

The Insolvency Act 1986

Administrator's progress report

Name of Company

06196375 Cables Limited

Company number

06196375

In the
Royal Courts of Justice

(full name of court)

Court case number
1238 of 2014(a) Insert full
name(s) and
address(es) of
administrator(s)

We (a)
Situl Devji Raithatha & Deviesh Ramesh Raikundalia
Springfields Business Recovery & Insolvency Limited
38 De Montfort Street
Leicester
LE1 7GS

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

From

To

(b) Insert date

(b) 28/02/2014

(b) 27/08/2014

Signed

Joint Administrator

Dated

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

Deviesh Ramesh Raikundalia
 Springfields
 38 De Montfort Street
 Leicester
 LE1 7GS

DX Number

0116 299 4745
 DX Exchange

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

SATURDAY



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A38

27/09/2014

#155

COMPANIES HOUSE

TO ALL KNOWN CREDITORS

Our ref: AE1524/DRR/3B
Your ref:
Date: 25 September 2014

When telephoning please ask for
Deviesh Raikundalia
Direct Dial: 0116 249 2011

Dear Sirs

06196375 Cables Limited (formerly AEI Cables Limited) – In Administration
("the Company")
Royal Courts of Justice No. 1238 of 2014

In accordance with Rule 2.47 of the Insolvency Rules 1986 I report on the progress of the Administration of the Company from 28 February 2014 to 27 August 2014 ("the Period") Form 2.24B accompanies this report. This report should be read in conjunction with my previous report to creditors.

1. Company and Administrator's Details

Company Name	06196375 Cables Limited
Former Company Name	AEI Cables Limited
Date of Name Change	18 March 2014
Company Registered number	06196375
Registered Office	38 De Montfort Street Leicester LE1 7GS
Former Registered Office and Trading Address	Durham Road Birtley Chester-Le-Street Durham DH3 2RA
Name of Administrators	Deviesh Ramesh Raikundalia Licensed Insolvency Practitioner of Springfields Business Recovery & Insolvency Ltd 38 De Montfort Street Leicester LE1 7GS

**Directors**

S D Raithatha FCCA MIPA FABRP
D R Raikundalia ACCA MIPA MABRP
All office holders are licensed in the United Kingdom to act as insolvency practitioners by the Association of Chartered Certified Accountants

www.springfields-uk.com

Springfields is a trading name of Springfields Business Recovery & Insolvency Limited
Registered in England & Wales number 4851970
Registered office 38 De Montfort Street Leicester LE1 7GS

Situl Devji Raithatha
Licensed Insolvency Practitioner of
Springfields Business Recovery & Insolvency Ltd
38 De Montfort Street
Leicester
LE1 7GS

Date of Administrators' Appointment	28 February 2014
Court	High Court of Justice, Chancery Division, Companies Court, No 1238 of 2014
Persons making Appointment/ Application	The directors of the Company
Acts of the Administrator	The Administrators act as officers of the Court and are agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time. The Administrators are to both act jointly or separately on all matters
EC Regulation on Insolvency	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of the Regulations

2. Progress During the Period

I enclose a Receipts and Payments Account ("R&P") for the Period for your information. Please note that the receipts and payments are shown exclusive of VAT.

I report on the progress of the Administration below.

2.1 Sale of Business

As detailed in my previous report, a sale of the business and physical assets of the Company was completed on 28 February 2014 to Ducab UK Limited. The full consideration from the sale was received on 28 February 2014.

A condition of the sale was the Company's name would be changed to allow for the purchaser to change its name to a derivative of the trading name of the Company. The Company's name was therefore changed to 06196375 Cables Limited on 18 March 2014 and on 19 March 2014, Ducab UK Limited changed its name to AEI Cables Limited.

2.2 Debtors

There were a number of debtors that were not included in the sale, these mainly related to amounts due from scrap sales and pre-Administration sales of raw materials. All monies expected from these have been recovered.

