

The Insolvency Act 1986

Administrator's progress report**R2.38**

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company TG Realisations Limited (in administration)	Company number SC045557
--	----------------------------

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

We (a) Blair Carnegie Nimmo and Gerard Anthony Friar

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

from

to

(b) 2 December 2012

(b) 1 June 2013

Signed

GA. F
Joint Administrator

(b) Insert dates

Dated

10/07/2013

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record

KPMG LLP, 191 West George Street, Glasgow, G2 2LJ	
Tel 0141 226 5511	
DX Number	DX Exchange

Companies House receipt date barcode

When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, 37 Castle Terrace, Edinburgh EH1 2EB
DX 235 Edinburgh / LP 4 Edinburgh-2

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12/07/2013
COMPANIES HOUSE

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**TG Realisations Limited
(formerly Thistle Generators Limited)
(in administration)**

**Joint Administrators' progress report to
creditors pursuant to Rule 2.38 of
the Insolvency (Scotland) Rules 1986**

10 July 2013

KPMG LLP

10 July 2013

This report contains 7 Pages

gaf/amc/cw/982/tg



*TG Realisations Limited
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(in administration)*

*Joint administrators' progress report to creditors pursuant to Rule 2.38 of
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KPMG LLP

10 July 2013

Notice: About this Report

This Report has been prepared by BC Nimmo and GA Friar, the Joint Administrators of TG Realisations Limited (formerly Thistle Generators Limited) ("the Company"), solely to comply with their statutory duty under Rule 2.38 of the Insolvency (Scotland) Rules 1986 to provide the creditors with an update on the progress of the Administration, 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 the Company.

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 other context 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 the Company 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 Administration.



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KPMG LLP

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*KPMG LLP
10 July 2013*

1 Introduction

We, Blair Carnegie Nimmo and Gerard Anthony Friar of KPMG LLP, were appointed Joint Administrators of TG Realisations Limited (formerly Thistle Generators Limited) ("the Company") on 2 December 2010.

We were appointed by the directors of the Company.

In accordance with Rule 2.38 of the Insolvency (Scotland) Rules 1986 we set out below our six monthly progress report.

The receipts and payments account for the period 2 December 2012 to 1 June 2013 is attached at Appendix 2. This shows that funds on hand amount to £151,592.26. Please note that the case funds are subject to the ongoing costs of the Administration process.

2 Progress to date including realisation of assets

2.1 Debtors

To date, we have realised a total of £668,283.27 from the Company's debtor balances, being 63.7% of the sums outstanding at the date of our appointment (of £1.049m).

The residual outstanding balances are either subject to contracts novated to the purchaser of the business (now called Thistle Generators Limited ("the Purchaser")), who is arranging for completion of the contracted works, or are being pursued on our behalf by our appointed Quantity Surveyors, Leslie Keats & Co Limited ("Keats").

We are continuing to work closely with the Purchaser and Keats to collect the remaining sums due to the Company.

2.2 Other assets

All other assets owned by the Company at the date of appointment have now either been disposed of or realised, as detailed in our previous reports.

3 Amounts payable to secured creditors, preferential creditors and the floating charge holder

3.1 Secured lenders

The table below illustrates the assets over which the Company has granted security and the level of the secured lender's indebtedness at the date of our appointment.



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Figure 1: Secured lender's indebtedness

	Total £000
Hire purchase and finance leases – Hitachi Capital and Close Asset Finance	174
Floating charge over the business and assets – Bank of Scotland	361
	<hr/>
	535
	<hr/>
<i>Source: Company records</i>	

To date a total of £350,000 has been distributed to the Bank of Scotland ("the Bank") under the terms of its floating charge.

Based on the information available at this time, we anticipate that sufficient funds will be realised to enable a further distribution to the Bank under the terms of the floating charge held.

Interest and charges continue to accrue on the Bank's remaining indebtedness until repaid in full.

