

The Insolvency Act 1986

2.24B**Administrator's progress report**

| | |
|--|-----------------------------------|
| Name of Company Tri-Wire Limited | Company number 02279142 |
| In the High Court of Justice, Chancery Division, Companies Court | Court case number 4486 of 2012 |


We

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

| | |
|--------------|--|
| from | to |
| 1 April 2013 | 31 August 2013 |
| Signed |  |
| | PA Flint - Joint Administrator |
| Dated | 9 October 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.

| | | |
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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





Tri-Wire Limited (in Administration)

Report to creditors pursuant
to Rule 2.112(1) and 2.47 of
the Insolvency (Amendment)
Rules 2003

KPMG LLP

10 September 2013

This report contains 17 Pages

PF/SC/SS



Notice: About this Report

This Report has been prepared by Paul Flint, Colin Haig and Allan Graham, the Joint Administrators of Tri-Wire Limited, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 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 Tri-Wire Limited. Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its 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 to any such person.

Paul Flint, Colin Haig and Allan Graham are authorised to act as insolvency practitioners by the Institute of Chartered Accountants of England and Wales.

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



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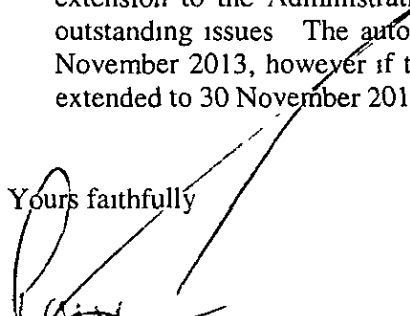
1 Glossary

| | |
|----------------------|---|
| Act | The Insolvency Act 1986 |
| Administration | The Administration Order granted by the High Court of Justice, Chancery Division, Companies Court, London in respect of Tri-Wire Limited on 31 May 2012. Court case number 4486 of 2012 |
| Company | Tri-Wire Limited (in Administration) |
| EC Regulations | Council Regulations (EC) No 1346/2000 |
| Group | B3 Industries Limited and its subsidiaries (including Tri-Wire) |
| Joint Administrators | Paul Flint, Colin Haig and Allan Graham of KPMG LLP |
| KPMG | KPMG LLP |
| PNC | PNC Financial Services (UK) Limited |
| Rules | The Insolvency Rules 1986 |
| SIP | Statement of Insolvency Practice |

2 Executive summary

- This progress report covers the period from 1 April 2013 to 31 August 2013
- The Joint Administrators' Statement of Proposals, as circulated to all known creditors on 24 July 2012, was deemed to have been approved on 6 August 2012 pursuant to Rule 2 33 (5A) of the Insolvency Rules 1986
- As part of the sale of the business and assets to Anglia Metals Limited an amount of £518,669 in consideration for stock was deferred. This has now been paid to the Joint Administrators
- Book debt collections to date total £5,886,858 against a ledger at appointment of £7,304,385. Book debts were assigned to PNC and accordingly have been paid directly to PNC
- At the date of appointment, PNC were owed £24,287,206, arising from their lending into the Group. PNC have now recovered a significant proportion of this debt and asset realisations remain ongoing
- No preferential claims are expected to arise in the Administration
- It is expected that a prescribed part will become available to unsecured creditors. Therefore, the Joint Administrators are currently making an application to court to seek an order permitting them to distribute funds to unsecured creditors from within the Administration without having to convert the Administration to a Liquidation. All creditors who have yet to submit a claim in the Administration are encouraged to do so at the earliest opportunity
- The Joint Administrators' proposals are yet to be fully completed. Therefore, the Administrators are also making an application to court to request a 12 month extension to the Administration in order to provide sufficient time to deal with outstanding issues. The automatic end date of the Administration is currently 30 November 2013, however if the court order is obtained the Administration will be extended to 30 November 2014

Yours faithfully



PA Flint
Joint Administrator

3 Statement of Proposals

In accordance with Paragraph 52(1)(b) of Schedule B1 of The Insolvency Act 1986 ("Act"), a meeting of creditors was not convened and one was not subsequently requisitioned

As a result, the Statement of Proposals, as circulated to all known creditors on 24 July 2012, was deemed to have been approved on 6 August 2012 pursuant to Rule 2 33 (5A) of the Insolvency Rules 1986 (as amended) ("the Rules") with the exception of any proposals in relation to the Joint Administrators' fees, disbursements or discharge of liability