There remains an outstanding intergroup debtor due from Paramount Communications Limited ("PCL") amounting to circa £9,000. PCL have disputed this debt due to quality deficiencies in the goods supplied.

2.3 Prepayments / deposits

There were a number of prepayments and deposits due, predominantly from utility suppliers to the Company. The majority of these have been recovered and the remaining balances are either disputed or are no longer cost effective to continue to pursue. Accordingly, I do not expect any further funds to be received.

2.4 Insurance Refund

Following our appointment, I liaised with the Company's insurance broker who cancelled all of the Company's insurances. Following cancellation, I was advised that refunds totalling approximately £66k would be due to the Company. £58,593.83 has been recovered to date with a further sum of £12,153.70 having been received after the Period end and which therefore does not appear on the R&P. These funds were not expected at the outset of the Administration.

2.5 Cash at Bank

This refers to funds held on the Company's accounts and two guarantee accounts held with State Bank of India ("the Bank"). All funds expected from this source have been received, although a final balance of c.£55k was received after the Period end and therefore does not appear on the R&P.

2.6 Other Entries on Receipts & Payments Account

Unknown debtors are funds received into the Company's old bank account and which were not identified as those transferred as part of the sale or specifically excluded from the sale.

I trust you will find the remaining entries in the R&P self explanatory.

3. Investigations

I conducted an initial assessment of the Company considering the information acquired in the course of appraising and realising the assets of the Company, together with any information provided by creditors. Questionnaires were sent to all people who acted as a director of the Company in the three years prior to Administration. A review of the assets listed in the last filed accounts was undertaken in order to ascertain whether all assets were identified and material movements could be properly explained. At present no areas which could lead to further realisations have been identified.

I fulfilled my statutory duties and reported to the Department for Business Innovation and Skills ("BIS") regarding the directors' conduct. The contents of my report must remain confidential and I cannot comment on what action, if any, may be taken by the BIS.

4. Assets that Remain to be Realised

A further sum of approximately £5,000 is expected to be received from a VAT refund due to invoices raised by the utility providers and which were off-set against the deposits held.

5. Return to Creditors

It should be noted that all predictions regarding the return to creditors are dependent upon the level of future realisations and costs as well as final creditor claims and therefore the quantum and timing cannot be accurately predicted at this time. These predictions should therefore be treated with caution and are provided for illustration purposes only, at this time.

5.1 Secured Creditors

The Bank has a fixed and floating charge over the assets of the Company. Shortly prior to our appointment, Spearing Waite LLP were instructed to advise on the validity of the Bank's security. Spearing Waite LLP have confirmed that the Bank's security is valid.

A distribution of £1.25M has been made to the Bank under its fixed charge. No further distributions are expected to the Bank under its fixed charge.

Distributions totalling £4.023M have been made to the Bank under its floating charge. In addition, two guarantee accounts held with the Bank have been released and treated as distributions to the Bank under its floating charge, totalling £97,075.15, although £55,150.74 of this does not appear on the R&P as it was released after the Period end.

5.2 Preferential Creditors

Preferential claims are limited to employees' claims for unpaid wages and salaries (subject to statutory limits) and accrued holiday pay, which may be subrogated to the Secretary of State following payment by the Redundancy Payments Service.

All of the employees of the Company at the date of Administration were transferred to Ducab UK Limited under the Transfer of Undertakings (Protection of Employment) on 28 February 2014. Accordingly it is not anticipated that there will be any preferential claims.

5.3 Unsecured Creditors

The statement of affairs included a sum of £1,816,139 owed to H M Revenue & Customs ("HMRC"). HMRC's provisional claim of £2,295,875 has been received.

The statement of affairs included 388 unsecured creditors (including CVA creditors) with an estimated total liability of £8,601,494. I have received claims from 78 creditors at a total

of £1,426,921 plus the former CVA Supervisor has confirmed claims from 254 unsecured creditors (including ex-employees) at a total of £5,812,486 I have not received claims from 41 creditors with original estimated claims in the statement of affairs of £114,243.

