

2.24B

The Insolvency Act 1986

Administrator's progress report

Name of Company W Eaden Lilley & Co Limited	Company number 00030736
In the High Court (full name of court)	Court case number 10352 of 2009

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

I/We (a)
Laurence Pagden
Menzies Business Recovery
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 28 July 2013	To (b) 27 January 2014
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Signed

Joint Administrator(s)

Dated

28.3.14

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

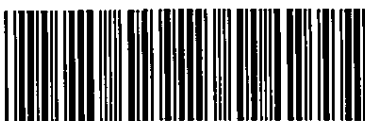
The contact information that you give will be visible to searchers of the public record

Laurence Pagden
Menzies Business Recovery
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

DX Number

020 7387 5868
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



A33 01/04/2014 #271
COMPANIES HOUSE

Our ref LP/SL/W035/3
Your ref

**STRICTLY PRIVATE & CONFIDENTIAL
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TO ALL KNOWN MEMBERS & CREDITORS



business recovery
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

T +44 (0)20 7387 5868
DX 2117 EUSTON

www.menziesbr.co.uk

28 March 2014

Please ask for
Sarah Lazarou
DDI 020 7465 1905
slazarou@menziesbr.co.uk

Dear Sirs

**W. Eaden Lilley & Co. Limited (In Administration) – ("the company")
High Court of Justice No 10352 of 2009**

1 Introduction

- 1 01 In order to comply with the regulations, I now report on the progress made in the Administration during the six months ended 27 January 2014

2 Statutory information

- | | | |
|------|-------------------------------------|---|
| 2 01 | Court | High Court of Justice 10352 of 2009 |
| 2 02 | Company name | W Eaden Lilley & Co Limited |
| 2 03 | Registered office | Lynton House, 7-12 Tavistock Square, London WC1H 9LT |
| 2 04 | Registered number | 30736 |
| 2 05 | Administrator | Laurence Pagden
Menzies Business Recovery LLP, Lynton House,
7-12 Tavistock Square, London WC1H 9LT |
| 2 06 | Date of Administrator's appointment | 28 January 2009 (then joint with Ian Donald Williams) In view of the fact Mr Williams was retiring from insolvency practice, he ceased to be Joint Administrator, by order of the High Court, on 23 November 2011 |
| 2 07 | Name and address of Appointor | William Eaden Lilley
22 Shepreth Road, Barrington, Cambridge CB2 5SB |
| 2 08 | Extensions to period of appointment | First to 27 July 2010 with consent of creditors
Second to 27 April 2011 with consent of Court
Third to 27 April 2012 with consent of Court
Fourth to 25 April 2014 with consent of the Court |

Menzies Business Recovery LLP is a limited liability partnership registered in England and Wales with registered number OC367167

A list of the members is open to inspection at its registered office 1st Floor Midas House, 62 Goldsworth Road, Woking, Surrey GU21 6LQ

Any reference to a partner in relation to Menzies Business Recovery LLP means a member of Menzies Business Recovery LLP

Simon Underwood, Laurence Pagden Mark Newton and Robert Pick are licensed by the Insolvency Practitioners Association in the UK.

When acting as officeholders they do so without personal liability

Menzies is a member of  International A world-wide network of independent accounting firms and business advisers



INVESTOR IN PEOPLE



3 *Receipts and payments*

- 3 01 A receipts and payments account to 27 January 2014 is attached at Appendix I

4 *Conduct of the Administration and unrealised assets*

- 4 01 All realisations made prior to the period in which this report covers, are detailed in previous reports i.e. 17 August 2009, 29 December 2009, 22 February 2010, 23 August 2010, 24 February 2011, 16 August 2011, 21 February 2012, 2 August 2012, 22 February 2013 and 1 October 2013

- 4 02 At the time of my last report the only asset yet to be realised was the long leasehold property