3.2 Preferential creditors

The Company's preferential creditors were calculated as follows:-

	£000
Employees – arrears of pension contributions	3
	<hr/>
	3
	<hr/>
<i>Source: Joint Administrators' records</i>	

Following adjudication of the claim submitted, £2,597.16 was distributed on 30 August 2011 to the Insolvency Service in full and final settlement of its claim for arrears of pension contributions.

3.3 Floating charges

The Bank holds a bond and floating charge over all the business and assets of the Company.



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4 Prescribed part of the Company's net property pursuant to Section 176A of the Insolvency Act 1986

The Bank's floating charge was granted prior to 15 September 2003, therefore s.176A is not applicable and there will be no prescribed part of the Company's net property available for unsecured creditors.

5 Distributions and dividend prospects for creditors of the Company

Based on the information to hand, we anticipate that sufficient funds will be realised to enable a further distribution to the secured lender under the terms of the floating charge held.

Dividend prospects for unsecured creditors depend largely upon final recoveries from the Company's debtor balances and, accordingly, cannot be estimated with certainty at this time. However, based on the information currently available, it remains unlikely that sufficient funds will be realised to enable a distribution to the unsecured creditors of the Company.

6 Creditors' meeting

In accordance with Paragraph 52 (1) (b) of Schedule B1 to the Insolvency Act 1986, the Joint Administrators elected not to hold an initial meeting of the creditors of the Company on the basis it was not anticipated that sufficient funds would be realised to enable a distribution to be made to unsecured creditors.

We can confirm that we did not receive any requests from creditors of the Company to summon an initial meeting of creditors.

7 Joint Administrators' fees

We enclose, at Appendix 3, an analysis of our time and costs properly incurred in the period from 2 December 2010 to 1 June 2013. In this period, a total of 1,138.50 hours were spent by our firm's staff in relation to the activities listed below at a total cost of £280,067. In addition, expenses totalling £351.25 were incurred by our firm's staff in this period.

Key areas where costs have been incurred are, *inter alia*, as follows:-

- Reviewing the terms of the offer received from Nevis Capital LLP on behalf of Pacific Shelf 1627 Limited ("the Purchaser") and undertaking negotiations to finalise the sale of the assets;



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- Reviewing, negotiating and completing the necessary legal documentation to facilitate the sale and short term license to occupy the property;
- Meeting our obligations under the terms of the sale agreement and licence to occupy and assisting the Purchaser with the transfer of the business, contracts and stocks;
- Making a written request to Company's parent company with the relevant documentation for the company name change to take effect;
- Liaising with employees regarding the TUPE transfer;
- Ensuring that the sales ledger was brought up to date and all supporting documentation secured;
- Ascertaining the value of work in progress as at the date of appointment and agreeing the recovery of the balances due with the Purchaser;
- Notifying customers of appointment and advising of payment terms;
- Agreeing the terms of and liaising with the Purchaser and customers in respect of novating certain of the Company's ongoing contracts;
- Overseeing the Purchaser's actions in pursuing the debts and work in progress, monitoring receipt of monies, allocating cash received, investigating disputes and authorising write offs;
- Appointing debt recovery agents, Leslie Keats & Co Limited ("Keats"), to review the Company's debtor records and assist in the collection of all outstanding debtor balances;
- Liaising with Keats regarding the progress of the debtor collection exercise;
- Liaising with King Sturge regarding the valuation and sale of the small generator excluded from the sale of assets;
- Liaising with the relevant companies regarding vehicles subject to finance/HP agreements and determining whether any equity could be realised. Where appropriate returning the vehicles to the finance creditors;
- Identification and review of prepayments and sundry debtors in order to secure any value obtainable;
- Liaising with the landlord and agreeing the continued occupation of the Purchaser in the property;
- Adjudicating upon claims to retention of title over stock previously supplied to the Company including attendance at stock takes, reviewing paper work submitted, seeking legal advice and liaising with the Purchaser as appropriate in this regard;