4 Progress of the Administration

4.1 Communication

The Joint Administrators wrote to all known creditors on 7 June 2012 advising them of their appointment

The Joint Administrators' Statement of Proposals was sent to creditors on 24 July 2012

The Joint Administrators' first progress report covering the first six months of the Administration was sent to creditors on 17 December 2012

The Joint Administrators' second progress report to creditors covering the period 1 December 2012 to 31 March 2013 was sent to creditors on 6 May 2013

4.2 Assets

4 2 1 Stock

The business and assets of the Company were sold to Anglia Metals Limited immediately following the Joint Administrators' appointment. The consideration payable for stock totalled £518,669 and was deferred. These funds have now been paid to the Joint Administrators

4 2 2 Book debts

The Company's book debts were assigned to PNC and so have been paid directly to PNC. They do not appear in the Joint Administrators' receipts and payments account

However, book debt collections to date total £5,886,858 against a ledger balance at appointment of £7,304,385. There are two accounts together totalling £730,693 that have been passed to solicitors for pursuing via legal channels. The book debt collection process is now otherwise complete

PNC were owed £5,522,344 from its direct lending into the Company. However, additional book debt collections paid to PNC above the balance due will now be set off against other lending provided to the Group under the cross guarantee held by PNC. Therefore, we do not expect that any surplus book debts will become available to the Administration

4.3 Liabilities

4.3.1 Secured creditors

4.3.1.1 *PNC Financial Services (UK) Limited*

PNC holds a debenture dated 11 October 2011 providing fixed and floating charges over the Company and its assets. PNC also has the benefit of cross guarantees over the assets of the other group companies. The validity of the security has been confirmed by lawyers, DWF LLP.

The Joint Administrators have made a distribution of £402,454 to PNC from fixed charge realisations. A further £5,886,858 has been paid to PNC from assigned book debt collections.

At the date of appointment, PNC were owed £24,287,206, arising from their lending into the Group. PNC have now recovered a significant proportion of this debt and asset realisations remain ongoing.

4.3.2 Preferential creditors

We are unaware of any preferential claims and do not expect that any will arise in the Administration.

4.3.3 Unsecured creditors

A prescribed part is expected to become available to unsecured creditors.

The Joint Administrators are currently making an application to court and are seeking to obtain an order of the court permitting them to distribute funds to unsecured creditors from the Administration without the requirement of converting the Administration into a Liquidation.

All creditors who have yet to submit a claim in the Administration are encouraged to do so at the earliest opportunity.

4.3.3.1 *Prescribed part*

In accordance with section 176A of the Act, where a floating charge was created post 15 September 2003 and, therefore post Enterprise Act 2002, a prescribed part should be made available to unsecured creditors should floating charge realisations be sufficient.

The basis of the prescribed part calculation is a percentage of the net floating charge realisations (after preferential creditors and costs) to be distributed exclusively to unsecured creditors. This process ensures that the unsecured creditors participate in a dividend which would not have applied under the old insolvency rules.

In this instance, it is expected that a prescribed part of approximately £58,000 will become available to unsecured creditors. However, this is before the costs of agreeing claims and payment of the dividend have been deducted.

4.4 Expenses for the period

4 4.1 Receipts and payments

The receipts and payments for the period are set out in the attached receipts and payments account shown in Appendix 2

4 4 2 Office holders remuneration

The Joint Administrators' time costs in the period 1 April 2013 to 31 August 2013 are £36,637 and the Joint Administrators' disbursements incurred in this period are £117 This brings total time costs incurred since appointment to £290,893 and total disbursements to £1,082

A detailed analysis of time spent, and charge out rates, for each grade of staff for the various areas of work carried out, in accordance with the provisions of SIP 9, is shown in Appendix 3

Please note that all staff who have worked on this assignment, including cashiers and secretarial staff have charged time directly to the assignment and are included in the analysis of time spent The cost of staff employed in central administration functions is not charged directly to this assignment but is reflected in the general level of charge out rates

The statutory provisions relating to remuneration are set out in Rule 2 106 of the Rules

A creditors' guide to Administrators' fees can be found at

http://www.r3.org.uk/media/documents/technical_library/SIPS/SIP%209%20E&W.pdf

However, if you are unable to access this guide and would like a copy please contact Ryan Manuel at KPMG LLP, St James' Square, Manchester, M2 6DS

