

Rule 2.47

Form 2.24B(CH)

The Insolvency Act 1986

Administrator's progress report

Name of Company Snobfood Limited	Company number 05449265
In the High Court of Justice, Chancery Division (full name of court)	Court case number 8524 of 2011

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

Michael James Wellard **Roderick John Weston**

Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1DD

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

(b) Insert date

From (b) 30 September 2011	To (b) 29 March 2012
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Signed



Joint Administrator

Dated

26 APRIL 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.

Michael James Wellard
Tower Bridge House, St Katharine's Way, London, E1W 1DD

DX Number

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

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COMPANIES HOUSE

Snobfood Limited - In Administration ("the Company")

Administrators' progress report covering the period 30 September 2011 to
29 March 2012

To all known creditors

1. Statutory information

- 1 1 I was appointed Joint Administrator of the Company together with Mr Roderick John Weston on 30 September 2011 in the High Court of Justice under Court reference 8524 of 2011. My address is Tower Bridge House, St Katharine's Way, London, E1W 1DD. The application for the appointment of an Administrator was made by the directors.
- 1 2 I am authorised to act as an Insolvency Practitioner in the UK by the Association of Chartered Certified Accountants and my partner, Mr Roderick John Weston, is authorised in the UK by the Institute of Chartered Accountants in England and Wales.
- 1 3 The trading addresses of the Company were as follows
- 11 Argyll Street, London W1F 7TH ("Head Office")
 - 5 Vigo Street, London W1S 3HD
 - 6 Brook Street, London W1S 1BB
 - 61 Piccadilly, London W1J 0DY
 - 34 Royal Exchange, London EC3V 3LP
- 1 4 The business traded under the name "Napket"
- 1 5 The registered office of the Company is Tower Bridge House, St Katharine's Way, London, E1W 1DD and its registered number is 05449265
- 1 6 All acts required to be done by the joint administrators, may be done by either or both, acting jointly or alone

2. Details of Progress

- 2 1 As previously reported, all the stores were closed on the date of appointment and all staff were made redundant with effect from 30 September 2011
- 2 2 The Company had five leases as detailed in Section 1 3
- 2 3 As previously advised the surrender for the Piccadilly store was completed on 10 November 2011 realising a premium of £250,000 and an assignment of the lease for Vigo Street to Burberry was completed on 18 November 2011 realising a premium of £257,500

2 4 In addition, upon the surrender and assignment of these leases, the balances of the rent deposits were released, totalling £134,871

3. Administrators' Receipts and Payments

3 1 A summary of receipts and payments covering the period from the 30 September 2011 to 29 March 2012 is attached at Appendix A

4. Assets still to be realised

4 1 I am in the process of surrendering the Argyll Street property with the rent deposit being used to meet outstanding rent obligations. My agents confirmed that this lease had no premium value

4 2 Since my last report, my agents Capa have been marketing the two leases for Brook Street and Royal Exchange

4 3 To date no interested party has indicated that they are willing to pay a premium for these leases. I have therefore been negotiating a surrender of the leases to the relevant landlord to recover any potential rent deposit and minimise any claim they may have against the Company

4 4 I have agreed a surrender with the Brook Street landlord who has agreed to release £10,000 of the rent deposit and pay £3,000 for the fixtures and fittings. As there is no rent deposit left in relation to Royal Exchange, I have agreed to surrender the lease back to the landlord

4 5 I am near to concluding a sale of the trademark 'Napket' to the parent company, Snobfood Holdings SA (who are also the largest creditor) for £1,000. Prior to the sale, I sought advice from my trade-mark colleagues who advised that the trademark had little, if any, value

4 6 I have recently instructed Capa on a "no-win, no fee" basis to explore if any rates rebates are due to the Company

5. Liabilities

Secured Creditors

5 1 The Company has no secured creditors

Preferential Creditors

5 2 The only preferential claims are in respect of holiday pay, as wages had been paid prior to my appointment. Based on claims received to date, I estimate the total preferential claims to be approximately £34,724

5 3 I am in the process of agreeing these claims and will look to pay the preferential creditors in full shortly

Unsecured Creditors

- 5 4 Based on the Company's accounts, unsecured creditors total approximately £8.7m. A majority of this relates to the funding provided by the parent, Snobfood Holdings SA.