Long leasehold property

- 4 03 As previously advised, I concluded the rent review on the long lease held by the company with Cambridge City Council, and then finalised the sub-lease with the sitting tenant, Simpers Limited. The sum of £175,000 has been received in respect of rental income, £26,250 of which has been received in the period to which this report relates
- 4 04 The property has been extensively marketed over the last four years and while this has generated several expressions of interest and tentative offers, none of these had materialised into sales for the reasons outlined in previous reports
- 4 05 At the time of my last report I was proposing to place the property in an auction. However, shortly thereafter I received two very similar offers from third parties to purchase the property. After negotiations one party substantially increased their offer to £200,000. An approach was made to the landlord to ascertain whether they would be prepared to grant a licence to assign to this particular party, to which they agreed. Accordingly contracts for sale were exchanged on 23 December 2013, and after a short delay for the reason set out in paragraph 4 07 below, the sale was completed on 28 January 2014
- 4 06 The property was subject to a fixed charge in favour of Barclays Bank Plc. After the costs of keeping the administration open to sell the property and selling costs were taken into account, the bank received £154,431.60 under its charge
- 4 07 On the weekend of 18 January 2014, the property was broken into. This is currently the subject of an insurance claim
- 4 08 The sale proceeds were received after the period in which this report covers and therefore, are not reflected on the receipts and payments account enclosed

Book Debts

- 4 09 The sum of £26.73 has been received during the period being a dividend of 2.5p in the £ from the bankruptcy estate of a debtor. The trustee has advised no further dividends will be paid

5 **Creditors**

5 01 I will deal with these in the order of priority prescribed by legislation

Secured creditor

5 02 Barclays Bank Plc ("Barclays") held a legal charge over the company's long leasehold property at Mercers Row, Cambridge registered on 13 December 2003. In addition, it holds a fixed and floating charge over all the company's assets, registered on 7 October 2003.

5 03 As at the date of Administration, Barclays were owed approximately £238,000. As mentioned in paragraph 4.06 above, the sum of £154,431.60 has been paid to Barclays in respect of their charge. Again, this payment was after the period in which I am reporting and therefore is not reflected on the receipts and payments account. Following receipt of the funds, Barclays released their charge. There is a shortfall to the bank of over £83,000.

Unsecured preferential creditors

5 04 Employee claims for pay arrears (up to £800 per employee) and holiday pay rank preferentially. The claims of certain former employees, up to statutory limits, have been paid by the Insolvency Service Redundancy Payments Office. The current preferential claims are as follows:

£

Employees	1,682.40
Insolvency Service Redundancy Payments Office	<u>20,360.83</u>
	<u>22,043.23</u>

5 05 No preferential claims have been adjudicated as yet. These claims are subject to review for dividend purposes, which I will undertake once the company is placed into liquidation.

Unsecured non preferential creditors

5 06 The company's records disclose unsecured claims of £1,197,921 which includes the pension scheme, directors' loans, rent, VAT, PAYE and ex-employees' claims. Claims received to date total £2,142,201.87, including a provisional claim of £1,800,000 from The Pension Protection Fund. This last claim appears to have been substantially reduced but confirmation has not been forthcoming.

5 07 Additional unsecured claims in respect of former employees are currently calculated at £128,855.98.

5 08 Based on current information there is now no prospect of a dividend to this class of creditor.

Section 176A of the Insolvency Act 1986

5 09 I am obliged to provide an estimate at the prescribed part of the company's net assets that is available to unsecured non preferential creditors pursuant to the provisions of Section 176A of the Insolvency Act 1986, which applies where a company has granted a floating charge to a creditor after 13 September 2003.

5 10 In this case a floating charge was created after this date. The value of the prescribed part is now estimated to be nil, as the level of preferential claims exceeds the funds available.

6 **Investigations**

6 01 The results of these were reported previously

7 **Administrator's remuneration and disbursements**

7 01 At the meeting of creditors held on 11 March 2009, it was resolved that the then Joint Administrators' remuneration be fixed by reference to the time properly given by them and their staff in attending to matters arising in the Administration, limited to £80,000, subject to review

7 02 Subsequently, creditors resolved by correspondence to raise the cap on these fees to £100,000

7 03 The majority of the early work in this case was undertaken by a manager handling the day to day running of the Administration. Subsequently, the Joint Administrators were increasingly involved. Additional assistance has been provided by cashiers dealing with banking and statutory duties, and administrators offering various support duties whose time costs are charged directly to the case

7 04 Set out below are details of the time costs from 28 January 2009 to 27 January 2014

Time costs £	Amount billed £	Amount outstanding £	Total hours	Average rate per hour £
152,867.33	100,000.00	52,867.33	802.90	190.39

7 05 I attach at Appendix II a breakdown of the time costs by work category

7 06 In common with all professional firms, scale rates increase from time to time over the period of administration of each insolvency case. Full details of the charge out rates currently charged by my firm as from 1 September 2012 are as follows

	<i>Rate per hour (£)</i>
Partner / Director	315-370
Manager	105-200
Senior	125
Administrator	85-105
Support	50-85

7 07 A Creditors' guide to Administrator's fees is available via the following link

<http://www.menzies.co.uk/en/services/business-recovery/guide-to-fees/>

Alternatively, it is available free of charge by contacting Menzies Business Recovery LLP.

