

The Insolvency Act 1986

Administrator's progress report

Form 2.24B(CH)

Name of Company TAG Energy Solutions Limited	Company number 07379608
In the High Court of Justice, Chancery Division Companies Court (full name of court)	Court case number 7326 of 2014


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

We (a) Geoffrey Wayne Bouchier and Keith Allan Marshall of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW

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

(b) Insert dates

from (b) 22 April 2015	to (b) 23 September 2015
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Signed 
Joint Administrator

Dated 12/10/2015

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

Duff & Phelps Ltd
The Chancery
58 Spring Gardens
Manchester, M2 1EW

Tel +44 (0) 161 827 9000

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

Progress Report to Creditors

23 September 2015

Tees Alliance Group Corporate
Limited and TAG Energy Solutions
Limited

(Both In Administration)

*Joint Administrators' Progress Report to Creditors
for the period from 22 April 2015 to 23 September 2015
pursuant to Rule 2 47(1) of the Insolvency Rules 1986 (as amended)*

**Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Appointment Date	22 October 2014, being the date of appointment of the Joint Administrators over the Companies
the Bank	Barclays Bank Plc, with whom TAGC banked with credit only banking facilities
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Companies	Tees Alliance Group Corporate Limited (In Administration) (Company Number 06486957) and TAG Energy Solutions Limited (In Administration) (Company Number 07379608)
DBIS	The Department for Business Innovation and Skills
the Directors of TAGC	Stuart Oakley and TAGES, the directors of TAGC as at the Appointment Date
the Directors of TAGES	Stuart Oakley, Neil Adamson, Fabien Castello, Timothy Eggar, Michael Foster, Thomas Rottner and Patrick Sheehan, the directors of TAGES as at the Appointment Date
Duff & Phelps	Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
ESO	ESO Capital II S a r l, holder of fixed and floating charges over the assets of TAGC and TAGES
E On	E On Climate & Renewable UK Humber Wind Limited
the Freehold Property	The freehold property (Title numbers CE199521, CE206923 and CE211467) situated at Haverton House, Haverton Hill Yard, Billingham, Cleveland, TS23 1PZ
HMRC	HM Revenue and Customs
the Joint Administrators	Geoffrey Wayne Bouchier and Keith Allan Marshall of Duff & Phelps
Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003, a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to ordinary unsecured creditors
the Progress Report	The Joint Administrators' Six Month Progress Report to Creditors dated 19 May 2015
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals issued on 10 December 2014

the Purchaser/the JV Party	The Joint Venture party comprising of EEW Special Pipe Constructions GmbH and Bladt Industries A/S, the purchaser of TAGC's business assets, whose purchasing vehicle is Offshore Structure (Britain) Limited
the Reporting Period	the period 22 April 2015 to 23 September 2015
the Rules	The Insolvency Rules 1986 (as amended)
the Secured Creditors	ESO and TIL, the holders of fixed and floating charges over the Companies' assets
SPA	Sale and Purchase Agreement
the Solicitors	Stephenson Harwood LLP, solicitors acting on behalf of the Joint Administrators
SIP 9	Statement of Insolvency Practice 9 – industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation to be supplied by the Directors outlining the Companies' financial position as at the Appointment Date
TAGC/the Company	Tees Alliance Group Corporate Limited (In Administration) (Company Number 06486957)
TAGES	TAG Energy Solutions Limited (In Administration) (Company Number 07379608)
TAGL	Tees Alliance Group Limited (Company Number 05798543)
TIL	TAG Investment Limited, a holder of a fixed and floating charge over TAGES' assets and shareholder of TAGES
TAG Group	The companies within the TAG Group as per the Group Structure at Appendix 5

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Names of Joint Administrators: Geoffrey Bouchier

Keith Marshall

Date of Appointment: 22 October 2014

Date of Report: 23 September 2015

Appointed By:

The Directors
c/o Haverton Hill House
Haverton Hill Industrial Estate
Billingham
Cleveland
TS23 1PZ

Court Reference.

TAGC High Court of Justice, Chancery Division
Companies Court No 7323 of 2014

TAGES High Court of Justice, Chancery Division
Companies Court No 7326 of 2014

1 Introduction

- 1 1 The Joint Administrators were appointed on the Appointment Date by the Directors of the Companies pursuant to Paragraph 22 of Schedule B1 to the Act
- 1 2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised by either of the Administrators
- 1 3 The purpose of this report is to provide creditors with details of the progress of the Administration for the Reporting Period, in accordance with Rule 2 47(1) of the Rules
- 1 4 The purpose of this report is to accompany the Joint Administrators' request to extend the duration of the Administration by 12 months from 22 October 2015 to 21 October 2016 by providing details of the progress of the Administration for the period from the Progress Report
- 1 5 This report should be read in conjunction with the Proposals and the Progress Report
- 1 6 Statutory information on the Companies is attached at Appendix 1