6. Prescribed Part

- 6 1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of the Company's net assets are to be set aside for the benefit of the Company's unsecured creditors where the Company has granted a floating charge after 15 September 2003.
- 6 2 However, as there is no secured creditor in this matter, the Prescribed Part is not applicable.

7. Investigations

- 7 1 I can confirm that the Joint Administrators have reviewed the affairs of the company for the period prior to Administration for the purpose of discharging their duties under the Companies Directors' Disqualification Act 1986.
- 7 2 Creditors are reminded that the Administrators have a statutory obligation to consider the directors' conduct and to submit a return/ report to the Department for Business, Innovation & Skills' Disqualification Unit. The Administrators can confirm that they have complied with this requirement.

8. Pre-Administration Costs

- 8 1 As detailed in my proposals, my firm had incurred pre-administration time costs and disbursements of £25,962 and £41 respectively.
- 8 2 Approval of payment of these amounts in full was obtained at the creditors meeting held on 8 December 2011.

9. Administrators' remuneration

- 9 1 Confirmation and approval of the basis of remuneration has been sought from the unsecured creditors of the Company. It has been agreed that the Joint Administrators' remuneration be fixed on the basis of the time properly spent by the Administrators and their staff in dealing with matters arising during the Administration.
- 9 2 Charge out rates are reviewed annually on 1 September and in common with other professional firms, may increase over the period of the administration of the case. The rates are appropriate to the skills and experience of the team member and the work that they perform. Time is recorded in 6 minute units with supporting narrative to explain the work undertaken.

- 9.3 Details of the charge out rates of the team members employed on the assignment during the period covered by this report are below

Grade of Staff	Current charge out rate per hour, effective from 1 September 2011	Previous charge out rate per hour, effective from 1 September 2010
Partner	£460	£435
Senior Manager	£305	£290
Administrator	£80 - £160	£75 - £150
Cashier	£70 - £110	£65 - £100

- 9.4 I attach at Appendix B a summary of time spent for the period covered by this progress report in accordance with SIP9 as an attachment to the report. To date 282 hours have been spent dealing with the administration of this case, at a total cost of £61,891.50 representing an average hourly rate of £219.47
- 9.5 I would advise you that pursuant to rule 2.48A of the Insolvency Rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 5% in value of the unsecured creditors or an unsecured creditor with permission of the court, may, within 21 days of receipt of this progress report, ask the administrator for further information about the remuneration and expenses set out in this progress report
- 9.6 Additionally, pursuant to rule 2.109 of the Insolvency rules 1986, a secured creditor or an unsecured creditor with concurrence of at least 10% in value of the unsecured creditors or an unsecured creditor with the permission of the court may, within 8 weeks of the receipt of this progress report, apply to the court on one or more of the following grounds
- the remuneration charged by the administrator, or
 - the basis fixed for the administrator's remuneration, or
 - expenses incurred by the administrator
- is or are in all of the circumstances, excessive or inappropriate
- 9.7 A copy of the publication "A creditors guide to Administrators' Fees" which details the basis on which an Administrator's fees should be calculated is available to download from the website <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104> or alternatively will be provided free of charge upon written request to this office

10. Professional advisors

10 1 The professional advisors used on this assignment are as follows

Name	Nature of Work	Basis of fee Arrangement
Speechly Bircham	Legal work	Time cost basis
Capa	Property agents	Percentage basis based on realisations
Hilco Appraisal Europe	Chattel agents	Time cost basis

10 2 The Administrators' choice was based on their perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them

10 3 The Administrators' have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case

11. Estimated outcome statement

11 1 An estimate of the outcome of the Administration is attached at Appendix C

11 2 Based on claims received to date, it is anticipated that unsecured creditors will receive a dividend of approximately 4-5p in the £

12. Ending the administration

12 1 In accordance with the Administrators' proposals dated 16 June 2010, it is proposed that the Administration be converted to a Creditors' Voluntary Liquidation pursuant to Paragraph 83 of Schedule B1, and that the Joint Administrators of the Company be appointed as Joint Liquidators. This is expected to occur in early 2011

12 2 In accordance with Para 98(2) of Schedule B1 of the Insolvency Act 1986, I am seeking a resolution that I be discharged from liability 14 days after my final report is issued



M J Wellard
Joint Administrator

Dated 26 April 2012

Authorised to act as an insolvency practitioner in the UK by the Association of Chartered Certified Accountants

*The affairs, business and property of the Company are being managed by the Joint Administrators
The Joint Administrators act as agents of the Company and without personal liability*