Administrator's disbursements

7 08 The disbursements incurred are shown separately on the receipts and payments account and are self explanatory and represent actual payments made on behalf of the case

7 09 Disbursements which have not yet been reimbursed to my firm total £416 46 and are as follows

	(£)
Travel	241 72
Storage	151 05
Bank charges	16 00
Courier	7 09
I T Support Services	<u>0 60</u>
Total	<u>416.46</u>

7 10 No disbursements have or will be reclaimed which include an element of shared or allocated cost (e g photocopying)

Professionals and sub-contractors

7 11 Where appropriate, as is customary, professionals were employed to advise in relation to certain matters requiring additional expertise In this particular case professional valuers, Layer Associates and Edward Symmons LLP, advised me on the disposal and value of the company's physical assets In addition, solicitors Lawrence Graham and Mills & Reeve have been employed to assist with various legal aspects arising in the Administration

7 12 Layer Associates are contracted to be paid on a commission basis with Edward Symmons LLP, while Mills & Reeve are being paid on a time cost basis During the period Mills & Reeve were paid £650 plus VAT

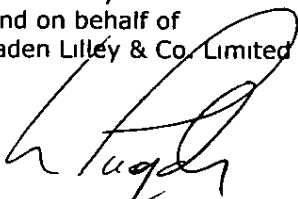
7 13 Fees paid to the above parties in relation to the sale of the leasehold were made outside of the reporting period These costs include the sum of £6,600 plus VAT paid to Mills & Reeve and £18,968 40 plus VAT paid to Edward Symmond LLP.

8 Concluding remarks

8 01 The final extension granted by the Court will expire on 25 April 2014 Given this timescale, I am now proceedings to move the company into Creditors Voluntary Liquidation, so that the insurance claim referred to above can be resolved, following which, a dividend can be declared to the preferential creditors

8 02 Should you require any further information, please do not hesitate to let me know If any creditor would prefer future communications to be conducted electronically, please let me know by e-mail on slazarou@menziesbr.co.uk

Yours faithfully
For and on behalf of
W Eaden Lilley & Co. Limited



Laurence Pagden
Administrator

The affairs, business and property of the Company are being managed by its Administrator, Laurence Pagden The Administrator acts as agent of the Company and without personal liability

W EADEN LILLEY & CO LIMITED (IN ADMINISTRATION)