2. Joint Administrators' Report and Statement of Proposals

- 2 1 In accordance with Paragraph 52(1) of Schedule B1 to the Act, a creditors' meeting was not required to be held as there will be insufficient realisations to enable a distribution to non-preferential creditors of either TAGC or TAGES, other than via the Prescribed Part. No meeting was convened and in accordance with Rule 2 33(5) of the Rules, the Proposals were deemed to have been approved by creditors on 23 December 2014
- 2 2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- Rescuing the Companies as a going concern, or
 - Achieving a better result for the Companies' creditors as a whole than would be likely if the Companies were wound up (without first being in Administration), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors
- 2 3 Given that TAGC had ceased to trade prior to appointment, the focus has been on achieving the second and third objectives
- 2 4 The second objective will be achieved as a dividend is due to be paid to the non-preferential creditors of the Companies via a Prescribed Part distribution. Further information relating to this dividend is provided in Section 5 of this report.
- 2 5 The third objective has already been achieved in the Administration of TAGC as a distribution has been made to ESO under its fixed and floating charge security
- 2 6 It is also expected that a distribution will be made to ESO within the estate of TAGES under its fixed charge security resulting in the likely recovery in full by ESO of its indebtedness
- 2 7 Furthermore, a distribution will be made to TIL from the estate of TAGES under its floating charge security. Such distribution will not be sufficient for TIL to recover its indebtedness in full

3. Progress of the Administration

3 1 In September 2014, the Directors concluded that the Companies were insolvent and could not continue to trade as far as TAGC was concerned. On 26 September 2014, TAGC's employees were made redundant by the Directors of TAGC. Therefore, upon appointment as Joint Administrators, a going concern sale of the Companies' business and assets was not possible.

3 2 The Joint Administrators therefore concluded that the asset realisation process would focus on completing a sale of TAGC's business and assets.

TAGC

Sale of Business Assets

3 3 A sale of the business and assets of TAGC was completed to the JV Party on 5 February 2015.

3 4 Following a marketing process and extensive consultations with the Secured Creditors, terms were agreed with the JV Party.

3 5 Subsequently on 5 February 2015, the sale of the business assets was completed to the JV Party for the agreed sum of £8,250,000 plus VAT.

3 6 The breakdown of the sale consideration is summarised below:

Asset	Amount (£)
Freehold Land & Property	4,000,000
Intellectual Property	1
Plant & Machinery	4,245,000
Furniture & Equipment	4,999
Total	8,250,000

3 7 The balance of £8,150,000, after taking into account the £100,000 commitment deposit that was paid pre-completion, was payable on completion.

3 8 The Joint Administrators have only sold such right, title and interest they have in the assets. All third party assets were excluded from this transaction.

3 9 Under the terms of the SPA, the JV Party was also required to contribute £2,000 plus VAT per day towards costs commencing on 5 January 2015. The sum of £64,000 plus VAT was received on 5 February 2015. The balance of £4,000 plus VAT was received in two instalments on 17 February 2015 and 25 February 2015.

3 10 The sale consideration has now been received in full by the Joint Administrators.

3 11 A detailed explanation relating to the full marketing and sale process was provided in the Proposals and Progress Report.

Third Party Utility Contributions

- 3 12 In addition to the contribution received from the JV, a third party located next to the Company's trading address was required to make a contribution towards the electricity supplied
- 3 13 On 17 November 2014, a payment of £6,761 was received from the third party via the Bank as this had been paid by this particular tenant prior to the Appointment Date
- 3 14 Further contributions are payable by the other tenants on the Haverton Hill site. They are being pursued by the Joint Administrators' with the assistance of the utility company's managing agent, Mitie. The contributions cover a period from August 2014 to 5 February 2015, the date of the sale of the business and assets
- 3 15 Any amounts due to TAGC in relation to the period up to the Appointment Date will be retained for the benefit of the estate. Funds received in relation to the period between the Appointment Date up to and including to the date of the sale will be paid across to Mitie as they have paid the utility company directly for their supplies
- 3 16 During the Reporting Period a total of £31,148 has been received in relation to this
- 3 17 A further update will be provided in the next report to creditors

Cash at Bank

- 3 18 As at the Appointment Date, TAGC had cash at bank of £46,375. These funds were transferred to the Joint Administrators' estate account prior to the Reporting Period
- 3 19 No further realisations are expected from this source

Bank interest

- 3 20 During the Reporting Period, the sum of £446 has been received in respect of bank interest
- 3 21 A total of £1,017 has been received since the Appointment Date

Pension Refund

- 3 22 Prior to the Reporting Period, a sum of £168 has been received in respect of a pension refund
- 3 23 No further realisations are expected from this source

Legal Claims & Disputes

- 3 24 As at the Appointment Date, TAGC was involved in various contractual disputes and various legal proceedings were underway. Following an extensive review of the potential claims by the Joint Administrators and our legal advisors, it is unlikely that there will be any recoveries for the benefit of the estate

Creditor Claim Counter Claim

- 3 25 A non-preferential creditor who was also a customer of TAGC whose claim in the Administration was rejected in full by the Joint Administrators after the Notice of Intended Dividend had been issued made an application to Court in relation to this decision
- 3 26 An agreement has been reached with this creditor and a settlement agreement signed such that both parties agree to not to pursue the claim against each other. In light of this, the Court application has subsequently been withdrawn and the Prescribed Part distribution process will be completed. Further details relating to this process is provided in Section 5 of this report

