19,707 50, which were approved by the creditors of the Company at a meeting held by correspondence on 16 February 2015, remain unpaid
Outstanding matters	• There are no matters outstanding
Dividend prospects	• Secured Creditors – BoS and LBCF have been paid in full The Loan Note Holders are likely to suffer a shortfall in respect of their lending • Preferential creditors will not be paid • Unsecured creditors will not be paid
Extension to administration period	• The Joint Administrators were not required to extend the administration past 18 December 2015

Progress of the administration

Progress of the administration
Summary

Progress of the administration

The final position in relation to the Joint Administrators' Proposals is summarised below A copy of the Joint Administrators' Proposals is attached at Appendix 1

The proposals

Proposal	Current status
1	The Administrators have concluded the management of the affairs All assets have been realised and all administration expenses have been settled
2	Investigation into the affairs of the Company and the conduct of the Directors prior to the appointment of the Administrators have been undertaken in line with statutory and regulatory requirements The Administrators have complied with their statutory duties and submitted a confidential report to the Insolvency Service on 15 June 2015
3 & 4	The Secured Creditors have been paid in full There were insufficient funds to enable a dividend to preferential or unsecured creditors
5	No creditors committee was appointed
6 & 7	The basis of the Administrators' remuneration was approved the the Company's creditors at a meeting held by correspondence on 16 February 2015
8	The basis of the Administrators' disbursements was approved by the Company's creditors at a meeting held by correspondence on 16 February 2015
9	The Administrators' pre-administration costs were approved by the Company's creditors at a meeting held by correspondence on 16 February 2015
10	The assets of the Company have now been realised and the final distribution has been made to the secured creditors The chosen exit route is the dissolution of the Company
11	The chosen exit route will not involve placing the Company into CVL
12	The creditors of the Company agreed that the Administrators be discharged from liability per Paragraph 98 of Schedule B1 of the Act upon filing their final report

Amendments or deviations to the proposals

There were no amendments or deviations to the proposals that were approved by the Creditors of the Company on 16 February 2015

Steps taken during the administration

As previously reported the most significant asset realisation was the sale of the share capital of Simpro for £2 25m The only other receipts during the administration were cash at bank of £2,766 02 and bank interest of £48 56

The Administrators have settled the costs of the administration and complied with their statutory obligations in respect of investigating the conduct of the Company's directors and reporting to creditors

All matters relating to insurance and litigation claims have been finalised to the extent that the Company's involvement is required

The outcome of the administration

The outcome of the administration is discussed in detail on page 7 of this report

Progress of the administration

Receipts and payments

Joint Administrators' final receipts and payments account

£	SoA values	Notes	19 Jun 15 to 10 Dec 15	Cumulative to date
Receipts				
Sale of Simpro Shares	2,600,000	1	-	2,250,000
Bank Interest Gross	-	2	13	49
Cash at bank	-		2,766	2,766
Total receipts	2,600,000		2,779	2,252,815
Payments				
IT Costs		3	(7,682)	-
Incentive Payments		3	(1,230)	-
Payroll Costs		3	(156)	-
Bank Charges		3	(32)	13
Machinery/Equipment Costs		3	(1,157)	-
Statutory Advertising			-	657
Fixed Charge Creditor - BoS			-	1,157,410
Fixed Charge Creditor - LBCF			-	212
Fixed Charge Creditor - LNH			-	1,037,180
Pre-appointment Legal Fees			3,415	3,415
Legal Fees			7,850	16,575
Legal Disbursements			50	50
Professional Fees		3	(275)	3,977
Intercompany Funding		3	(951)	-
Administrators' Fees			32,779	32,779
Administrators' Disbursements			531	531
Irrecoverable VAT			16	16
Total payments			33,158	2,252,815
Balance			(30,378)	-
Made up of				
Bank Account				-
Balance in hand				-

A receipts and payments account is provided opposite, detailing all transactions since the Administrators' appointment

Notes to receipts and payments account

1 – £350k variance between the directors' Statement of Affairs ("SoA") and realised to date values is the amount paid to Environmental to purchase a number of contracts undertaken by Simpro This was is included within the SoA of TEG Group in error

2 - All funds are held were held in an interest bearing account for the duration of the administration