The Joint Administrators proposed that their remuneration be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration at their normal hourly rate of charging

Under Rule 2 106 of the Rules, where the Administrator has made a statement under Paragraph 52(1)(b) of Schedule B1 of the Act that, on the basis that there will be no surplus available to creditors, there will be no meeting of creditors convened then the proposals relating to Administrators' remuneration shall be taken as passed if passed with the approval of each secured creditor of the Company, and also the approval of the preferential creditors (whose debt amounts to more than 50% of the total preferential debt) where the Administrator intends to make a preferential distribution

Approval from the secured creditor, PNC, was obtained on 20 November 2012 in respect of the proposals regarding the Joint Administrators' fees and disbursements During the period the Joint Administrators have drawn fees of £198,901 against current time costs, this brings total fees drawn to date to £284,901 The Joint Administrators have also drawn their disbursements of £1,082 in full during the period

Creditors are reminded that the quantum of office holder remuneration can be challenged by unsecured creditors representing at least 10% by value of total unsecured claims, including that creditors claim, by making an application to court in accordance with Rule 2.109 of the Rules. The full text of this rule can also be provided on request.

4.4.3 Other information

In accordance with Rule 2.48A of the Rules, additional information about the expenses charged for the period is available from the office holder upon request by any secured creditor, and any other creditor or creditors owed 5% or more in value of the unsecured liabilities. A request must be made within 21 days of receipt of this report.

5 Extension of the Administration

In May 2013 the Joint Administrators obtained the consent of the secured creditor to extend the period of the Administration by six months to 30 November 2013, pursuant to Paragraph 76(2)(b) of Schedule B1 of the Insolvency Act 1986. However, the Joint Administrators have been unable to complete all outstanding matters within this time and are not in a position to conclude the Administration prior to the end date. The following matters remain outstanding:

- collection of outstanding book debts where legal action has been initiated,
- settlement of outstanding costs, and,
- agreement of unsecured creditor claims and distribution of the prescribed part.

The Joint Administrators are now making an application to court to request a further 12 month extension to the Administration. If this is granted, the new end date of the Administration will be 30 November 2014. However, should the above matters be completed sooner than expected then steps will be taken to conclude the Administration in advance of the revised automatic end date.

6 Comments on the Appendices

6.1 Appendix 1: Statutory information

Information to creditors required by statute is contained in Appendix 1.

6.2 Appendix 2: Receipts and payments account for the period

An analysis of receipts and payments for the period 1 April 2013 to 31 August 2013 is shown in Appendix 2.

This takes account of receipts and payments on a cash basis and does not show any deferred income or accrued costs.

6.2.1 Receipts

6.2.1.1 Stock

A total of £518,669 has been received for stock, being consideration that was deferred as part of the sale of the business and assets

6.2.1.2 Sundry income

A total of £9,179 has been received in sundry income and relates to interest accrued on the deferred consideration whilst held in a third party bank account and a refund received from a local council in refund of business rates

6.2.1.3 Bank interest

A total of £180 has been received in bank interest

6.2.2 Payments

6.2.2.1 Administrators' fees

A total of £198,901 has been paid to KPMG as a fee on account for carrying out the Administration

6.2.2.2 Administrators' expenses

A total of £1,082 has been paid to KPMG in repayment of disbursements incurred whilst carrying out the Administration

6.2.2.3 Book debts

A total of £11,305 in book debt collections previously paid into the Joint Administrators' bank account in error has been paid over to PNC

6.2.2.4 Legal fees

A total of £500 has been paid in the period in legal fees

6.2.2.5 Sundry expenses

A total of £30 has been paid in the period in miscellaneous expenses

6.2.2.6 Bank charges

A total of £25 has been paid in the period in bank charges

6.3 Appendix 3: Analysis of office holders' time costs

An analysis of the Joint Administrators' time costs for the period 1 April 2013 to 31 August 2013 is shown in Appendix 3. The Joint Administrators' time costs for this period total £36,637

During the period the Joint Administrators have carried out the following activities

- a total of £19,972 in time costs has been incurred in dealing with matters surrounding creditors and claims. This includes reporting to creditors, dealing with a

retention of title claim, agreement of unsecured claims and general correspondence with creditors

- a total of £6,180 in time costs has been incurred in the realisation of assets, primarily assistance provided to PNC in collecting book debts
- a total of £6,062 in time costs has been incurred in the preparation of returns required by HM Revenue & Customs in connection with Corporation Tax

6.4 **Appendix 4: Expenses for the period**

Expenses incurred in the period by the Joint Administrators are summarised in Appendix 4. It indicates those expenses incurred during the period which have not been discharged and also shows those expenses paid in the period that had not previously been accrued.