Other Loan Account

- 3 27 A review of the Company's books and records has identified a balance due to the Company totalling £100,000 from a former officer and employee of the Company
- 3 28 The Joint Administrators have opened a dialogue with the debtor demanding repayment of the outstanding sum. A further update will be provided in the next report

TAGES

Intercompany Loan – Dividend Income

- 3 29 TAGC was funded by a loan from TAGES as an intercompany loan. According to the Directors of TAGES' SOA, c£55million is due to TAGES from TAGC
- 3 30 TAGES will receive a distribution from TAGC in relation to this

Insurance Refund

- 3 31 Prior to the Reporting Period, a sum of £439 had been received in respect of an insurance refund

Other Assets

- 3 32 There are no other known assets to be realised in respect of the Companies for the benefit of the estates of either TAGC or TAGES

4 Investigations

- 4 1 The Joint Administrators have complied with their statutory obligation to file a report with DBIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators' appointment. The content of this report is confidential
- 4 2 There are no outstanding lines of enquiry in either TAGC and TAGES

5. Dividend Prospects / Prescribed Part

Secured Creditors

ESO

- 5 1 In consideration for the monies advanced under a loan, the Companies granted ESO a debenture dated 12 December 2013, which confers fixed and floating charges over the assets of the Companies
- 5 2 As at the Appointment Date, the indebtedness owing to ESO was £7,273,882 subject to accruing interest and charges
- 5 3 An interim distribution was paid to ESO on 9 February 2015 for the sum of £3,692,244 under ESO's fixed charge and the sum of £3,421,618 under ESO's floating charge
- 5 4 ESO will not receive any further distributions from TAGC
- 5 5 However, it is anticipated that ESO will receive a further distribution from TAGES in respect of the balance outstanding to enable them to recover its indebtedness in full

TIL

- 5 6 In consideration for monies advanced under a loan, TAGES granted TIL a debenture dated 18 July 2013, which confers fixed and floating charges over the assets of TAGES
- 5 7 TIL also has security registered at Land Registry over the Freehold Property of TAGC
- 5 8 As at the Appointment Date, the Company's indebtedness to TIL was approximately £38,000,000 of which approximately £7,500,000 is secured, subject to accruing interest and charges
- 5 9 At this stage it is anticipated that there will be insufficient realisations to repay TIL in full from the expected realisations in both TAGC and TAGES
- 5 10 It is anticipated there will be a floating charge distribution made against the secured element of their claim and a Prescribed Part distribution to TIL against the unsecured element of their claim from the realisations in TAGES. However, the quantum of the realisations are currently uncertain as it will be dependent upon the distribution received from TAGC

Preferential Creditors

- 5 11 The Joint Administrators understand that only TAGC had employees, therefore TAGES has no preferential creditors
- 5 12 Prior to TAGC entering Administration, all employees of TAGC were made redundant on 26 September 2014 and the Joint Administrators believe the redundancy costs have been paid in full via the Escrow fund that was put in place with E On
- 5 13 Therefore it is anticipated there will not be any preferential creditor claims with either TAGC or TAGES

Prescribed Part

- 5 14 The Prescribed Part is calculated as a percentage of net property, is as follows -

Net property less than £10,000	50% unless the Joint Administrator considers that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefits
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

TAGC

- 5 15 The Joint Administrators are of the opinion that based upon on current estimates the Prescribed Part will be at the £600,000 maximum level before a provision for the costs of distribution is made

TAGES

- 5 16 The Joint Administrators are of the opinion that based upon current estimates, the Prescribed Part will be c£96,000 before a provision for the costs of distribution is made

Postponement of Prescribed Part Dividend

- 5 17 The Joint Administrators were due to issue a Notice of Declaration in relation to the Prescribed Part distributions for the Companies on the following dates
- TAGC – on or before 19 August 2015
 - TAGES – on or before 3 September 2015
- 5 18 Unfortunately due to events out of their control in relation to the TAGC dividend process (and as summarised below) this declaration had to be postponed for a period of time that was not expected to be any longer than 1 month
- 5 19 A non-preferential creditor whose claim in the Administration was rejected in full by the Joint Administrators after the notice of dividend had been issued made an application to Court in relation to this decision. The amount of the claim was material and would therefore have an impact on the quantum of the pence in the £ if the adjudication is overturned
- 5 20 Pursuant to Rule 2 97(2) of the Act *'Except with the permission of the Court, the Administrator shall not declare a dividend so long as there is pending any application to the Court to reverse or vary a decision of his on a proof, or to expunge a proof or to reduce the amount claimed'*
- 5 21 Pursuant to Rule 2 96A of the Act, the Joint Administrators therefore had no choice but to postpone the dividend whilst this Court application was still in the Courts listing
- 5 22 It had been hoped that this matter would be resolved by mutual consent before the Court hearing date of 24 September 2015

5 23 All other claims submitted in the dividend processes had been adjudicated upon and once the outcome of the appeal was confirmed, the distribution process in the Companies would recommence and the dividend declared as soon as practicable after the above issue has been resolved