Based on the information available to me to date I am of the opinion that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of Section 176A(2)(a) of the Act

The provisions of Section 176A of the Act require a calculation to be made of the prescribed part of the Company's net property to be set aside for the benefit of the unsecured creditors in cases where the company gave a floating charge over its assets to a lender on or after 15 September 2003 A company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge An Administrator has to set aside:

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000.

Based on present information, I estimate the prescribed part in this case to be the maximum £600,000, subject to the costs associated with the prescribed part

6. Pre-appointment Fees & Expenses

Pursuant to Rule 2 47(2B) of the Insolvency Rules 1986, I confirm that a statement of pre-administration costs was made in our report pursuant to paragraph 49 of Schedule B1 of the Insolvency Act 1986 and our pre-administration costs and that of the agents and solicitors instructed were agreed by the secured creditor on 14 March 2014 in accordance with Rule 2 67A of the Insolvency Rules 1986. The pre-administration costs of UHY Hacker Young LLP, who were the insolvency practitioners consulted by the Company prior to our instructions were agreed by the secured creditor on 6 June 2014

In accordance with Rule 2 47(2B)(a) of the Insolvency Rules 1986, the following amounts were approved

	UHY Hacker Young LLP (£)	Springfields (£)	Spearing Waite LLP (£)	Edward Symmons (£)
Fees	42,075 53	105,921 60	17,493 24	4,863 20
Disbursements	565.55	2,904 25	165 87	(incl disbs)
Total	<u>46,813 42</u>	<u>108,825.85</u>	<u>17,659.11</u>	<u>4,863 20</u>

7. Administrators' Remuneration & Expenses

Our remuneration has been authorised by the secured creditor on 14 March 2014 to be drawn on a time costs basis

A detailed schedule of our costs for the Period, subject to the posting of timesheets, is attached with a schedule showing the current charge out rates in respect of staff and directors from Springfields Business Recovery & Insolvency Limited. This also provides details as to how creditors may access a copy of the appropriate Creditors' Guide to Fees. Creditors will note that I have not drawn any fees to date

A description of the routine work undertaken in the Administration to 27 August 2014 is as follows

1 Administration and Planning

- Preparing the documentation and dealing with the formalities of appointment.
- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on specialist case management software and workflow software
- Review and storage
- Case bordereau
- Case planning and administration
- Preparing reports to members and creditors
- Attending site to collect and catalogue all necessary records including computerised records.
- Liaising with the directors and former management.

2 Cashiering

- Maintaining and managing the Administrators' cashbook and bank account.
- Ensuring statutory lodgements and tax lodgement obligations are met

3 Creditors

- Dealing with creditor correspondence and telephone conversations
- Preparing reports to creditors.
- Maintaining creditor information on specialist case management software
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors
- Liaising with and reporting to the secured creditor
- Liaising with the former CVA supervisors

4. Investigations

- Review and storage of books and records
- Prepare a return pursuant to the Company Directors Disqualification Act
- Conduct investigations into suspicious transactions

- Review books and records to identify any transactions or actions an Administrator may take against a third party in order to recover funds for the benefit of creditors

5. Realisation of Assets

- Corresponding with debtors and attempting to collect outstanding debts, prepayments and deposits
- Liaising with the company's bank regarding the closure of the accounts
- Corresponding with insurance brokers and utility providers.
- Dealing with monies received from customers of the purchaser paying into the company's bank in error

I attach a schedule breaking down the expenses incurred by us during the Period and giving details of the category 2 disbursements

The following agents or professional advisors have been utilised in this matter by the Administrators

Professional Advisor	Nature of Work	Fee Arrangement
Spearing Waite LLP	Legal – dealing with post sale completion matters	Time cost basis, recoverable from purchasers

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied that they are reasonable in the circumstances of this case