3 – These costs were incurred on behalf of other group companies and were recharged accordingly

Information for creditors

Information for creditors
Outcome

Secured creditors

The Company's secured debt at the date of the appointment of the Administrators was £4 123m, summarised as follows

Secured Creditors

Description	Ranking	Amount (£'000)
Term Loan - BoS	1st	1,157
CID Facility - LBCF	1st	308
Loan Note Holders	2nd	2,658
Total		**4,123**

Following the sale of the shares of Simpro on 19 December 2014, the term loan was discharged in full and c £1 1m was paid to the loan note holders The CID facility was repaid in full through TEG Environmental Limited under the cross guarantees within the group

Following the sale of a freehold site in Todmorden owned by TEG Environmental Limited on 8 June 2015, a further £500k was returned to the loan note holders, of which £350k was provided to fund holding costs in TEG Energy Limited

As detailed in our previous report there were insufficient realisations to enable the Loan Note Holders to be repaid in full

Preferential creditors

There were no floating charge assets to enable a dividend to be paid to the preferential creditors

Prescribed Part

There were no floating charge realisations to enable a prescribed part fund for distribution to unsecured creditors

Unsecured creditors

There were no floating charge realisations to enable a dividend to be paid to unsecured creditors

Exit

The Joint Administrators will cease to act upon filing their final report, followed by the dissolution of the Company three months later

Remuneration and expenses

Remuneration and expenses

Joint Administrators' remuneration

Administrators' remuneration

"A Creditors' Guide to Remuneration" is available for download at http //www deloitte com/uk/teggroup

Should you require a paper copy, please send your request in writing to the Joint Administrators at the address on the front of this report and this will be provided to you at no cost

Basis of remuneration

The basis of the Joint Administrators' remuneration was fixed on 16 February 2015 by the creditors at a meeting of creditors held by correspondence by reference to the time properly given by the Administrators and their staff in attending to matters arising in the administration calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT

Time costs incurred

The Joint Administrators' time costs for the period are £40,329 made up of 98 3 hours at an average charge out rate of £410 26 across all grades of staff

Since the date of appointment to 10 December 2015, the Joint Administrators have incurred total time costs of £124,091 75 made up of 313 05 hours at an average charge out rate of £396 40 across all grades of staff

The Joint Administrators have drawn remuneration of £32,779 to date, as shown in the receipts and payments account on page 5 Please note the Joint Administrators do not intend to draw the full value of time costs incurred and the balance will be written off

Details of the time costs incurred, together with an explanation of the work undertaken and charge out rates is provided on pages 10-12 Creditors may request a detailed breakdown of the time costs incurred by writing to the address at the front of this report

Remuneration and expenses

Joint Administrators' time costs for the period 19 December 2014 to 10 December 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0 15	129 75	8 70	4 615 50	3 20	1,531 00	6 50	2 656 50	15 50	4,177 50	34 05	13,110 25	385 03
Case Management and Closure	5 40	3,915 00	15 80	7 810 00	14 50	6,235 00	2 00	650 00	37 90	5,776 50	75 60	24,386 50	322 57
Initial Actions	-	-	-	-	6 50	2,665 00	-	-	9 00	1,792 50	15 50	4,457 50	287 58
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	25 50	15 902 50	3 00	1,425 00	36 00	14 760 00	7 00	2,275 00	3 00	630 00	74 50	34,992 50	469 70
	31 05	19,947 25	27 50	13,850 50	60 20	25,191 00	15 50	5,581 50	65 40	12,376 50	199 65	76,946 75	385 41
Investigations													
Investigations	0 50	362 50	0 50	237 50	-	-	-	-	1 80	375 00	2 80	975 00	348 21
Reports on Directors' Conduct	1 50	1,087 50	-	-	3 30	1,353 00	-	-	0 90	185 00	5 70	2 625 50	460 61
	2 00	1,450 00	0 50	237 50	3 30	1,353 00	-	-	2 70	560 00	8 50	3,600 50	423 59
Creditors													
Employees	-	-	-	-	-	-	-	-	4 00	840 00	4 00	840 00	210 00
Preferential	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured	3 50	2 537 50	43 50	20,662 50	-	-	-	-	-	-	47 00	23 200 00	493 62
Shareholders	-	-	-	-	-	-	-	-	1 50	315 00	1 50	315 00	210 00
Unsecured	-	-	5 00	2,375 00	3 50	1 435 00	-	-	5 50	1,155 00	14 00	4 965 00	354 64
	3 50	2,537 50	48 50	23,037 50	3 50	1,435 00	-	-	11 00	2,310 00	66 50	29,320 00	440 90
Case Specific Matters													
Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	1 40	1,317 50	1 50	1,065 00	7 70	4 881 50	4 45	1,903 50	21 35	4 272 00	36 40	13,439 50	369 22
Tax	-	-	-	-	2 00	785 00	-	-	-	-	2 00	785 00	392 50
	1 40	1,317 50	1 50	1,065 00	9 70	5,666 50	4 45	1,903 50	21 35	4,272 00	38 40	14,224 50	370 43
TOTAL HOURS & COST	37 95	25,252 25	78 00	38,190 50	76 70	33,645 50	19 95	7,485 00	100 45	19,518 50	313 05	124,091 75	396 40
AVERAGE RATE/HOUR PER GRADE		£ 665 41		£ 489 62		£ 438 66		£ 375 19		£ 194 31			
FEES DRAWN												32 779	