5 24 The Joint Administrators are pleased to confirm that agreement was reached with this creditor and a settlement agreement has now been signed. In light of this, the Court application has subsequently been withdrawn and the Prescribed Part distribution process will be completed

Non-Preferential Creditors

5 25 According to the SOA, the non-preferential creditors can be summarised as follows

TAGC	Claim
Trade & Expense Creditors	£ 895,986
Inter-Company Loan – TAGES	£ 55,294,837
Inter-Company Loan – TAGL	£ 143,319
ONE Grant	£ 1,125,000
HM Revenue & Customs	£ 694,764
Total	£ 58,153,906

TAGES	Claim
Loan Note Holders	£ 38,592,386
Total	£ 38,592,386

TAGC

5 26 There have been insufficient realisations to enable a distribution to the non-preferential creditors of TAGC, other than from the Prescribed Part

TAGES

5 27 There have been insufficient realisations to enable a distribution to the non-preferential creditors of TAGES, other than from the Prescribed Part.

6. Joint Administrators' Receipts and Payments Accounts

6 1 Detailed Receipts and Payments Accounts, for the Reporting Period are shown in Appendix 2

6 2 As at 23 September 2015, there was a cash balance of £665,059 in respect of TAGC

6 3 As at 23 September 2015, there was a cash balance of £336 in respect of TAGES

7 Pre-Administration Costs

7 1 On 2 February 2015, the following amounts in respect of Pre-Administration costs (plus VAT) were approved by the Secured Creditors, to be paid out of the assets of the Companies

Name of Recipient	Brief Description of Services Provided	Total Amount Approved
Duff & Phelps	Liaising with the Companies' Directors and the JV Party in respect of sale of the business assets and appointment	£89,148 00
Stephenson Harwood	Dealing with sale contract and appointment of the Joint Administrators	£82,584 03
SIA Group	Valuation of TAGC's business assets prior to sale	£4,460 00
Lambert Smith Hampton	Valuation of TAGC's Freehold Property	£7,500 00

7 2 As previously reported, these fees have been paid in full out of the realisations in TAGC

8. Joint Administrators' Costs and Expenses

8 1 The basis of the Joint Administrators' remuneration was approved on the basis of time properly incurred and authority to draw Category 2 Disbursements by the Secured Creditors on 2 February 2015

8 2 The Joint Administrators' time costs in the period since Appointment Date are as analysed at Appendix 3

TAGC

8 3 The Joint Administrators of TAGC have incurred time costs of £207,114 which equates to 574 hours at an average charge out rate of £361

8 4 In accordance with SIP 9, the Joint Administrators comments on time charged during the Reporting Period as follows:

8 5 Time costs totalling £22,764 have been charged in dealing with the non-preferential claims adjudication and distribution. This includes dealing with the ongoing Prescribed Part distribution process.

8 6 Time costs totalling £9,780 have been charged in dealing with the book debts. This includes dealing with the various legal claims and disputes.

TAGES

8 7 The Joint Administrators of TAGES have incurred time costs of £42,402 which equates to 129 hours at an average charge out rate of £329

8 8 In accordance with SIP 9, the Joint Liquidators comments on time charged during the Reporting Period as follows:

8 9 Time costs totalling £6,450 have been charged in dealing with the non-preferential claims adjudication and distribution. This includes dealing with the ongoing Prescribed Part distribution process.

8 10 A total of £75,000 plus VAT has been paid in the Reporting Period in respect of the Joint Administrators' post appointment remuneration for TAGC. Details of payments are shown on the Receipts and Payments Account at Appendix 3

- 8 11 No remuneration has been drawn to date in respect of TAGES
- 8 12 The Joint Administrators' disbursements are also detailed at Appendix 3
- 8 13 The Joint Administrators have incurred expenses in dealing with the Administration of the Companies and these are detailed in Appendix 3
- 8 14 Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees" This can be viewed and downloaded from the Joint Administrators' website at <http://www.duffandphelps.com/uk-restructuring/creditor-guides> Should you require a copy, please contact this office
- 8 15 In accordance with Rule 2 48A of the Rules, secured creditors and non-preferential creditors (with the concurrence of at least 5% in value of total non-preferential claims) may make a request in writing to the Joint Administrators for further information about the remuneration or expenses set out in this progress report This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond
- 8 16 In addition to the above, any secured creditor, or any non-preferential creditor (with the support of at least 10% in value of the non-preferential creditors or the permission of the Court), may apply to the court on the grounds that the remuneration or basis fixed for the Joint Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive In accordance with Rule 2 109 of the Rules, this application must be made no later than eight weeks after receipt of the progress report, where the charging of the remuneration or the incurring of expenses in question occurs
- 9. Extension of the Administration and Conclusion**
- 9 1 The Joint Administrators' Proposals advised that the Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent
- 9 2 The Joint Administrators request that the duration of the Administration is extended for a period of 12 months, from 22 October 2015 to 21 October 2016
- 9 3 Due to the complexities of the cases, the extension is required to deal with the following outstanding issues
- Conclusion and payment of the Prescribed Part dividends in TAGC and TAGES,
 - Dealing with all outstanding tax matters,
 - Final distributions to the Secured Creditors following the conclusion of the Prescribed Part dividends,
 - Dealing with the ongoing matters in relation to the utility recharges payable for the Haverton Hill site,
 - Pursuing the balance due in relation to the loan account,
 - Dealing with any other outstanding issues
- 9 4 Therefore if consent to the extension is given, the revised date for the end of the Administrations will be 21 October 2016
- 9 5 Once all the outstanding issues have been dealt with, the Joint Administrators will file Forms 2 35B – Notice of Move from Administration to Dissolution for each company and the Companies will be dissolved within 3 months
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10. Next Report