Total expenses for this period are £67,777 of which £31,023 has been paid in the period and £36,753 is accrued.

Appendix 1

Statutory Information

| | |
|----------------------------|---|
| For period | 1 December 2012 to 31 March 2013 |
| Company name | Tri-Wire Limited |
| Nature of business | Wire manufacture |
| Court details | The Administration Order granted by the High Court of Justice, Chancery Division, Companies Court, London in respect of Tri-Wire Limited on 31 May 2012 Court case number 4486 of 2012 |
| Date of appointment | 31 May 2012 |
| Extension obtained | N/A |
| Office holder details | <p>Paul Andrew Flint was appointed on 31 May 2012 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</p> <p>Colin Michael Trevelthyn Haig was appointed on 31 May 2012 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</p> <p>Allan Watson Graham was appointed on 31 May 2012 and is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England & Wales</p> |
| Registered number | 02279142 |
| Previous registered office | Good Hope Close Normanton Industrial Estate Normanton West Yorkshire WF6 1TR |
| Present registered office | C/O KPMG LLP St James' Square Manchester M2 6DS |
| Basis of remuneration | Time and cost |
| Fee resolution date | 20 November 2012 |



Appendix 2

Joint Administrators' receipts and payments account for the period 1 April 2013 to 31 August 2013

Tri-Wire Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

| Statement of Affairs | From 01/04/2013 To 31/08/2013 | From 31/05/2012 To 31/08/2013 |
|----------------------|----------------------------------|----------------------------------|
| | FIXED CHARGE ASSETS | |
| 640,000.00 | Plant & machinery | NIL |
| 6,135,940.00 | Book debts | 640,000.00 |
| | Intellectual property | NIL |
| | Licence fee | 5.00 |
| | Bank interest, gross | 12,833.33 |
| | | 871.29 |
| | | 653,709.62 |
| | FIXED CHARGE COSTS | |
| | Administrators' fees | 68,512.50 |
| | Agents'/Valuers' fees | NIL |
| | | 10,085.60 |
| | | (139,598.10) |
| | FIXED CHARGE CREDITORS | |
| 5,925,603.00 | PNC | NIL |
| | | 402,454.31 |
| | | (402,454.31) |
| | ASSET REALISATIONS | |
| 518,668.00 | Stock | 518,669.00 |
| | Book debts | (11,305.32) |
| | | 507,363.68 |
| | OTHER REALISATIONS | |
| | Bank interest, gross | 12.65 |
| | Sundry income | 103.39 |
| | | 13,761.45 |
| | | 13,864.84 |
| | COST OF REALISATIONS | |
| | Statement of affairs work | NIL |
| | Administrators' fees | 11,882.80 |
| | Administrators' expenses | 130,388.75 |
| | Legal fees | 155,388.75 |
| | Statutory advertising | 1,082.36 |
| | Bank charges | 500.00 |
| | Sundry expenses | 67.50 |
| | | 87.50 |
| | | 380.00 |
| | | (169,388.91) |
| | UNSECURED CREDITORS | |
| (8,214,903.00) | Unsecured creditors | NIL |
| | | NIL |
| 5,005,308.00 | | 316,183.76 |
| | REPRESENTED BY | |
| | Floating ch. VAT rec.able | 33,100.22 |
| | Fixed charge current | 85,754.71 |
| | Floating charge current | 177,568.96 |
| | Fixed charge VAT rec.able | 25,902.50 |
| | Floating ch. VAT payable | 2,551.28 |
| | | 524,877.67 |