Receipts & Payments Account for the Period 28 January 2009 to 27 January 2014

	28 01 09 to 27 07 13	28 01 13 to 27 01 14	28 01 09 to 27 01 14	Fixed charge 28 01 09 to 27 01 14	Floating charge 28 01 09 to 27 01 14
	£	£	£	£	£
Receipts					
Cash at bank	29,465 21		29,465 21		29,465 21
Sale of stocks	107,383 00		107,383 00		107,383 00
Licence fees	34,756 34		34,756 34		34,756 34
Sale of trading name	10,250 00		10,250 00	10,250 00	
Sales of furniture & equipment	5,985 00		5,985 00		5,985 00
Sales of fixtures and fittings	256 53		256 53		256 53
Sale of motor vehicle	1,400 00		1,400 00		1,400 00
Book debts	15,645 62	26 73	15,672 35		15,672 35
Purchases returned	10,805 71		10,805 71		10,805 71
Rent received	148,750 00	26,250 00	175,000 00	175,000 00	
Insurance from tenant	4,747 50	1,192 50	5,940 00	5,940 00	
Sundry refunds	28,282 29		28,282 29	2,757 83	25,524 46
VAT Refund	16,934 95		16,934 95		16,934 95
Bank interest gross	527 42		527 42		527 42
VAT on Joint Administrators' receipts	19,440 83		19,440 83		19,440 83
	<u>434,630 40</u>	<u>27,469 23</u>	<u>462,099 63</u>	<u>193,947 83</u>	<u>268,151 80</u>
Payments					
Joint Administrators' remuneration	100,000 00		100,000 00	10,000 00	90,000 00
Solicitor's costs	83,100 37	650 00	83,750 37	19,534 16	64,216 21
Counsel's fee	1,950 00		1,950 00		1,950 00
Affidavit	31 20		31 20		31 20
Agent's charges	17,884 24		17,884 24	1,833 00	16,051 24
Statement of affairs fee	2,500 00		2,500 00		2,500 00
Statutory advertising	153 18		153 18		153 18
Rates	14,866 00		14,866 00		14,866 00
Heat & Light	10,677 03	755 32	11,432 35	4,359 68	7,072 67
Water charges	751 29	86 50	837 79	460 04	377 75
Energy performance certificate	525 00		525 00	525 00	-
Telephone, fax and computer	2,290 00		2,290 00		2,290 00
Bank charges	2,088 99		2,088 99		2,088 99
	<u>236,817 30</u>	<u>1,491 82</u>	<u>238,309 12</u>	<u>36,711 88</u>	<u>201,597 24</u>
Rent	114,817 05	13,000 00	127,817 05	127,817 05	-
Security of premises	3,013 20	558 00	3,571 20	3,392 20	179 00
Insurance	25,022 59		25,022 59	18,990 00	6,032 59
Corporation tax to 27 January 2011	1,229 14		1,229 14	1,023 68	205 46
Corporation tax to 27 January 2012 bal	190 94		190 94	190 94	-
Specific bond	628 00		628 00		628 00
Postage	12 03		12 03		12 03
Searches	35 00		35 00		35 00
Mail redirection	201 55		201 55		201 55
Mileage	301 50		301 50		301 50
Storage costs	324 69		324 69		324 69
Alarm system maintenance	4,272 46	639 60	4,912 06	2,907 83	2,004 23
Accountancy fees	2,748 91		2,748 91		2,748 91
VAT on Joint Administrators' payments	27,143 45		27,143 45		27,143 45
VAT paid	8,364 76		8,364 76		8,364 76
	<u>188,305 27</u>	<u>14,197 60</u>	<u>202,502 87</u>	<u>154,321 70</u>	<u>48,181 17</u>
Staff salaries and wages	7,942 07		7,942 07		7,942 07
Printer sold in error	261 50		261 50		261 50
VAT	39 23		39 23		39 23
	<u>433,365 37</u>	<u>15,689 42</u>	<u>449,054 79</u>	<u>191,033 58</u>	<u>258,021 21</u>
Balances					
Current account	6,545 01		10,215 42	(755 16)	10,130 59
Deposit account	3,469 02		2,829 42	3,669 41	
	<u>1,265 03</u>		<u>13,044 84</u>	<u>2,914 25</u>	<u>10,130 59</u>

SIP9 Detailed

W035 W. EADEN LILLEY & CO LIMITED

Administration - Post Appointment

28/01/2009 to 27/01/2014

Administration and planning									
Administration and planning	126 10	104 70	31 10	24 90	102 87	389 67			177 59
	126 10	104 70	31 10	24 90	102 87	389 67	69,200 67		177 59
Creditors									
Creditors	15 70	8 90	0 50	0 40	68 10	93 60			143 57
	15 70	8 90	0 50	0 40	68 10	93 60	13,438 50		143 57
Investigations									
Investigations	7 60	32 53	3 00	0 00	8 80	51 93			194 78
	7 60	32 53	3 00	0 00	8 80	51 93	10,115 16		194 78
Realisation of assets									
Realisation of assets	110 00	43 00	4 80	6 90	50 60	215 30			238 46
	110 00	43 00	4 80	6 90	50 60	215 30	51,340 00		238 46
Special Projects									
Special Projects	0 00	0 00	0 00	0 00	0 00	0 00			0 00
	0 00	0 00	0 00	0 00	0 00	0 00	0 00		NaN
Trading									
Trading	1 00	40 30	6 50	0 00	4 60	52 40			167 42
	1 00	40 30	6 50	0 00	4 60	52 40	8,773 00		167 42

Hours	280 40	229 43	45 90	32 20	234 97	802 90			
Charge	85,901 50	36,649 66	4,600 00	3,285 50	22,430 67		152,867 33		