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- Notifying creditors of appointment and dealing with any queries raised;
- Liaising with the Bank and securing the transfer of funds received into the pre-appointment bank account;
- Facilitating the updating of the Company's purchase ledger and ingathering the Company's books and records;
- Implementing and controlling the overall administration strategy;
- Undertaking all statutory and administrative matters as required including dealing with all VAT and tax matters;
- Securing the extensions to the period of the Administration;
- Adjudicating upon the preferential creditor's claim and facilitating the preferential distribution;
- Adjudicating upon the Bank's floating charge claim and facilitating an interim distribution;
- Corresponding with the directors and obtaining statement of affairs;
- Investigation into the affairs of the Company prior to our appointment;
- Investigation, preparation and submission of the Joint Administrators' report in respect of the conduct of the Company's directors to the Department for Business, Enterprise and Regulatory Reform;
- Dealing with all relevant environmental bodies and issues, including contacting SEPA, the Health and Safety Executive and the local Council; and
- Undertaking all cashiering requirements, including reconciling the Administration bank accounts

I would advise that the Bank (in its capacity as secured lender to the Company) has provided consent to the Joint Administrators drawing an interim fee of £220,000 plus outlays and VAT thereon for the period 2 December 2010 to 1 December 2012. This was drawn in full on 22 February 2013. Consent for a further interim fee of £30,000 plus outlays and VAT thereon for the period from 2 December 2012 to 1 June 2013 has been provided by the Bank and is yet to be drawn.

If any creditor, or creditors of the Company, representing, in value, at least 25 percent of the creditors wishes to object to the Joint Administrators' fees for the period from 2 December 2012 to 1 June 2013, as approved by the Bank, they may apply to the Court of Session by no later than 31 July 2013.

The Joint Administrators' future time costs and remuneration will be subject to approval by the secured lender in due course.

Please note that the balance of our time costs may be drawn as remuneration in the future as further funds become available.

For your information, I would advise that a creditors' guide to fees can be found at:-

<http://icas.org.uk/WorkArea/DownloadAsset.aspx?id=4294968700>

However, if you are unable to access this guide and would like a copy, please contact Carleen Watt on 0141 300 5541.

8 Extension to the initial appointment period

Pursuant to Paragraph 76(1) of Schedule B1 to the Insolvency Act 1986 ("the Act"), the Administration was scheduled to automatically end on 1 December 2011, one year after the granting of the Administration order.

Pursuant to Paragraphs 76, 78 & 109 of Schedule B1 to the Act, the Administration was extended by six months to 1 June 2012 with the approval of the Company's secured and preferential creditors.

Due to various outstanding matters in the Administration, the Court subsequently granted twelve-month extensions to the Administration to 1 June 2014.

We would confirm that all creditors have been notified of these extension requests and we have received no objections to the extensions.

We will endeavour to finalise all remaining matters in the Administration as quickly as practicable.

9 Other matters

A number of issues still require to be dealt with in the Administration. These include, *inter alia*:-

- finalisation of the debtor collection exercise;
- collection of sums due under the terms of the contract novations;
- finalisation of all tax and VAT matters;
- distribution to the secured creditor, as appropriate;
- settlement of all outstanding costs; and
- attending to all statutory aspects of the Administration process.



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*KPMG LLP
10 July 2013*

We will endeavour to finalise to outstanding matters in the Administration at the earliest opportunity.

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

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10 July 2013***

Appendix 1

Statutory and other information



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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 Scotland, has its main centre of interest in Scotland 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 directors was lodged at Hamilton Sheriff Court on 2 December 2010.

Incorporation

The Company was incorporated on 26 March 1968.