Remuneration and expenses

Joint Administrators' time costs for the period 19 June 2014 to 10 December 2015

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	-	-	8 20	4 290 50	0 80	414 00	4 20	1 725 00	3 70	1,132 50	16 90	7 562 00	447 46
Case Management and Closure	0 40	290 00	14 00	6,955 00	14 50	6 235 00	2 00	650 00	2 50	571 50	33 40	14 701 50	440 16
Initial Actions	-	-	-	-	-	-	-	-	-	-	-	-	-
Liaison with Other Insolvency Practitioners	-	-	-	-	-	-	-	-	-	-	-	-	-
General Reporting	-	-	2 00	950 00	13 50	5,535 00	7 00	2 275 00	-	-	22 50	8 760 00	389 33
	0 40	290 00	24 20	12,195 50	28 80	12,184 00	13 20	4,650 00	6 20	1,704 00	72 80	31,023 50	426 15
Case Specific Matters													
VAT	0 90	855 00	0 50	250 00	6 60	4,150 00	4 45	1,903 50	11 05	1 362 00	23 50	8 520 50	362 57
Tax	-	-	-	-	2 00	785 00	-	-	-	-	2 00	785 00	392 50
	0 90	855 00	0 50	250 00	8 60	4,935 00	4 45	1,903 50	11 05	1,362 00	25 50	9,305 50	364 92
TOTAL HOURS & COST	1 30	1,145 00	24 70	12,445 50	37 40	17,119 00	17 65	6,553 50	17 25	3,066 00	98 30	40,329 00	410 26
AVERAGE RATE/HOUR PER GRADE		£ 880 77		£ 503 87		£ 457 73		£ 371 30		£ 177 74			
FEES DRAWN												32,779	

Remuneration and expenses
Detailed information

Joint Administrators' time costs – work undertaken

A detailed breakdown of the time costs incurred by the Joint Administrators and their staff during the administration period is shown on the previous page Time is charged in six minute increments The work undertaken has been categorised into the following task headings

Administration and planning

- Activities include case planning, case set-up, notification of appointment, maintenance of our case files and insolvency case record, statutory reporting and reporting to Veolia on specific matters regarding Simpro, compliance, liaising with insurers, creditors' meeting and relevant communication, settling administration expenses, cashiering and accounting

Investigations

- Investigating the Company's affairs and, in particular, any antecedent transactions and also reporting on the conduct of its directors

Creditors

- Such tasks as creditor set up and corresponding with unsecured creditors
- Time has also been incurred liaising with the Company's secured creditors regarding the strategy and progress during the administration

Case specific matters

- Activities include liaising with HMRC and the submission of VAT returns

Charge out rates

Restructuring Services charge out rates (£/hour)

Grade	From 1 Sept 2014	From 1 Sept 2015
Partners & Directors	615 - 970	645 - 1,020
Assistant Directors	475 - 735	500 - 770
Managers	410 - 660	430 - 695
Assistant Managers	310 - 525	325 - 550
Assistants & Support	50 - 310	80 - 325