- 10.1 The Joint Administrators will provide a progress report within one month of the end of the each six months of the Administration or earlier if the Administrations have been concluded
- 10.2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Ruth Pearson of this office



Geoffrey Bouchier
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Geoffrey Wayne Bouchier and Keith Allan Marshall, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1

Statutory information

Statutory Information

Company	Tees Alliance Group Corporate Limited
Date of Incorporation	29 January 2008
Registered Number	06486957
Company Directors	Stuart Oakley TAG Energy Solutions Limited
Company Secretary	Scott Eason
Shareholders	TAG Energy Solutions Limited (3,500,200 Ordinary Shares)
Trading Address	Haverton Hill Yard Haverton Hill Industrial Estate Billingham Cleveland TS23 1PZ
Registered Office	Current: The Chancery 58 Spring Gardens Manchester M2 1EW Former: Haverton Hill Yard Haverton Hill Industrial Estate Billingham Cleveland TS23 1PZ

Statutory Information

Company	TAG Energy Solutions Limited
Date of Incorporation	17 September 2010
Registered Number	07379608
Company Directors	Neil Adamson Fabien Castello Timothy Eggar Michael Foster Stuart Oakley Thomas Rottner Patrick Sheehan
Company Secretary	Scott Eason
Shareholders	TAG Investors Limited (8,774,216 A Ordinary Shares, 184,399 C Ordinary Shares, 386,266 D Ordinary Shares) David Eason (305,307 B Ordinary Shares, 31,842 C Ordinary Shares, 529,699 Deferred Shares) Timothy Eggar (43,220 A Ordinary Shares, 3,582 B Ordinary Shares, 5,810 Deferred Shares) Alex Dawson (153,863 B Ordinary Shares, 400,490 Deferred Shares) Scott Eason (226,591 Deferred Shares) James Dawson (53,350 C Ordinary Shares, 45,370 D Ordinary Shares) Glenn Wilson (1,588 Deferred Shares) Neil Adamson (53,350 C Ordinary Shares, 45,370 D Ordinary Shares, 1,588 Deferred Shares, 22,328 B Ordinary Shares)
Trading Address	N/A
Registered Office	Current: The Chancery 58 Spring Gardens Manchester M2 1EW Former: Haverton Hill Yard Haverton Hill Industrial Estate Billingham Cleveland TS23 1PZ

Appendix 2

Joint Administrators' Receipts and Payments Accounts

Tees Alliance Group Corporate Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 22/04/2015 To 23/09/2015	From 22/10/2014 To 23/09/2015
	SECURED ASSETS		
3,900,000 00	Freehold Land & Property	NIL	4,000,000 00
NIL	Investments	NIL	NIL
	Intellectual Property	NIL	1 00
		NIL	4,000,001 00
	SECURED CREDITORS		
(6,961,363 00)	ESO Investeco Capital II S a r l	NIL	3,692,224 00
		NIL	(3,692,224 00)
	ASSET REALISATIONS		
2,900,000 00	Plant & Machinery	NIL	4,245,000 00
30,000 00	Furniture & Equipment	NIL	4,999 00
NIL	Debtors	NIL	NIL
46,375 00	Cash at Bank	NIL	46,374 91
	Bank Interest Gross	466 21	1,016 72
	Third Party Utility Contributions	31,147 53	105,908 15
	Pension Refund	NIL	167 81
		31,613 74	4,403,466 59
	COST OF REALISATIONS		
	Site Security	NIL	(56,390 00)
	IT Costs	NIL	(1,500 00)
	Utilities	(1,126 29)	(3,380 97)
	Pre Insolvency Remuneration	NIL	(99,148 00)
	Advisory	NIL	(2,500 00)
	Joint administrators' remuneration	(75,000 00)	(150,000 00)
	Joint administrators' disbursements	(156 83)	(725 59)
	Agents/Valuers Fees	NIL	(17,500 00)
	Agents/Valuers Disbursements	NIL	(404 00)
	Legal Fees	(5,000 00)	(163,000 00)
	Legal Disbursements	(120 00)	(870 00)
	Legal Fees - Orrick	(36,268 00)	(36,268 00)
	Legal Disbursements - Orrick	(21 20)	(21 20)
	Storage Costs	(56 51)	(601 98)
	Statutory Advertising	(84 60)	(169 20)
	Machine Maintenance costs	NIL	(6,490 00)
	Insurance of Assets	NIL	(30,024 50)
	Bank Charges	(7 68)	(58 89)
		(117,841 11)	(569,052 33)
	FLOATING CHARGE CREDITORS		
	ESO Investco SARL	NIL	(3,421,618 00)
		NIL	(3,421,618 00)