8. **Creditor Rights**

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit

9. **Summary**

I will continue to progress the Administration in dealing with all outstanding matters and will shortly be taking the appropriate steps to terminate the Administration as detailed in our previous reports. I anticipate the Company will proceed into Creditors' Voluntary Liquidation within the coming weeks in order to facilitate a distribution to unsecured creditors under the prescribed part

I will next report to creditors on the termination of the Administration

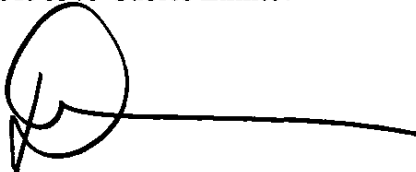
10. Disclaimer

This report has been prepared for the sole purpose of updating creditors of the Company for information purposes to fulfil the necessary statutory requirements of the Administrators. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, or otherwise used by creditors for any purpose other than updating them for information purposes, or any other person for any purpose whatsoever.

Should you have any queries please do not hesitate to contact my colleague Deviesh Raikundalia.

Please note that the Administrators are agents of the Company and act without personal liability.

Yours faithfully
For and on behalf of
06196375 Cables Limited

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a horizontal line extending to the right.

D R Raikundalia
Joint Administrator

06196375 Cables Limited (formerly AEI Cables Limited)
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 27/08/2014

S of A £		£	£
	SECURED ASSETS		
1,250,000 00	Goodwill	1,250,000 00	1,250,000 00
	SECURED CREDITORS		
(5,721,307 00)	State Bank of India	1,250,000 00	(1,250,000 00)
	ASSET REALISATIONS		
1,000,000 00	Plant & Machinery	1,000,000 00	
1,637,000 00	Stock/WIP (net of holiday pay deduction)	1,637,441 96	
975,000 00	Book Debts	974,958 03	
195,000 00	Debtors (excluded from sale agreement)	191,141 75	
270,000 00	Prepayments/deposits	250,797 40	
	Insurance Refund	58,593 83	
937,000 00	Cash at Bank	883,062 38	
	Bank Interest Gross	216 73	
	Unknown debtors	5,295 97	
			5,001,508 05
	COST OF REALISATIONS		
	Specific Penalty Bond	680 00	
	Pre-Administration costs (UHY)	42,641 08	
	Pre-appointment fees and disbursements	150 67	
	Printing and Photocopying	173 80	
	Agents/Valuers Preappointment Fees	4,863 20	
	Pre-appointment Legal Fees	17,659 11	
	Stationery & Postage	689 49	
	Mileage	1,016 10	
	Storage Costs	45 65	
	Statutory Advertising	215 12	
	Travelling expenses	2,143 63	
			(70,277 85)
	FLOATING CHARGE CREDITORS		
	State Bank of India	4,064,924 41	(4,064,924 41)
542,693.00			866,305.79
	REPRESENTED BY		
	Vat Receivable		20,578.82
	Current A/c - Bank 1		867,761 42
	Vat Payable		(22,034 45)
			866,305.79

