

Notice to Registrar of Companies of
Supervisor's Progress ReportPursuant to Rule 1.26A(4)(a) or
Rule 1.54 of the Insolvency Rules
1986**R.1.26A(4)(a)/
R.1.54**

For Official Use

To the Registrar of Companies

Company number

06196375

Name of company

(a) AEI Cables Limited

(a) Insert full name of
company(b) Insert full name and
addressI (b) Peter Kubik
Quadrant House, 4 Thomas More Square, London, E1W 1YW

supervisor of a voluntary arrangement taking effect on

(c) Insert date

(c) 14 June 2011

Attach my progress report for the period
from

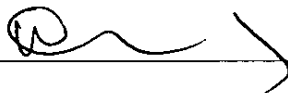
(c) 14 June 2011

to

(c) 13 June 2012

Number of continuation sheets (if any) attached

Signed



Date

Presenter's name, address
and referenceUHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

For Official Use

*A1FCXCTV*
15/08/2012 #55
COMPANIES HOUSE

WEDNESDAY

**In accordance with Rule 1.26 of the Insolvency Rules 1986
Report of the Joint Supervisors of**

**AEI Cables Limited -
Company Voluntary Arrangement**

Date of appointment 14 June 2011
Date of report 13 August 2012

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APPENDICES

1. Receipts and payments account for the period 14 June 2011 to 13 June 2012,
2. Analysis of time costs for the period 14 June 2011 to 13 June 2012;
3. Schedule of charge out rates

Bank interest gross

The sum of £36.74 was received in respect of interest accrued on funds held in the voluntary arrangement bank account

Receipts and payments account

Attached at **appendix 1** is a copy of my receipts and payments account for the period 14 June 2011 to 13 June 2012 from which you will note that totals receipts for the period are £330,036 74 and total payments of £26,555 80 resulting in a balance in hand of £303,480 94

4. COSTS AND EXPENSES

Joint Supervisors' remuneration and disbursements

At the meetings of creditors and members, the Joint Supervisors remuneration was agreed and capped at £20,000 per annum

Your will note that the Joint Supervisors' time costs amount to £23,571 representing 127 30 hours work, at an average charge out rate of £185

Appendix 2 contains information about the remuneration and expenses, including the total time spent on the affairs of the Company for the period from when the proposal was approved, 14 June 2011 to 13 June 2012, and the cost of that time based on the charge out rates of the staff undertaking the work

To date, the sum of £15,539 34 has been drawn in respect of the above.

Where disbursements are recovered in respect of precise sums expended to third parties there is no necessity for these costs to be authorised. These are known as category 1 disbursements

Detailed below are the category 1 disbursements which have been incurred to date and have been paid.-

Type & purpose	Amount (£)
Creditor gateway fee	10
Insolv – software licence fee	110
Bonds	1,000
Companies House searches	9
Travel	431 50
Total	1,560.50

Detailed at **appendix 2** are the category 2 disbursements which have been incurred to date. No category 2 disbursements have been drawn to date.

Category 2 disbursements are where my firm incurs overheads in relation to postage, stationery, photocopying, storage and room hire.

Professional fees

A payment of £5,030 plus VAT was made to ERA Solutions ('ERA') for assistance provided in calculating the employees' preferential and unsecured claims. In addition to this, ERA are currently assisting in calculating the protective award claims of employees.

5. CREDITORS' CLAIMS

Secured creditors

As at the date of the proposal, The State Bank of India ('the Bank') were owed approximately £14.25m and held a debenture over the assets of the Company providing fixed and floating charges. It was anticipated that the Bank's indebtedness would be reduced below £8.0m within 3 months of implementation of the voluntary arrangement and would remain below £8.5m for the remainder of the voluntary arrangement.

The directors envisaged that the Company would exit the house wiring market and for the stock, in relation to that particular market, to be sold and reduce the overdraft facility. However, as a consequence of a congested house wiring market, the stock value was not as high as forecasted and was sold at reduced rates. This has consequently hindered the Company's ability to reduce its overdraft facility.

According to the trading results up to March 2012, the Bank's indebtedness was c£9m.

Preferential creditors

As you are aware, the Company made approximately 100 employees redundant in May 2011 and preferential claims were estimated to be £155k in respect of accrued and unpaid holiday pay and potential protective award payments.

To date, I have not received any preferential claims.

Unsecured creditors

Based on the Company's proposal, the unsecured creditors were estimated at approximately £6.8m, which included provisions for employees' unsecured claims (notice pay, redundancy and protective award).

The following claims have been received to date:-

Description	Statement of affairs (£)	Claimed to date (£)
Trade creditors	3,230,160	800,721
HM Revenue & Customs	1,990,720	1,990,720
Employee unfair dismissal	Uncertain	-
Employee protective award	475,366	-
Employee claims – notice and redundancy	1,157,704	1,018,556
Total	6,853,390	3,809,997

Our agents, ERA, have estimated that claims for protective awards to be approximately £592,000

I understand that some employees who were made redundant have brought a claim against the Company for unfair dismissal. The employment tribunals have not yet commenced and therefore the liability and who is responsible is unknown at present i.e. the Company subject to the voluntary arrangement or AEI Cables Limited as a going concern.

