

The Insolvency Act 1986

Administrator's progress report

Name of Company W. EADEN LILLEY & CO. LIMITED	Company number 00030736
In the HIGH COURT – Chancery Division	Court case number 10352 of 2009

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

I (a) **IAN DONALD WILLIAMS**
62 Wilson Street
London
EC2A 2BU

administrator of the above company attach a progress report for the period

from

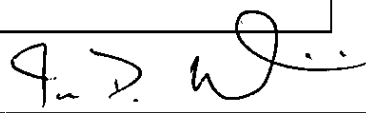
to

(b) 28 JANUARY 2009

(b) 27 JULY 2009

(b) Insert dates

Signed


 Ian Donald Williams
Administrator

Dated 17 August 2009

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

Mr Ian D Williams	
Benedict Mackenzie LLP	
62 Wilson Street, London EC2A 2BU	Tel: 020 7247 1174
DX Number	DX Exchange



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When you have completed and signed this form please send it to the Registrar of Companies at:

Companies House, Crown Way, Cardiff, CF14 3UZ

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BenedictMackenzie

Business rescue and insolvency

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TO ALL KNOWN MEMBERS AND CREDITORS

17 August 2009

Our Ref: IDW/MF/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 accordance with Rule 2.47 of The Insolvency Rules 1986 (as amended), we now report on the progress made in the Administration during the six months ended 27 July 2009.

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: None

Other offices at: Banstead, Bristol, Cheltenham, Crawley, Portsmouth, Southampton, Tunbridge Wells

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

Ian Williams, Anthony Benedict, Laurence Pagden and Simon Underwood are licensed by The Insolvency Practitioners Association

Benedict

3 *Receipts and payments*

- 3.01 An account of the Joint Administrators' receipts and payments to 27 July 2009 is attached showing a balance in hand of £55,381.60.

4 *Conduct of the Administration and unrealised assets*

- 4.01 In our report dated 20 February 2009 we detailed 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 On the recommendation of our joint agents, Laver Associates and Edwards Symmons LLP, an offer of £500,000 for the company's long leasehold interest in 17 Mercers Row, Cambridge was accepted, subject to contract, on 23 April 2009. However, the proposed sale has been beset with problems as the prospective purchaser is a church which, under the Places of Worship Act (Enfranchisement) Act 1920, may have the right to purchase the freehold from Cambridge City Council if it were to be used as a place of worship.

- 4.03 Apart from the aforementioned problem, the Council has raised other objections involving parking in the area of the property if it is to be used as a church. We have been advised by our solicitors that it may not be possible to overcome the objections raised by the Council, although we are still considering with them possible solutions. Ultimately, it may transpire that the property will have to be re-marketed, the agents suggest at a somewhat lower sum than the church's offer.

- 4.04 The rent review, involving the sitting tenant, will be the subject of a court hearing in the near future. A fair rent figure will be decided by the court as agreement cannot be reached with the tenant. In the meantime, demand will be made on the tenant for rent to be paid at the current rate pending resolution by the court. Rent and rates are being paid to the landlord as an expense of the Administration and are reflected in the receipts and payments account.

Fixtures, furniture and equipment

- 4.05 The sale of certain fixtures and fittings at Saffron Walden and Great Shelford realised £2,091.52. In addition, Chas J Townrow & Sons Limited ("Townrow"), who occupied the Bridge Street, St Ives premises under licence, recently purchased the fixtures and fittings at that location together with some computer equipment. The sum of £3,500 was paid for these items which has recently been paid direct to our agents, Edward Symmons LLP.

Stocks

- 4.06 It was confirmed in our previous report that the company's stock had been sold to Townrow. One particular supplier, who had removed goods shortly before our appointment, refunded the value of these items. The sum of £11,483.76 was received of which £6,000 was paid to Townrow with the balance being retained in the Administration.

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Motor vehicle

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

Book debts

- 4.08 These are represented by a substantial number of customer and staff accounts totalling £15,571.09 of which £11,088.67 has been collected to date. Further sums of £2,524.81 and £422.79 have been received in respect of a dividend on a claim against a company in liquidation and funds held by the company's solicitors, collected from debtors.

Sundry refunds

- 4.09 Refunds of business rates in the total sum of £9,216.86 have been obtained in respect of the properties at Saffron Walden, Mercers Row, Cambridge and Great Shelford. In addition, small refunds have been received in respect of a return of insurance premiums of £439.49, an electricity refund of £1,290.10 and a refund of security charges of £493.40.

Company trading name

- 4.10 Townrow and W. Eaden Lilley Holdings Limited made sealed bids for the company's trading name with the latter proving successful, having bid £10,250.00, which has been paid.

