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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)
 Ian Donald Williams
 Benedict Mackenzie LLP
 62 Wilson Street
 London
 EC2A 2BU

Laurence Pagden
 Benedict Mackenzie LLP
 62 Wilson Street
 London
 EC2A 2BU

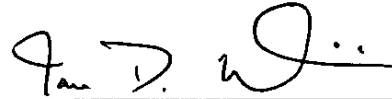
administrator(s) of the above company attach a progress report for the period

(b) Insert date

From (b) 28 July 2010

To (b) 27 January 2011

Signed


 Joint Administrator

Dated

24 February 2011

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

Ian Donald Williams
 Benedict Mackenzie LLP
 62 Wilson Street
 London
 EC2A 2BU

The contact will be via public register



A07 *A45GGRY4*
 25/02/2011
 COMPANIES HOUSE

number

020 7247 1174
 DX Exchange

If 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

BenedictMackenzie

Business rescue and insolvency

Ian Williams FCA
Anthony Benedict FCA
Laurence Pagden FCA
Simon Underwood FIPA
Mark Newton MIPA
Rupert Mullins TD FIPA
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NOT FOR PUBLICATION

24 February 2011

Our Ref IDW/jcm

Dear Sir

W EADEN LILLEY & CO LIMITED (IN ADMINISTRATION) - "Eaden Lilley"
High Court of Justice No 10352 of 2009

1 Introduction

1 01 In order to comply with the regulations, we now report on the progress made in the Administration during the six months ended 27 January 2011

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	62 Wilson Street, London EC2A 2BU
2 04	Registered number	30736
2 05	Joint Administrators	Ian Donald Williams and Laurence Pagden Benedict Mackenzie LLP, 62 Wilson Street, London EC2A 2BU
2 06	Date of Administrators' appointment	28 January 2009
2 07	Name and address of Appointor	William Eaden Lilley 22 Shepreth Road, Barrington, Cambridge CB2 5SB
2 08	Functions of Joint Administrators	Carried out by both Joint Administrators, joint and severally
2 09	Extensions to period of appointment	First to 27 July 2010 with consent of creditors Second to 27 April 2011 with consent of Court

Other offices at Banstead Bristol
Cheltenham Crawley Portsmouth
Southampton Tunbridge Wells

Benedict Mackenzie is the trading name of Benedict Mackenzie LLP a limited liability partnership, registered in England and Wales under number OC302846. Registered office 62 Wilson Street, London EC2A 2BU

Ian Williams Anthony Benedict Laurence Pagden Simon Underwood and Mark Newton are licensed by The Insolvency Practitioners Association in the UK

3 Receipts and payments

- 3 01 An account of the Joint Administrators' receipts and payments to 27 January 2011 is attached

4 Conduct of the Administration and unrealised assets

- 4 01 In our reports of 17 August 2009, 29 December 2009, 22 February 2010 and 23 August 2010 we set out the steps being taken to realise the company's assets. What follows deals with asset realisations in the same order

Long leasehold property

- 4 02 As explained in our report of 29 December 2009, we were unable to overcome the objections of Cambridge City Council to the proposed change of use to a place of worship. Remarketing the property resulted in several expressions of interest and tentative offers of about £400,000. The latest of these was conditional on a change of use which, on our agents' advice, was likely to prove difficult and time consuming to obtain. This offer is not now being pursued.
- 4 03 However, within the last ten days, another potential purchaser has been identified. This offer of £335,000 does not depend upon a change of use and only requires the confirmation to rent space from a company providing flexible accommodation to start up businesses. Our agents advise that this offer should be pursued and Heads of Terms have been agreed.
- 4 04 The rent review on the long lease has been settled with Cambridge City Council. I have also concluded the rent review for the sitting tenant, Simpers Limited.
- 4 05 The receipts of rent and payments of rent and rates, together with the costs of maintenance and security, are set out in Appendix I as movements on the fixed charge account.

Fixtures, furniture and equipment

- 4 06 All the company's fixtures and fittings have been sold and the funds received from our agents

Stocks

- 4 07 All the company's stocks have been realised, as previously reported

Motor vehicle

- 4 08 The company owned a motor vehicle which was sold to Mr Lilley on the recommendation of our agents, for £1,400

Book debts

- 4 09 The continuing efforts to collect book debts has yielded only £28 94, and we now believe it to be uneconomic to continue with this exercise

Sundry refunds

4 10 A further refund of £10,916.69 of business rates has been obtained

Company trading name

4 11 The previously reported sale of the company trading name to W Eaden Lilley Holdings Limited has been shown as a fixed charge recovery

Gross bank interest

4 12 To date, £519.23 has been received as a result of the realisations of company assets, having been placed on a deposit account

5 Creditors

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

Unsecured preferential creditors

5 02 Employee claims for pay arrears (up to £800) and holiday pay rank preferentially. The claims of certain former employees, up to statutory limits, have been paid by the Department of Business, Innovation and Skills. The current preferential claims are as follows