Snobfood Limited
(In Administration)

Summary of Receipts & Payments
30 September 2011 to 29 March 2012

RECEIPTS	Total (£)
Fixtures & Fittings	3,766 66
Stock	5,435 00
Leasehold Property - Piccadilly	250,000 00
Leasehold Property - Vigo Street	257,500 00
Furniture & Equipment	15,000 00
American Express funds	795 95
Cash at Bank	21,721 02
Rate Refund	8,620 52
Rent Deposit	134,871 03
Bank Interest Gross	334 10
Contribution to legal fees	3,000 00
VAT Payable	1,840 33
Vat Control Account float	34,371 58
	<u>737,256 19</u>
 PAYMENTS	
Payroll services	655 00
Pre-appointment fees	25,962 00
Administrator's Fees	20,000 00
Pre-appointment disbursements	41 00
McDermott & Co	750 00
Agents Fees	124,673 00
Legal Fees (1)	30,305 80
Site Clearance	1,100 00
Storage Costs	1,293 11
Re-Direction of Mail	272 00
Statutory Advertising	153 00
Other Property Expenses	7,890 00
Bank Charges	15 00
Vat Receivable	46,849 60
	<u>259,959 51</u>
Balance In Hand	<u>477,296 68</u>
	<u><u>737,256 19</u></u>

Analysis of Liquidators' time costs for the period 03/09/2011 to 29/03/2012

Classification of work Function	Hours					Total Hours	Time Cost	Average Hourly Rate
	Partner	Director	Manager	Administrator	Clerical			
2 Admin & Planning	3 10		1 30	5 80		10 20	2,495 00	244 61
3 Taxation			3 30	5 50		8 80	1,633 50	185 62
4 Investigations	2 10		0 70	10 20		13 00	2,607 50	200 58
5 Realisation of Assets	27 00		33 90	17 50		78 40	25,136 00	320 61
6 Trading			0 10			0 10	30 50	305 00
7 Employees	4 50		25 50	31 40		61 40	12,531 50	204 10
8 Creditors	4 20		2 30	22 60		29 10	5,767 50	198 20
9 Reporting	3 30		4 10	7 50		14 90	3,818 50	256 28
11 Cashiering			0 40	28 20		28 60	2,881 00	100 73
12 Statutory & Compliance	0 50		8 00	35 10		43 60	7,566 00	173 53
Total Hours	39 20		79 00	163 80		282 00	61,891 50	219 47
Total Time Costs (£)	18,169 50		22,128 00	21,594 00		61,891 50		
Average Hourly Rate by Grade	463 51		280 10	131 83		219 47		

Snobfood Limited

Estimated Outcome Statement as at 29 March 2012

	Notes	Receipts & Payments £	Future Movement £	Estimated Outcome £
Assets available for preferential creditors				
Lease premiums				
- Piccadilly		250,000	-	250,000
- Vigo Street		257,500	-	257,500
Rent Deposits				
- Piccadilly + Vigo Street		134,871	-	134,871
- Brook Street		-	10,000	10,000
Contribution to costs		3,000	-	3,000
Cash in hand and at Bank		21,721	-	21,721
Goodwill		-	1,000	1,000
Fixtures, fittings & stock		24,202	3,000	27,202
Other income		796	-	796
Rates Refund		8,621	-	8,621
Interest		334	-	334
VAT payable		36,211	(36,211)	-
		<u>737,256</u>	<u>(22,211)</u>	<u>715,045</u>
Less:				
Joint Administrators fees & disbursements		(20,000)	(50,000)	(70,000)
Pre-appointment costs and disbursements		(26,003)	-	(26,003)
Legal fees and expenses		(30,306)	(5,000)	(35,306)
Agents fees		(124,673)	-	(124,673)
Property costs		(8,990)	-	(8,990)
Statutory advertising		(153)	(100)	(253)
Corporation tax		-	-	-
Payroll costs		(655)	-	(655)
Other expenses		(2,330)	(2,500)	(4,830)
VAT receivable		(46,849)	46,849	-
		<u>(259,959)</u>	<u>(10,751)</u>	<u>(270,710)</u>
Funds available to preferential creditors		<u>477,297</u>	<u>(32,962)</u>	<u>444,335</u>
Preferential creditors		-	(34,724)	(34,724)
Funds available to unsecured creditors		<u>477,297</u>	<u>(67,686)</u>	<u>409,611</u>