If any creditor has not already done so, please forward a completed proof of debt form so that your claim can be detailed on the schedule of creditors.

6. DIVIDEND PROSPECTS

In accordance with the terms of the proposal, it was proposed that annual dividends would be paid to creditors at the earliest practicable date once all creditors' claims have been agreed.

I advise that an exercise agreeing the claims of the unsecured creditors is currently being undertaken and I expect to be in a position to issue a notice of intended dividend shortly to all known creditors who have yet to submit a claim against the Company.

Please note that I am currently awaiting details of the employees' protective award claims and I do not intend to pay a first dividend until I have received details of the claims.


7. CONCLUSION

I shall be continuing my administration of the voluntary arrangement and hope to finalise the following outstanding matters prior to the second anniversary:-

- Adjudication of creditors unsecured claims,
- Adjudication of protective award claims,

-
- Issue a notice of intended dividend;
 - Admit unsecured claims for the purposes of paying a first dividend;
 - Pay a first dividend to all known unsecured creditors who have claimed,
 - Continue to realise monthly contributions

Should you have any queries, please do not hesitate to contact Ben Luxford of this office



Peter Kubik
Joint Supervisor
UHY Hacker Young LLP

APPENDIX 1

Receipts and payments account for the period 14 June 2011 to 13 June 2012

Appendix 1

AEI Cables Limited - Company Voluntary Arrangement

Joint Supervisors' abstract of receipts & payments account for the period 14 June 2011 to 13 June 2012

S of A (£)		14/06/11 to 13/06/12 (£)	Total (£)
RECEIPTS			
2,340,000	Voluntary contributions	330,000 00	330,000 00
NIL	Bank interest gross	36 74	36 74
<u>2,340,000</u>		<u>330,036.74</u>	<u>330,036 74</u>
PAYMENTS			
	Joint Supervisors' remuneration	15,539 34	15,539.34
	Category 1 disbursement - software licence fee	110 00	110 00
	Category 1 disbursement - Gateway fee	10 00	10.00
	Category 1 disbursement - bonds	1,000 00	1,000 00
	Category 1 disbursement - searches	9 00	9.00
	Category 1 disbursement - travel	431 50	431.50
	Professional fees	5,030 00	5,030 00
	Vat receivable	4,425 96	4,425 96
		<u>26,555 80</u>	<u>26,555 80</u>
CASH IN HAND		<u>303,480 94</u>	<u>303,480.94</u>

APPENDIX 2

Analysis of time costs for the period 14 June 2011 to 13 June 2012

AEI Cables Limited Company Voluntary Arrangement

ANALYSIS OF DISBURSEMENTS Category 2		ANALYSIS OF DISBURSEMENTS Category 1	
Type & Purpose	Cost basis	Type & Purpose	Costs to date £
Stationery / fax / postage / telephone	One off cost of £10 per creditor	Creditor gateway fee	10 00
Internal storage of Company records	£8 per annum per box	Priority activation Europe fee	10 00
Internal storage of Invoicing Practitioner's records	£3 per annum for 10 years	Priority activation USA fee	100 00
Internal storage of Invoicing Practitioner's files and indices	35 00	Comptel-Hotse searches	9 00
Photocopying (other than to creditors)	One off cost of £35	Travel	431 50
100 per sheet			
Internal meeting room cost	£95 per hour		
Message (own car usage)	45p per mile		
		TOTAL	£1,580 50

APPENDIX 3

Schedule of charge out rates

London office turnaround and recovery charge out rates (per hour)

Rates effective from 1 August 2012 and historic rates

Grade	Rate £/ per hour 2012	Rate £/ per hour 2011	Rate £/ per hour 2010	Rate £/ per hour 2009
Partners	£315 - £470	£315 - £470	£350 - £450	£230 - £400
Directors	£275	£275	£260	£250
Manager	£175 - £230	£175 - £230	£175 - £230	£195 - £200
Assistant managers	£155 - £165	£155 - £160	£155	£130 - £155
Senior Administrators	£130 - £170	£130 - £165	£135	£130 - £150
Administrators	£90 - £100	£90 - £100	£80 - £100	£80 - £105
Junior Administrators	£70 - £85	£70 - £85	£75	£45 - £50

Category 2 disbursements

Effective from 1 August 2012

Stationery / fax / postage / telephone	One off cost of £10 per creditor
Stationery / fax / postage / telephone	One off cost of £3 per debtor
Internal storage of Insolvency Practitioner's working papers	£5 per annum for 10 years (£50)
Files and indices	One off cost of £35
Photocopying (other than to creditors)	10p per sheet
Internal meeting room cost	£65 per hour
Mileage (own car usage)	45p per mile

VAT will be charged on the above disbursements where applicable

Time charging policy

Support staff do not charge their time to each case. Support staff include cashier, secretarial and administration support.

Please be advised that the minimum unit of time recorded is 6 minutes

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