

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 2011

To  
 (b) 27 January 2012

Signed *Laurence Pagden*  
 Administrator

Dated 22 February 2012

**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

MONDAY



A25 12/03/2012 #211  
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**Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff**



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NOT FOR PUBLICATION

21 February 2012  
Ref IDW

Please ask for  
Ian Williams  
DDI 020 7465 1937  
iwilliams@menziesbr.co.uk

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, I now report on the progress made in the Administration during the six months ended 27 January 2012

**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)  
Since the last progress report, Mr Williams has retired from Insolvency practice, and Laurence Pagden was appointed sole administrator by the High Court on 23 November 2011 His practice address is now as stated above
- 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

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 and Mark Newton are licensed by the Insolvency Practitioners Association in the UK. When acting as officeholders they do so without personal liability.

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INVESTOR IN PEOPLE

- 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  
Third to 27 April 2012 with consent of Court

3 **Receipts and payments**

- 3 01 An account of the Joint Administrators' receipts and payments to 27 January 2012 is attached

4 **Conduct of the Administration and unrealised assets**

- 4 01 In the reports of 17 August 2009, 29 December 2009, 22 February 2010, 23 August 2010, 24 February 2011 and 16 August 2011 the steps being taken to realise the company's assets were set out. What follows deals with asset realisations in the same order

*Long leasehold property*

- 4 02 As explained in the report of 29 December 2009, the objections of Cambridge City Council to the proposed change of use to a place of worship could not be overcome. Remarketing the property resulted in several expressions of interest and tentative offers of about £400,000. The last of these was conditional on a change of use which, on agents' advice, was likely to prove difficult and time consuming to obtain. This offer was not pursued.
- 4 03 The latest potential purchaser referred to in the last report withdrew in April 2011 stating that the fit-out costs were proving to be too high.
- 4 04 The agents are now very pessimistic about finding a buyer in the present market, bearing in mind the property has been on the market for well over three years.
- 4 05 Having concluded the rent review on the long lease with Cambridge City Council, the sub-lease with the sitting tenant, Simperts Limited, has been finalised.
- 4 06 The fixed chargeholder, Barclays Bank Plc is aware of the agents' advice and is still considering its future strategy. Meanwhile, the Court agreed to extend the Administration to 27 April 2012, thus protecting the bank's position. It is felt unlikely that further extensions will be granted by the Court.

*Fixtures, furniture and equipment*

- 4 07 All the company's fixtures and fittings have been sold and the funds received

*Stocks*

- 4 08 All the company's stocks have been realised, as previously reported

*Motor vehicle*

- 4 09 The company owned a motor vehicle which was sold on the recommendation of the agents, for £1,400

*Book debts*

- 4 10 It is considered uneconomic to continue to attempt further collection of these small sums

*Sundry refunds*

4 11 The refund of £10,916 69 represents business rates

*Company trading name*

4 12 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 13 To date, £527 42 has been received as a result of the realisations of company assets, having been placed on a deposit account

**5 Creditors**

5 01 I 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
	23,133 70

*Secured creditor*

5 03 Barclays Bank Plc holds a legal charge over the Company's 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 04 As it now looks increasingly unlikely that the bank will be repaid in full, it is my opinion that there will be no return to unsecured non-preferential creditors. In these circumstances, there will be little point in applying to extend the Administration still further next year but I await the views of the bank

*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 This last claim appears to have been substantially overstated

*Section 176A of the Insolvency Act 1986*

5 06 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 07 In this case there is a qualifying floating charge which might require a calculation of the prescribed part However, until the way forward becomes clearer, I will defer making this calculation

**6 *Investigations***

6 01 The results of these were fully reported in the previous reports

**7 *Joint Administrators' 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 been increasingly involved 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 04 Set out below are details of our timecosts from 28 January 2009 to 27 January 2012

Time costs	Amount billed	Amount outstanding	Total hours	Average rate per hour
£	£	£		£
122,137	100,000	22,137	669	182.53

7 05 I attach at Appendix II a breakdown of the timecosts 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 chargeout rates currently charged are as follows

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

*Administrator's disbursements*

7 07 The disbursements incurred 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 08 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, are advising 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 09 Layer Associates are contracted to be paid on a commission basis with Edward Symmons LLP and Mills & Reeve being paid on a timecost basis