Time Entry - Detailed SIP9 Time & Cost Summary

AE1524 - 06196375 Cables Limited (formerly AEI Cables Limited)
To 27/08/2014
Project Code POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Total Hours	Time Cost (£)	Average Hourly Rate (£)
100 Administration & Planning	0 00	0 40	3 10	0 00	3 50	580 00	165 71
101 Case Planning	3 10	1 50	0 00	0 00	4 60	1,553 00	337 61
102 Administrative set-up	0 90	0 00	0 00	0 00	0 90	342 00	380 00
103 Appointment Notification	2 40	3 80	0 00	0 00	6 20	1 862 00	300 32
104 Maintenance of Records	15 70	0 00	0 00	0 00	15 70	5 968 00	380 00
105 Statutory Reporting	12 40	12 40	2 00	0 00	26 80	8,099 50	302 22
108 VAT & Tax Returns	0 80	0 80	0 00	0 00	1 60	504 00	315 00
107 Case Monitoring	8 90	22 30	3 30	0 00	34 50	9,510 00	275 65
Administration & Planning	44 20	41 20	8 40	0 00	93 80	28,418 50	302 95
500 Creditors	0 00	0 00	2 00	0 00	2 00	250 00	125 00
501 Communication	13 60	18 20	0 00	0 00	31 80	9,724 00	305 79
502 Claims Inc emp. prefs	4 60	4 40	0 00	0 00	9 00	2 848 00	316 44
503 Report/secured creditor	17 30	12 10	0 00	0 00	29 40	9,628 00	327 52
504 Committee Reporting	0 60	0 00	0 00	0 00	0 60	228 00	380 00
Creditors	36 10	34 70	2 00	0 00	72 80	22,679 00	311 52
201 SIP 2 review	19 60	3 70	0 00	0 00	23 30	8 400 00	360 52
202 CDDA reports	3 60	0 00	0 00	0 00	3 60	1,383 00	384 17
Investigations	23 20	3 70	0 00	0 00	26 90	9,783 00	363 68
300 Realisation of Assets	0 70	0 00	0 00	0 00	0 70	268 00	380 00
301 Ident. Sec. Insuring	14 20	25 10	0 00	0 00	39 30	11,671 00	296 97
303 Debt collection	18 30	18 50	0 00	0 00	34 80	11,092 00	318 74
304 Sale of prop bus assets	27 30	8 20	0 00	0 00	35 50	12 424 00	349 97
Realisation of Assets	60 50	49 80	0 00	0 00	110 30	35,453 00	321 42
Total Hours	164 00	129 40	10 40	0 00	303 80	96,331 50	317 09
Total Fees Claimed						0 00	

Charge out rates and disbursements policy for Insolvency Department

With effect from 1st August 2014 (subject to annual review)

Hourly Rate effective 1 August

Grade	2014	2013 (comparative)
	(£)	(£)
Director	390	380
Manager	225 – 295	220 – 285
Administrator	130 – 200	125 – 195

Time is recorded in units of 6 minutes (prior to 08/01/2007 this was 15 minutes)

Disbursements policy

Disbursements incurred in the course of an appointment are recharged to the case in accordance with SIP 9 on all insolvency appointments. These fall into two categories

Category 1 disbursements are costs which comprise external supplies and are paid to an independent third party. These generally include, for instance, advertising, bond, travel expenses (excluding mileage) and external storage of records

Category 2 disbursements are costs which are directly referable to the appointment but not a payment to an independent third party. These may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, e.g. business mileage. Category 2 disbursements require approval by creditors before they can be drawn

Category 2 disbursements

Photocopying / printing	10p per sheet
Internal storage of books and records	Initial £6 10 per box, £4 80 per box per annum
Internal room hire	£100 per statutory meeting
Mileage (own car usage)	45p per mile

Creditors' Guide to Fees

(Produced by the Association of Business Recovery Professionals)

Creditors should note that a copy of the appropriate Creditors' Guide to Fees is available on request from this office or a copy can be accessed on the Insolvency Practitioners Association website www.insolvency-practitioners.org.uk under the heading 'Regulation and Guidance' and then by following the link to 'Creditors' Guide to Fees'

All amounts detailed above are shown exclusive of VAT, which will be charged at the prevailing rate



06196375 Cables Limited (formerly AEI Cables Limited) - In Administration
Details of expenses and category 2 disbursements
for the period 28 February 2014 to 27 August 2014

Expenses

Type	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Specific Penalty Bond	680 00	680 00	-
Stationary & Postage	689.49	689 49	-
Storage Costs	45 65	45 65	-
Statutory Advertising	215 12	215 12	-
Travel Expenses	1,036 64	1,036 64	-
TOTAL	2,666 90	2,666 90	-

Category 2 Disbursements

Type	Incurred in Period (£)	Paid in Period (£)	Outstanding c/f (£)
Mileage	256 05	256 05	-
Printing and Photocopying	192 10	173 80	18.30
TOTAL	448 15	429.85	18 30