	UNSECURED CREDITORS		
(895,986 20)	Trade & Expense Creditors	NIL	NIL
(394,923 00)	HM Revenue & Customs	NIL	NIL
(299,841 00)	HM Revenue & Customs	NIL	NIL
(55,294,837 00)	Intercompany Loan - TAGES	NIL	NIL
(143,319 00)	Intercompany Loan - TAGL	NIL	NIL
(1,125,000 00)	ONE Grant	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	DISTRIBUTIONS		
(3,500,200 00)	Ordinary Shareholders	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
(61,739,094.20)		<u>(86,227.37)</u>	<u>720,573 26</u>
	REPRESENTED BY		
	Floating/main current account		665,059 49
	General VAT control account		55,513 77
			<u>720,573 26</u>

TAG Energy Solutions Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 22/04/2015 To 23/09/2015	From 22/10/2014 To 23/09/2015
	ASSET REALISATIONS		
	Insurance Refund	NIL	439 12
575,000 00	Intercompany Loan - TAGC	NIL	NIL
		NIL	439 12
	COST OF REALISATIONS		
	Statutory Advertising	84 60	84 60
	Bank Charges	NIL	1 30
		(84 60)	(85 90)
	UNSECURED CREDITORS		
(38,592,386 00)	Loan Note Holders	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(11,527,979 00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(57,078,377 00)		(84 60)	353 22
	REPRESENTED BY		
	VAT Receivable		16 92
	Floating/main current account		336 30
			353 22

Appendix 3

Analysis of Time Charged and Expenses Incurred

ANALYSIS OF TIME COSTS FOR THE PERIOD 22/04/2015 to 23/09/2015

ADM-Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	0 00	0 40	0 00	0 80	0 00	1 20	336 00	280 00
Cashiering & accounting	0 00	2 10	4 20	3 00	0 00	9 30	2 917 00	313 66
IPS set up & maintenance	0 00	0 10	0 00	0 00	0 00	0 10	43 00	430 00
Statutory matters (Meetings & Reports & Notices)	0 80	2 40	0 00	4 50	0 00	7 70	2,427 50	315 26
Strategy planning & control	0 00	3 60	0 00	3 50	0 00	7 10	2 202 00	310 14
Tax Compliance/Planning	0 00	1 30	0 00	0 60	0 00	1 90	672 00	353 68
Creditors								
Communications with Creditors/Employees	0 00	1 70	0 00	2 80	0 00	4 50	1 302 00	289 33
Non Pref Creditor claims adjudication and dist'n	1 40	32 70	0 00	39 90	0 00	74 00	22,763 50	307 61
Non Pref Creditors/Employee claims handling	0 00	3 20	0 00	1 65	0 00	4 85	1,534 25	316 34
Prescribed Part	1 80	0 00	0 00	0 00	0 00	1 80	1 080 00	600 00
Secured Creditors	0 00	3 50	0 00	0 00	0 00	3 50	1 470 00	420 00
Realisation of Assets								
Book debts	5 10	16 00	0 00	0 00	0 00	21 10	9 780 00	463 51
Freehold and Leasehold Property	0 00	10 60	0 00	3 40	0 00	14 00	5 178 50	369 89
Hire Purchase and Lease Assets	0 00	0 30	0 00	0 00	0 00	0 30	126 00	420 00
Other Tangible Assets	0 00	1 30	0 00	0 00	0 00	1 30	546 00	420 00
Plant & Machinery & Fixtures & Motor Vehicles	0 00	0 00	0 00	0 40	0 00	0 40	84 00	210 00
Sale of business	0 70	2 00	0 00	0 00	0 00	2 70	1 260 00	466 67
Total Hours	9 80	81 20	4 20	60 55	0 00	155 75		344 92
Total Fees Claimed	5,880 00	34,109 00	1,352 00	12,380 75	0 00		53,721 75	