7 10 In order to save costs, the application to Court for the extension of the Administration was undertaken by junior counsel instructed directly

**8 Concluding remarks**

8 01 It is now becoming apparent that the third 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, the results of the review by Barclays Bank Plc of its strategy with regard to the property is urgently awaited

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 [williams@menziesbr.co.uk](mailto:williams@menziesbr.co.uk)

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



Ian D Williams  
For 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

## APPENDIX I

## W EADEN LILLEY &amp; CO LIMITED (IN ADMINISTRATION)

28 January 2009 to 27 January 2012

	28 01 09 to 27 07 11 £	28 07 11 to 27 01 12 £	28 01 09 to 27 01 12 £	Fixed charge 28 01 09 to 27 01 12 £	Floating charge 28 01 09 to 27 01 12 £
<b>Receipts</b>					
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	15,460 83		15,460 83		15,460 83
Purchases returned	10,805 71		10,805 71		10,805 71
Rent received	87,500 00	17,500 00	105,000 00	105,000 00	
Sundry refunds	28,282 29		28,282 29	2,757 83	25,524 46
VAT Refund	4,583 40		4,583 40		4,583 40
Bank interest gross	526 66	0 76	527 42		527 42
VAT on Joint Administrators' receipts	19,440 83		19,440 83		19,440 83
	<u>356,095 80</u>	<u>17,500 76</u>	<u>373,596 56</u>	<u>118,007 83</u>	<u>255,588 73</u>
<b>Payments</b>					
Joint Administrators' remuneration	100,000 00		100,000 00	10,000 00	90,000 00
Solicitor's costs	62,545 53	9,182 76	71,728 29	7,512 08	64,216 21
Affidavit		31 20	31 20		31 20
Agent's charges	14,734 24	3,150 00	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	9,499 14	304 28	9,803 42	2,730 75	7,072 67
Water charges	427 19	77 20	504 39	126 64	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>209,476 09</u>	<u>12,898 62</u>	<u>222,374 71</u>	<u>22,727 47</u>	<u>199,647 24</u>
Rent	62,817 05	13,000 00	75,817 05	75,817 05	-
Security of premises	1,832 40	288 00	2,120 40	1,941 40	179 00
Insurance	15,482 59		15,482 59	14,220 00	1,262 59
Corporation tax to 27 January 2011	1,229 14		1,229 14	1,023 68	205 46
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	274 40	27 10	301 50		301 50
Storage costs		157 14	157 14		157 14
Alarm system maintenance	2,518 06	620 40	3,138 46	2,040 23	1,098 23
Accountancy fees	2,748 91		2,748 91		2,748 91
VAT on Joint Administrators' payments	27,029 22	80 72	27,109 94		27,109 94
VAT paid	7,974 76		7,974 76		7,974 76
	<u>122,748 11</u>	<u>14,208 36</u>	<u>136,956 47</u>	<u>95,042 36</u>	<u>41,914 11</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>340,467 00</u>	<u>27,106 98</u>	<u>367,573 98</u>	<u>117,769 83</u>	<u>249,804 15</u>
<b>Balances</b>					
Current account	9,160 54		2,495 96		5,784 58
Deposit account	6,468 26		3,526 62	238 00	
	<u>15,628 80</u>		<u>6,022 58</u>	<u>238 00</u>	<u>5,784 58</u>

**APPENDIX II**

**WEADEN LILLEY & CO LIMITED**

**SIP 9 SCHEDULE 1  
As at 27 January 2012**

	Partner hours	Manager hours	Assistants and support staff hours	Total hours	Total Cost £	Average Hourly Rate £
A Administration and planning	90 50	32 90	169 50	292 90	50,508 50	172 44
B Investigations	7 60	32.53	11 80	51 93	10,115 16	194.78
C Realisation of assets	71 30	43 00	53 80	168 10	36,528 50	217 30
D Trading	1 00	40 30	11.10	52 40	8,773 00	167 42
E Creditors	22 60	12 10	69 10	103 80	16,211 50	156 18
F Other	-	-	-	-	-	-
<b>Total</b>	<b>193 00</b>	<b>160 83</b>	<b>315 30</b>	<b>669 13</b>	<b>122,136 66</b>	<b>182 53</b>