Appendix 3

Analysis of Joint Administrators' time costs and expenses for the period 1 April 2013 to 31 August 2013

| Tri-Wire Limited (in Administration) For the period 01/04/2013 to 31/08/2013 | | | | | | |
|---|-----------------------|---------|---------------|---------|-------------|-------------|
| | Partner / Director | Manager | Administrator | Support | Total hours | Time cost |
| Administration & planning | | | | | | |
| Cashiering | | | | | | |
| General (Cashiering) | | | 3 40 | | 3 40 | £824 00 |
| Reconciliations (& IPS accounting reviews) | | | 7 50 | | 7 50 | £2 352 00 |
| General | | | | | | |
| Fees and W/P | | | | 0 50 | 0 50 | £62 50 |
| Statutory and compliance | | | | | | |
| Appointment and related formalities | | | 0 50 | | 0 50 | £120 00 |
| Checklist & reviews | | 1 00 | 1 00 | | 2 00 | £760 00 |
| Statutory receipts and payments accounts | | | 0 50 | | 0 50 | £160 00 |
| Strategy documents | | | 0 60 | | 0 60 | £144 00 |
| Tax | | | | | | |
| Post appointment corporation tax | | 10 50 | 3 75 | | 14 25 | £6 062 00 |
| Creditors | | | | | | |
| Creditors and claims | | | | | | |
| Agreement of unsecured claims | | | 8 00 | | 8 00 | £1 655 00 |
| General correspondence | | | 8 00 | | 8 00 | £2 200 00 |
| Payment of dividends | | | 3 00 | | 3 00 | £135 00 |
| ROT Claims | 4 00 | | 18 00 | | 22 00 | £8 440 00 |
| Secured creditors | 4 50 | | | | 4 50 | £3 015 00 |
| Statutory reports | 0 50 | 1 00 | 12 80 | | 14 30 | £4 527 00 |
| Realisation of assets | | | | | | |
| Asset Realisation | | | | | | |
| Debtors | 1 00 | 11 00 | | | 12 00 | £5 510 00 |
| Other assets | 1 00 | | | | 1 00 | £670 00 |
| Total in period | | | | | 102 05 | £36 636 50 |
| Pre appointment time (if any, irrecoverable) | | | | | 56 75 | £24 517 50 |
| Brought forward time (appointment date to SIP9 period start date) | | | | | 637 75 | £254 256 25 |
| SIP9 period time (SIP9 period start date to SIP9 period end date) | | | | | 102 05 | £36 636 50 |
| Carry forward time (appointment date to SIP9 period end date) | | | | | 739 80 | £290 892 75 |
| | | | | | | £339 01 |



Joint Administrators' chargeable hourly rates

Chargeable rates from 1 October 2010

| Grade | Rate per hour (£) |
|--------------------|--------------------------|
| Partner | 725 |
| Associate Partner | 635 |
| Director | 635 |
| Senior Manager | 525 |
| Manager | 420 |
| Assistant Manager | 305 |
| Case Administrator | 230 |
| Support | 120 |

Chargeable rates from 1 October 2012

| Grade | Rate per hour (£) |
|--------------------|--------------------------|
| Partner | 765 |
| Associate Partner | 670 |
| Director | 670 |
| Senior Manager | 550 |
| Manager | 440 |
| Assistant Manager | 320 |
| Case Administrator | 240 |
| Support | 125 |



Joint Administrators' disbursements

Category 1 expenses incurred to 31 August 2013

| Expense type | Value £ |
|-----------------|------------|
| b/f | 557 09 |
| Other transport | 6 67 |
| Sundry | 110 00 |
| c/f | 673 76 |

Source KPMG records

Category 2 expenses incurred to 31 August 2013

| Expense type | Value £ |
|--------------------------------|------------|
| b/f | 408 60 |
| Nothing incurred in the period | nil |
| c/f | 408 60 |

Source KPMG records

Appendix 4

Schedule of expenses for the period 1 April 2013 to 31 August 2013

| Section | Account | Accrued | Paid | Total |
|----------------------|--------------------------|------------------|------------------|------------------|
| Cost of realisations | Administrators' fees | 36,636 50 | 30,645 25 | 67,281 75 |
| | Administrators' expenses | 116 67 | 323 09 | 439 76 |
| | Bank charges | - | 25 00 | 25 00 |
| | Sundry expenses | - | 30 00 | 30 00 |
| TOTAL | | 36,753.17 | 31,023.34 | 67,776.51 |

Note The table above shows expenses that have been paid or incurred in the period which have not been paid and/or accrued in prior reporting periods