Extensions to initial period of appointment

Pursuant to Paragraphs 76, 78 & 109 of Schedule B1 to the Insolvency Act 1986, the Administration was extended to 1 June 2012 with the approval of the Company's secured and preferential creditors. As noted at Section 8 within the main body of the report, due to various outstanding matters in the Administration, the Court granted an extension to the period of the Joint Administrators' appointment to 1 June 2014.

Registered office and trading address

The Company's former registered office was situated at:-

Faraday House
Coalburn Road, Fallside
Bothwell
G71 8DA

As part of the Administration process, the registered office for the Company has been changed to:-

c/o KPMG LLP
191 West George Street
Glasgow
G2 2LJ

Company number

The Company number is SC045557.



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Appendix 2

**Joint Administrators' receipts and payments accounts for the period from
2 December 2012 to 1 June 2013**

TG Realisations Limited (formerly Thistle Generators Limited)
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 02/12/2012 To 01/06/2013	From 02/12/2010 To 01/06/2013
	FIXED CHARGE ASSETS		
135,000.00	Vehicles	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	FIXED CHARGE CREDITORS		
(173,000.00)	Vehicle finance providers	<u>NIL</u>	<u>NIL</u>
		NIL	NIL
	ASSET REALISATIONS		
24,000.00	plant and equipment	NIL	31,700.00
3,000.00	Fixtures and fittings	NIL	2,500.00
84,000.00	Stock	NIL	84,000.00
20,000.00	Stock - work in progress	NIL	NIL
457,000.00	Trade debtors	46,744.86	621,910.16
	Trade Debtors - contract novations	10,307.42	46,373.11
	Goodwill	<u>NIL</u>	<u>4.00</u>
		57,052.28	786,487.27
	OTHER REALISATIONS		
	Bank interest, gross	612.19	2,610.04
	Bank interest, net of tax	60.83	904.71
	Rates Refund	NIL	175.49
	Miscellaneous Refunds	NIL	540.83
	Disputed funds	<u>NIL</u>	<u>6,263.73</u>
		673.02	10,494.80
	COST OF REALISATIONS		
	Specific bonds	NIL	550.00
	Joint Administrators' fees	220,000.00	220,000.00
	Joint Administrators' outlays	351.25	351.25
	Agents'/Valuers' fees	NIL	9,343.00
	Legal fees	NIL	24,581.70
	Debt Recovery Commission	5,898.98	62,430.13
	Registers of Scotland	NIL	15.00
	Statutory advertising	NIL	614.07
	Bank charges	<u>NIL</u>	<u>20.00</u>
		(226,250.23)	(317,905.15)
	PREFERENTIAL CREDITORS		
	Subrogated EP(C)A claim	NIL	2,597.16
(3,000.00)	Conts. to pension schemes	<u>NIL</u>	<u>NIL</u>
		NIL	(2,597.16)
	FLOATING CHARGE CREDITORS		
(341,000.00)	Bank of Scotland	<u>60,000.00</u>	<u>350,000.00</u>
		(60,000.00)	(350,000.00)
	UNSECURED CREDITORS		
(1,495,000.00)	Purchase ledger	NIL	NIL
(119,000.00)	HMRC - PAYE / NIC	NIL	NIL
(52,000.00)	HMRC - VAT	NIL	NIL
(9,000.00)	Scottish water rates	NIL	NIL
(40,000.00)	Deposit from NIBSC	<u>NIL</u>	<u>NIL</u>
		NIL	NIL

TG Realisations Limited (formerly Thistle Generators Limited)
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 02/12/2012 To 01/06/2013	From 02/12/2010 To 01/06/2013
DISTRIBUTIONS			
(45,000.00)	Issued and called up share capital	<u>NIL</u>	<u>NIL</u>
		<u>NIL</u>	<u>NIL</u>
<u>(1,554,000.00)</u>		<u>(228,524.93)</u>	<u>126,479.76</u>
REPRESENTED BY			
	Floating charge current		151,592.26
	CIS tax deductions		2,679.17
	Floating ch. VAT payable		(76.81)
	VAT suspense		(27,714.86)
			<u>126,479.76</u>