The average charge-out rates applicable to this case are set out above

The above bands are specific to the Restructuring Services department partners and staff In certain circumstances the use of specialists from other Deloitte departments such as Tax/VAT, Corporate Finance or Deloitte Real Estate may be required on the case These departments may charge rates that fall outside the Restructuring Services department bands quoted above so, where such specialists have performed work on the case, average rates may also fall outside the Restructuring Services department bands

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system Time spent by secretarial staff working on the assignment has not been recorded or recovered The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed

Remuneration and expenses
Detailed information

Category 1 expenses incurred

£ (net)	Value	Paid	Unpaid
Car Hire	45	-	45
Case Bonding	230	-	230
Postage/Couriers	134	-	134
Total expenses	**409**	**-**	**409**

Category 2 expenses incurred

£ (net)	Value	Paid	Unpaid
Website set up	166	-	166
Total expenses	**166**	**-**	**166**

Expenses

Category 1 expenses

The Joint Administrators' direct expenses and disbursements incurred to date (excluding VAT) are set out above

Category 2 expenses

A resolution has been obtained from the creditors authorising the Joint Administrators to draw Category 2 expenses in respect of website costs and mileage from the estate

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred

No category 1 and 2 expenses have been drawn by the Joint Administrators

Creditors' right to request information

Any secured creditor or unsecured creditor (with the support of at least 5% in value of the unsecured creditors or with leave of the Court) may, in writing, request the Administrators to provide additional information regarding remuneration or expenses to that already supplied within this report Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules

Creditors' right to challenge remuneration and/or expenses

Any secured creditor or unsecured creditor (with the support of at least 10% in value of the unsecured creditors or with leave of the Court) may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), reducing the amount or the basis of remuneration' which the Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports

Appendices

Appendix

Joint Administrators' Proposals

Joint Administrators' Proposals

The Joint Administrators' Proposals, as approved by the creditors of the Company on 16 February 2015, are as follows

1 the Administrators continue to manage the affairs and any remaining assets of the Company and the settlement of all administration expenses,

2 the Administrators continue with their enquiries into the conduct of the Directors of the Company and continue to assist any regulatory authorities with their investigation into the affairs of the Company,

3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against the Company unless the Administrators conclude, in their reasonable opinion, that the Company will have no assets available for distribution,

4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,

5 that, in the event the creditors of the Company so determine, at a meeting of creditors, a Creditors Committee be appointed in respect of the Company comprising of not more than five and not less than three creditors of the Company,

6 that the Creditors' Committee, if one is appointed, be asked to agree that the basis of the Administrators' remuneration to be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Administrators' expenses,

7 that, if a Creditors' Committee is not appointed at the initial meeting of creditors, that the creditors be asked at that meeting to agree that the basis of the Administrators' remuneration be fixed by reference to the time properly given by the Administrators' and their staff in attending to matters arising in the administration, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT, and asked to agree the Administrators' expenses,

8 that, if a Creditors' Committee is not appointed at the initial meeting of creditors, that the creditors shall fix at that meeting, the Administrators' disbursements for mileage to be fixed by reference to mileage properly incurred by the Administrators and their staff in attending to matters arising during the administrations, calculated at the prevailing standard mileage rate used by Deloitte at the time when mileage is incurred (presently up to 45p per mile), plus VAT where applicable and for a website fixed cost of £500 for the set up and maintenance of uploading statutory notifications to creditors to such website for the duration of the engagement, including that of any follow on engagement where appropriate), plus VAT where applicable,

Appendix

Joint Administrators' Proposals (continued)

9 that, if a Creditors' Committee is not appointed, the Administrators' Pre Administration Costs as detailed in Appendix 4 of the Administrators' Proposals be approved And that the Administrators be authorised to draw their Costs, plus VAT, from the Administration estate,

10 that, following the realisation of assets and resolution of all matters in the administration, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the administration This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Company or alternatively, seeking to put the Company into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,

11 that, if the Company was to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4 174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time properly given by the Liquidators' and their staff in attending to matters arising in the Liquidation, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator provided the nomination is made before the proposals are approved by creditors For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and

12 in the absence of a Creditors' Committee, the creditors of the Company agree that the Administrators be discharged from liability per Paragraph 98 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office

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