	£
Employees	2,772.87
Department of Business, Innovation and Skills	20,360.83
	<hr/>
	23,133.70
	<hr/> <hr/>

Secured creditor

5 03 Barclays Bank Plc hold a legal charge over the Company's leasehold property at Mercers Row, Cambridge registered on 13 December 2003. In addition they hold a fixed and floating charge over all the company's assets, registered on 7 October 2003

5 04 Provided the property at Mercers Row can be sold at the recent offer placed, the bank will be repaid in full and the surplus funds, subject to costs, will be available to unsecured non preferential creditors, after payment in full has been made to the unsecured preferential creditors

Unsecured non preferential creditors

5 05 The company's records disclosed 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 £2,119,583, including a provisional claim of £1,800,000 from The Pension Protection Fund

Section 176A of the Insolvency Act 1986

5 06 The Joint Administrators are 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 07 In this case, although there is a qualifying floating charge, hopefully the bank will be repaid under its fixed charge which means there is no necessity to calculate the prescribed part Should the situation change, a calculation will be undertaken at the appropriate time

6 **Investigations**

6 01 The results of these were fully reported in our previous report

7 **Joint Administrators' remuneration and disbursements**

7 01 At the meeting of creditors held on 11 March 2009 it was resolved that our remuneration be fixed by reference to the time properly given by us and our staff in attending to matters arising in the Administration, limited to £80,000, subject to review Because of the unexpected loss of the original buyer of the long leasehold property and the resultant prolonging of the Administration, we are requesting that this review should now take place

7 02 The majority of the work in this case has been undertaken by a manager handling the day to day running of the Administration, with the joint Administrators being involved only when required Additional assistance has been provided by cashiers dealing with banking and statutory duties, and administrators offering various support duties is charged directly to the case

7 03 Set out below are details of our timecosts from 28 January 2009 to 23 August 2010

Time costs	Amount billed	Amount outstanding	Total hours	Average rate per hour
£	£	£		£
113,327	80,000	33,327	634	178.74

As at 23 August 2010 we had drawn the sum of £80,000 plus VAT on account of our fees pursuant to the resolution referred to in paragraph 7 01 above

7 04 We attach at Appendix II a breakdown of our timecosts by work category

7 05 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 chargeout rates currently charged are as follows

	Rate per hour
	£
Partner	350
Manager	200
Administrator	60-140

Joint Administrators' disbursements

- 7 06 The disbursements incurred by our firm are shown separately on the receipts and payments account and are self explanatory. They only represent actual payments made on behalf of the case.

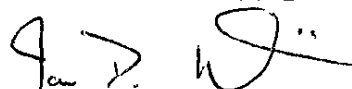
Professionals and sub-contractors

- 7 07 Where appropriate, as is customary, we have employed professionals to advise us in relation to certain matters outside our immediate expertise. In this particular case we engaged professional valuers, Layer Associates and Edward Symmons LLP, to advise us 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 08 Layer Associates are contracted to be paid on a commission basis with Edward Symmons LLP and Mills & Reeve being paid on a timecost basis.

8 Concluding remarks

- 8 01 It is now clear that the second extension of the Administration granted by the Court will prove insufficient for the realisation of the remaining asset for the benefit of all classes of creditor. Accordingly, we intend to apply to Court in mid March 2011 for a further extension of twelve months as advised by our agents.
- 8 02 This extension, if granted, should enable the sale of the property to be achieved at which point, the company can proceed safely into liquidation to enable a dividend to be paid to unsecured non-preferential creditors.
- 8 03 As mentioned in paragraphs 7 01 and 7 03 above, my firm's timecosts have now substantially exceeded the authorised level of £80,000, and I therefore seek the approval of creditors to raise that level to £105,000 subject to further review, if necessary. Accordingly, I enclose a notice of conduct of business by correspondence (Form 2 25B) which I should be grateful if you would return as requested.
- 8 04 The company's non-property assets have been realised and its tax liabilities arising in the Administration have been agreed and paid. Although creditors' claims continue to be received, at this stage it is impossible to estimate the likely return to unsecured non-preferential creditors as this will depend entirely on the surplus funds remaining after the sale of the property referred to above, payment to the secured creditors and the unsecured preferential creditors.
- 8 05 Should you require any further information, please do not hesitate to let us know. If any creditor would prefer future communications to be conducted electronically, please let me know by e-mail on i.williams@benemack.com.