Gross bank interest

- 4.11 The funds arising from the realisation of the company's assets have been placed on a deposit account and to date gross interest of £475.79 has been received.

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 valuation placed on it by our agents, the bank will be repaid in full and the surplus funds, subject to costs, will be available, after payment in full has been made to the unsecured preferential creditors, to unsecured non 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 £103,498.16.

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 We have carried out an investigation into the company's affairs.
- 6.02 In accordance with Section 7(3) of the Company Directors Disqualification Act 1986, a return has been filed with the Secretary of State.
- 6.03 We can confirm that our enquiries did not disclose any matters which would have led to further funds being realised for the benefit of the general body of creditors.

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.
- 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 27 July 2009:

Time costs	Amount billed	Amount outstanding	Total hours	Average rate per hour
£	£	£		£
72,037	45,000	27,037	409.10	176.09

To date, as you will see, we have drawn the sum of £45,000 on account of our fees pursuant to the resolution referred to in paragraph 7.01 above.

7.04 We attach at Appendix B 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	325
Manager	200
Administrator	100

Joint Administrators' disbursements

7.06 Disbursements incurred by our firm are shown separately on the receipts and payments account and consist of the following items:

Actual costs	£
Insolvency bond	628.00
Software licence	521.00
Agents' fees	926.83
Mail redirection	149.50
IT support	317.15
Postage	12.03
	<hr/>
	2,554.51
	<hr/> <hr/>

7.07 The preceding table shows disbursements where our firm has been reimbursed the actual payments made on behalf of the case. This type of disbursement will continue to be reclaimed. No disbursements have or will be claimed which include an element of shared or allocated costs (eg photocopying).

Professionals and sub-contractors

7.08 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.

Benedict.

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.

8 **Concluding remarks**

8.01 The majority of the company's non property assets has now been realised. We shall continue to collect the remaining debts and obtain, if necessary, offers for the company's leasehold property at Mercers Row, Cambridge. Claims continue to be agreed but, 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 leasehold property, payment to the secured creditor and the unsecured preferential creditors.

8.02 Should you require any further information, please do not hesitate to let us know.

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



Ian D Williams and Laurence Pagden
Joint Administrators

W. EADEN LILLEY & CO LIMITED (IN ADMINISTRATION)

APPENDIX A

28 January 2009 to 27 July 2009

Receipts

	£
Cash at bank	29,465.21
Sale of stocks	107,383.00
Licence fees	21,434.95
Sale of trading name	10,250.00
Sales of furniture & equipment	2,485.00
Sales of fixtures and fittings	256.53
Sale of motor vehicle	1,400.00
Book debts	14,036.27
Purchases returned	10,805.71
Sundry refunds	11,439.85
Bank interest gross	475.79
VAT on Joint Administrators' receipts	17,246.57
	<u>226,678.88</u>

Payments

Joint Administrators' remuneration	45,000.00
Solicitor's costs	39,477.43
Agent's charges	9,998.30
Statement of affairs fee	2,500.00
Rates	14,866.00
Heat & Light	8,073.57
Water charges	123.02
Energy performance certificate	525.00
Telephone, fax and computer	1,799.85
Bank charges	2,077.78
	124,440.95

Disbursements

Rent	9,075.00
Security of premises	480.00
Specific bond	628.00
Postage	12.03
Mail redirection	149.50
Mileage	274.40
Alarm system maintenance	906.83
Accountancy fees	2,631.41
VAT on Joint Administrators' payments	15,846.53
VAT paid	7,974.76
	37,978.46

Necessary payments

Staff salaries and wages	7,942.07
Printer sold in error	261.50
VAT	39.23
	46,221.26

Balances

Current account	635.07
Deposit account	55,381.60
	<u>226,678.88</u>

W Eaden Lilley & Co Limited (in administration)
 BENEDICT MACKENZIE LLP FEE SUMMARY
 SIP 9 SCHEDULE 1
 As at 27 July 2009

	Partner	Manager	Assistants and support staff hours	Total hours	Total Cost £	Average Hourly Rate £
	hours	hours	hours			
A Administration and planning	29.90	27.60	59.30	116.80	20,391.00	174.58
B Investigations	1.20	7.00	1.60	9.80	1,944.00	198.37
C Realisation of assets	35.10	37.80	43.50	116.40	22,336.00	191.89
D Trading	28.30	37.70	11.20	77.20	15,920.00	206.22
E Creditors	11.30	6.20	71.40	88.90	11,446.00	128.75
F Other	-	-	-	-	-	-
Total	<u>105.80</u>	<u>116.30</u>	<u>187.00</u>	<u>409.10</u>	<u>72,037.00</u>	<u>176.09</u>