Category 2 Disbursements

See attached schedule

ANALYSIS OF TIME COSTS FOR THE PERIOD 22/10/2014 to 23/09/2015

ADM-Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	0.00	0.90	0.00	4.90	0.00	5.80	1,377.50	237.50
Cashiering & accounting	0.00	5.70	13.10	12.75	0.00	31.55	9,332.25	295.79
Dealings with Directors and Management	0.40	6.60	0.00	1.50	0.00	8.50	3,364.50	395.82
IPS set up & maintenance	0.00	0.10	0.00	4.10	0.00	4.20	514.50	122.50
Insurance	0.00	0.00	0.00	0.20	0.00	0.20	47.00	235.00
Statement of affairs	0.00	2.10	0.00	2.50	0.00	4.60	1,469.50	319.46
Statutory matters (Meetings & Reports & Notices)	6.90	15.90	1.00	40.85	0.00	64.65	19,961.25	308.76
Strategy planning & control	0.00	43.90	0.00	23.35	0.00	67.25	23,488.00	349.26
Tax Compliance/Planning	0.00	3.30	0.00	1.80	0.00	5.10	1,794.00	351.76
Creditors								
Communications with Creditors/Employees	1.00	13.20	0.00	21.65	0.00	35.85	10,938.75	305.13
Non Pref Creditor claims adjudication and dist'n	1.40	33.70	0.00	39.90	0.00	75.00	23,183.50	309.11
Non Pref Creditors/Employee claims handling	0.00	3.20	0.00	1.65	0.00	4.85	1,534.25	316.34
Prescribed Part	1.80	0.00	0.00	0.00	0.00	1.80	1,080.00	600.00
Secured Creditors	2.70	30.70	0.00	7.50	0.00	40.90	16,276.50	397.96
Investigations								
CDDA & reports & Communication	0.60	1.30	0.00	3.60	0.00	5.50	1,626.00	295.64
Financial review and investigations (S238/239 etc)	1.00	0.00	0.00	3.00	0.00	4.00	1,230.00	307.50
Realisation of Assets								
Book debts	8.90	39.00	0.00	0.90	0.00	48.80	21,931.50	449.42
Freehold and Leasehold Property	0.00	30.50	0.00	4.00	0.00	34.50	13,677.50	396.45
Hire Purchase and Lease Assets	0.00	15.40	0.00	0.00	0.00	15.40	6,468.00	420.00
Other Tangible Assets	0.00	3.60	0.00	7.60	0.00	11.20	3,298.00	294.46
Plant & Machinery & Fixtures & Motor Vehicles	0.00	11.30	0.00	4.90	0.00	16.20	5,887.50	363.43
Sale of business	21.80	53.30	0.00	12.20	0.00	87.30	38,298.00	438.69
Stock and Work In Progress	0.00	0.80	0.00	0.00	0.00	0.80	336.00	420.00
Total Hours	46.50	314.50	14.10	198.85	0.00	573.95		360.86
Total Fees Claimed	27,830.00		4,499.00	42,671.00	0.00		207,114.00	

Category 2 Disbursements

See attached schedule

Tees Alliance Group Corporate Limited (In Administration)
Joint Administrators' Disbursements

	Incurred	Amount
	(£)	Paid (£)
Category 1		
Courier	176 16	0 00
Bond premium	245 00	0 00
Travel and Subsistence	19 13	0 00
	<u>TOTAL</u>	<u>£0.00</u>
	<u>£440.29</u>	
Category 2		
Mileage @ 45p per mile	285 30	0 00
	<u>TOTAL</u>	<u>£0.00</u>
	<u>£285.30</u>	

The above costs exclude VAT

Tees Alliance Group Corporate Limited (In Administration)
Joint Administrators' Expenses

Company	Activity	Fee Basis	Incurred (£)	Amount Paid (£)
Professional Advisors				
Stephenson Harwood LLP	Solicitors sale agreement and ad hoc legal fees	Time costs	81,285 97	5,000 00
Orrick, Herrington & Sutcliffe (Europe) LLP	Solicitors Prescribed Part creditor litigation and ad hoc legal fees	Time costs	36,289 20	36,289 20
SIA Group	Agents Valuation of assets	Time costs	5,736 46	0 00
Titan Heavy Transport	Machine Maintenance	Fixed Fee	6,490 00	0 00
Barclays Bank	Bank charges	Fixed Fee	58 89	7 68
Aon	Insurance of assets		30,024 50	0 00
Courts Advertising	Statutory Advertising	Fixed Fee	162 20	84 60
Neil Adamson Advisory	Assistance with sale process and interested parties on site	Fixed Fee	2,500 00	2,500 00
TDM	Collection and Storage of Company's records	Time costs	601 98	56 51
Teeside Security Services Ltd	Site security	Time costs	56,390 00	0 00
ODC IT Ltd	IT Services	Fixed Fee	1,500 00	0 00
TOTAL			221,039 20	43,937.99

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee

ANALYSIS OF TIME COSTS FOR THE PERIOD 22/04/2015 to 23/09/2015

ADM-Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	0 00	0 20	0 00	0 80	0 00	1 00	252 00	252 00
Cashiering & accounting	0 00	0 40	0 20	0 90	0 00	1 50	419 00	279 33
Statutory matters (Meetings & Reports & Notices)	0 60	1 20	0 00	5 00	0 00	6 80	1,800 00	264 71
Strategy planning & control	0 00	1 80	0 00	2 50	0 00	4 30	1 281 00	297 91
Tax Compliance/Planning	0 00	0 80	0 00	0 60	0 00	1 40	462 00	330 00
Creditors								
Non Pref Creditor claims adjudication and dist'n	0 00	11 40	0 00	8 00	0 00	19 40	6,450 00	332 47
Secured Creditors	0 00	2 70	0 00	0 00	0 00	2 70	1,134 00	420 00
Total Hours	0 60	18 50	0 20	17 80	0 00	37 10		318 01
Total Fees Claimed	360 00	7,771 00	64 00	3,603 00	0 00		11,798 00	