Gerard Anthony Friar
Administrator



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Appendix 3

Joint Administrators' time costs for the period from 2 December 2010 to 1 June 2013

SIP9 Analysis data as at: 25/06/2013

Case name: TG Realisations Limited (formerly Thistle Generators Limited)

Appointment date: 02/12/2010

02/12/2010 to 01/06/2013

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Bankrupt/Director/Member							
Statutory reports			0.30		0.30	£52.50	£175.00
Cashiering							
General (Cashiering)			12.60	7.00	19.60	£3,811.50	£194.46
Reconciliations (& IPS accounting reviews)		1.10	2.30		3.40	£1,023.50	£301.03
General							
Books and records			1.20		1.20	£210.00	£175.00
Fees and WIP		1.40	2.40		3.80	£1,070.00	£281.58
Statutory and compliance							
Appointment and related formalities	4.00	23.30	76.50	4.40	108.20	£27,377.50	£253.03
Bonding and bordereau			1.00		1.00	£209.50	£209.50
Checklist & reviews		2.30	34.35		36.65	£7,341.25	£200.31
Reports to debenture holders	5.00	19.60	14.10	1.00	39.70	£13,525.00	£340.68
Strategy documents	8.00	3.20	7.30		18.50	£6,685.00	£361.35
Tax							
Initial reviews - CT and VAT			9.60		9.60	£2,206.50	£229.84
Post appointment corporation tax	0.50	4.40	1.40		6.30	£2,025.00	£321.43
Post appointment VAT		3.50	14.90		18.40	£4,241.00	£230.49
Creditors							
Creditors and claims							
General correspondence	3.00		70.90	11.40	85.30	£15,241.00	£178.68
Notification of appointment			2.50		2.50	£437.50	£175.00
Payment of dividends			2.00		2.00	£350.00	£175.00
Pre-appointment VAT / PAYE / CT			1.20		1.20	£210.00	£175.00
ROT Claims	1.50	6.50	50.70		58.70	£12,325.00	£209.97
Secured creditors		4.10			4.10	£1,845.00	£450.00
Statutory reports	13.20	6.30	71.30	14.00	104.80	£24,443.00	£233.23
Employees							
Correspondence			7.30		7.30	£1,752.00	£240.00
Pension funds			0.75		0.75	£131.25	£175.00
Pensions reviews			9.05		9.05	£2,139.50	£236.41
Investigation							
Directors							
Correspondence with directors	2.50		12.80		15.30	£3,390.00	£221.57
D form drafting and submission		2.50	16.40		18.90	£3,932.50	£208.07
Directors' questionnaire / checklist		3.00	2.00		5.00	£1,690.00	£338.00
Statement of affairs			3.90		3.90	£682.50	£175.00
Investigations							
Correspondence re investigations			15.20		15.20	£2,660.00	£175.00
Mail redirection				2.65	2.65	£291.50	£110.00
Review of pre-appt transactions		1.50	20.30		21.80	£4,190.00	£192.20
Realisation of assets							
Asset Realisation							
Cash and investments			0.40		0.40	£70.00	£175.00
Debtors	7.50	97.30	321.40		426.20	£105,525.50	£247.60
Health & safety			0.80		0.80	£140.00	£175.00
Leasehold property		1.00	9.80		10.80	£2,205.00	£204.17
Other assets		2.00	10.30		12.30	£3,107.50	£252.64
Plant and machinery			3.00		3.00	£525.00	£175.00
Rent			0.80		0.80	£140.00	£175.00
Sale of business	16.50	25.00			41.50	£18,215.00	£438.92
Stock and WIP	2.00	4.00			6.00	£2,620.00	£436.67
Vehicles			11.60		11.60	£2,030.00	£175.00
Total in period					1,138.50	£280,067.00	£246.00