Yours faithfully
for and on behalf of
W EADEN LILLEY & CO LIMITED



Ian D Williams
Joint Administrator

W EADEN LILLEY & CO LIMITED (IN ADMINISTRATION)

28 January 2009 to 27 January 2011

	28 01 09 to 27 07 10 £	28 07 10 to 27 01 11 £	28 01 09 to 27 01 11 £	Fixed charge 28 01 09 to 27 01 11 £	Floating charge 28 01 09 to 27 01 11 £
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	2,485 00	3,500 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	15,431 89	28 94	15,460 83		15,460 83
Purchases returned	10,805 71		10,805 71		10,805 71
Rent received	52,500 00	17,500 00	70,000 00	70,000 00	
Sundry refunds	17,365 70	10,916 59	28,282 29	2,757 83	25,524 46
VAT Refund	4,583 40		4,583 40		4,583 40
Bank interest gross	508 50	10 73	519 23		519 23
VAT on Joint Administrators' receipts	18,915 83	525 00	19,440 83		19,440 83
	<u>306,107 11</u>	<u>32,481 26</u>	<u>338,588 37</u>	<u>83,007 83</u>	<u>255,580 54</u>
Payments					
Joint Administrators' remuneration	70,000 00	10,000 00	80,000 00		80,000 00
Solicitor's costs	53,762 82	470 00	54,232 82	7,512 08	46,720 74
Agent's charges	11,831 30	1,750 00	13,581 30	1,833 00	11,748 30
Statement of affairs fee	2,500 00		2,500 00		2,500 00
Rates	14,866 00		14,866 00		14,866 00
Heat & Light	8,972 09	307 88	9,279 97	2,574 83	6,705 14
Water charges	274 29	76 30	350 59	126 64	223 95
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>167,110 49</u>	<u>12,604 18</u>	<u>179,714 67</u>	<u>12,571 55</u>	<u>167,143 12</u>
Rent	36,817 05	13,000 00	49,817 05	49,817 05	-
Security of premises	1,150 80	393 60	1,544 40	1,365 40	179 00
Insurance		10,712 59	10,712 59	9,450 00	1,262 59
Corporation tax		205 46	205 46		205 46
Specific bond	628 00		628 00		628 00
Postage	12 03		12 03		12 03
Mail redirection	201 55		201 55		201 55
Mileage	274 40		274 40		274 40
Alarm system maintenance	1,703 78	814 28	2,518 06	1,419 83	1,098 23
Accountancy fees	2,748 91		2,748 91		2,748 91
VAT on Joint Administrators' payments	20,295 05	2,306 25	22,601 30		22,601 30
VAT paid	7,974 76		7,974 76		7,974 76
	<u>71,806 33</u>	<u>27,432 18</u>	<u>99,238 51</u>	<u>62,052 28</u>	<u>37,186 23</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>247,159 62</u>	<u>40,036 36</u>	<u>287,195 98</u>	<u>74,623 83</u>	<u>212,572 15</u>
Balances					
Current account	45 08		7,831 56		7,831 56
Deposit account	58,902 41		43,560 83	8,384 00	35,176 83
	<u>58,947 49</u>		<u>51,392 39</u>	<u>8,384 00</u>	<u>43,008 39</u>

W Eaden Lilley & Co Limited (in administration)
 BENEDICT MACKENZIE LLP FEE SUMMARY
 SIP 9 SCHEDULE 1
 As at 18 February 2011

	Partner	Manager	Assistants and support staff	Total	Total	Average
	hours	hours	hours	hours	Cost £	Hourly Rate £
A Administration and planning	58 30	43 43	150 50	252 23	41,352 66	163 95
B Investigations	2 80	7 00	1 60	11 40	2,464 00	216 14
C Realisation of assets	62 00	44 10	57 10	163 20	33,783 50	207 01
D Trading	28 40	44 00	12 30	84 70	17,322 50	204 52
E Creditors	21 90	18 30	82 30	122 50	18,406 00	150 25
F Other	-	-	-	-	-	-
Total	<u>173 40</u>	<u>156 83</u>	<u>303 80</u>	<u>634 03</u>	<u>113,328 66</u>	<u>178 74</u>

Notice of conduct of business by correspondence

Name of Company W. EADEN LILLEY & CO. LIMITED	Company number 30736
In the HIGH COURT – Chancery Division <small>(full name of Court)</small>	Court case number 10352 OF 2009

Notice is hereby given by (a)

(a) Insert full name(s) and address(es) of the administrator(s)
IAN DONALD WILLIAMS AND LAURENCE PAGDEN
 62 Wilson Street
 London EC2A 2BU

to the creditors of (b)

(b) Insert full name and address of registered office of the company
W Eaden Lilley & Co Limited
 62 Wilson Street, London EC2A 2BU

(c) Insert number of resolutions enclosed
 that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) **ONE** resolution for your consideration. Please indicate below whether you are in favour or against the resolution

This form must be received at (d)

(d) Insert address to which form is to be delivered
Benedict Mackenzie LLP
 62 Wilson Street
 London
 EC2A 2BU

(e) Insert closing date
 by 12 00 hours on (e) **15 MARCH 2011** in order to be counted. It must be accompanied by details in writing of your claim. Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary for the number of resolutions attached

Resolution (1)

"THAT the Joint Administrators' remuneration be limited £105,000 subject to further review if necessary "


I am *In Favour / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor _____

Signature of creditor _____

(If signing on behalf of creditor, state capacity e.g. director/solicitor)
 If you require any further details or clarification prior to returning your votes, please contact me / us at the address above

Signed 
 Joint Administrator

Dated 24 February 2011