Category 2 Disbursements

See attached schedule

ANALYSIS OF TIME COSTS FOR THE PERIOD 22/10/2014 to 23/09/2015

ADM-Admin - Post Appt

Classification of Work Function	Hours					Total Hours	Time Cost	Avg Hourly Rate
	Partner	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review and Case Diary management	0 70	0 90	0 00	4 20	0 00	5 80	1 470 00	253 45
Cashiering & accounting	0 00	0 50	0 60	1 70	0 00	2 80	738 00	263 57
Dealings with Directors and Management	0 00	0 70	0 00	0 50	0 00	1 20	411 50	342 92
Statement of affairs	0 20	1 00	0 00	2 50	0 00	3 70	1 113 50	300 95
Statutory matters (Meetings & Reports & Notices)	5 70	8 90	0 50	34 10	0 00	49 20	14 569 50	296 13
Strategy planning & control	0 50	13 70	0 00	3 65	0 00	17 85	7 108 50	398 24
Tax Compliance/Planning	0 00	1 30	0 00	0 90	0 00	2 20	742 50	337 50
Creditors								
Communications with Creditors/Employees	0 00	2 50	0 00	1 40	0 00	3 90	1 321 00	338 72
Non Pref Creditor claims adjudication and dist'n	0 00	12 00	0 00	8 00	0 00	20 00	6,702 00	335 10
Secured Creditors	0 00	7 50	0 00	0 80	0 00	8 30	3 356 00	404 34
Investigations								
CDDA & reports & Communication	0 50	1 00	0 00	3 20	0 00	4 70	1,392 00	296 17
Financial review and investigations (S238/239 etc)	0 00	0 00	0 00	3 00	0 00	3 00	630 00	210 00
Realisation of Assets								
Freehold and Leasehold Property	0 00	0 00	0 00	0 30	0 00	0 30	63 00	210 00
Other Tangible Assets	0 00	0 80	0 00	0 00	0 00	0 80	336 00	420 00
Plant & Machinery & Fixtures & Motor Vehicles	0 00	2 70	0 00	0 00	0 00	2 70	1 296 00	480 00
Sale of business	0 00	2 40	0 00	0 00	0 00	2 40	1 152 00	480 00
Total Hours	7 60	55 90	1 10	64 25	0 00	128 85		329 08
Total Fees Claimed	4,497 00	24,253 00	334 50	13,317 00	0 00		42,401 50	

Category 2 Disbursements

See attached schedule

TAG Energy Solutions Limited (In Administration)
Joint Administrators' Disbursements

	Incurred	Amount
	(£)	Paid
	(£)	(£)
Category 1		
Courier	23 73	0 00
Bond premium	225 00	0 00
Conference Calls	97 70	0 00
Travel and Subsistence	230 79	0 00
	<u> </u>	<u> </u>
TOTAL	£577.22	0.00
	<u> </u>	<u> </u>
Category 2		
Mileage @ 45p per mile	119 70	0 00
	<u> </u>	<u> </u>
TOTAL	£119.70	0 00
	<u> </u>	<u> </u>

The above costs exclude VAT

**TAG Energy Solutions Limited
Joint Administrators' Expenses**

Company	Activity	Fee Basis	Incurred (£)	Amount Paid (£)
Professional Advisors				
Courts Advertising	Statutory Advertising	Fixed Fee	84 60	84 60
TOTAL			84.60	84.60

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee

Appendix 4

Forms 2.25B – Notice of Conduct by Business Correspondence

Rule 2 48

Notice of conduct of business by correspondence

Name of Company Tees Alliance Group Corporate Limited	Company number 06486957
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 7323 of 2014

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

Notice is hereby given by (a) Geoffrey Bouchier and Keith Marshall of The Chancery, 58 Spring Gardens, Manchester, M2 1EW,

To the creditors of (b) Tees Alliance Group Corporate Limited of The Chancery, 58 Spring Gardens, Manchester, M2 1EW

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

(c) Insert number of resolutions enclosed

That, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) resolution(s) 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) the offices of Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW,

(e) Insert closing date

By 12 00 hours on (e) Friday 9 October 2015 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)

That the duration of the Administration is extended to 21 October 2016

I am *In Favour/Against

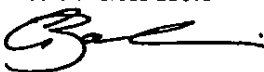
TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

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


 Geoffrey Bouchier - Joint Administrator

Dated

23/9/15

Rule 2 48

Notice of conduct of business by correspondence

Name of Company TAG Energy Solutions Limited	Company number 07379608
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 7326 of 2014

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

Notice is hereby given by (a) Geoffrey Bouchier and Keith Marshall of The Chancery, 58 Spring Gardens, Manchester, M2 1EW,

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

To the creditors of (b) TAG Energy Solutions Limited of The Chancery, 58 Spring Gardens, Manchester, M2 1EW

(c) Insert number of resolutions enclosed

That, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) resolution(s) 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) the offices of Duff & Phelps Ltd , The Chancery, 58 Spring Gardens, Manchester, M2 1EW,

(e) Insert closing date

By 12 00 hours on (e) Friday 9 October 2015 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)

That the duration of the Administration is extended to 21 October 2016

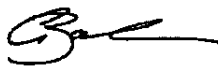
I am *In Favour/Against

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  _____
Geoffrey Bouchier - Joint AdministratorDated 23/9/15

Appendix 5

Group Structure

TAG Group Structure

