

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) andI/We (a)
Michael James Wellard

Roderick John Weston

address(es)
administrator(s)

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

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

From

To

(b) Insert date

(b) 30 March 2012

(b) 23 July 2012

Signed


Joint Administrator

Dated

31 July 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 March 2012 to 23 July 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 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, 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 2 Since my previous report I have now completed surrenders on the remaining three leases for Argyll Street, Royal Exchange and Brook Street. In respect of the Argyll Street lease and the Royal Exchange lease no realisations were received for these, however, the surrender will limit the liability in respect of any unsecured claim.

- 2 3 In respect of the Brook Street lease, upon surrender I realised £10,000 of the rent deposit and £3,000 for the fixtures and fittings. These funds are currently held by my solicitors.
- 2 4 I have completed a sale of the trademark 'Napket' to the parent company, Snobfood Holdings SA for £1,000. The sale was on deferred terms, to be paid out of Snobfood Holdings SA dividend. As previously advised, the trademark had little, if any value.
- 2 5 As previously advised, Capa were instructed on a "no-win, no-fee" basis to explore whether any rates rebates were due to the Company. Capa realised £14,638.35 for the Royal Exchange store and no realisations were made for the other four stores and therefore they are no longer pursuing these matters. They were paid £4,391.50 excluding VAT in respect of this.

3. Administrators' Receipts and Payments

- 3 1 A summary of receipts and payments covering the period from the 30 September 2011 to 23 July 2012 is attached at Appendix A.

4. Liabilities

4.1. Secured Creditors

- 4 1 1 The Company had no secured creditors.

4.2. Preferential Creditors

- 4 2 1 The only preferential claims are in respect of holiday pay, as wages had been paid prior to my appointment.
- 4 2 2 A dividend of 100p in the £ was paid to the preferential creditors on 18 July 2012 totalling £36,637.52.

4.3. Unsecured Creditors

- 4 3 1 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.

5. Prescribed Part

- 5 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.
- 5 2 However, as there is no secured creditor in this matter, the Prescribed Part is not applicable.

6. Investigations

- 6 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
- 6 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

7. Pre-Administration Costs

- 7 1 As previously, advised my firm had incurred pre-administration time costs and disbursements of £25,962 and £41 respectively
- 7 2 Approval of payment of these amounts in full was obtained at the creditors meeting held on 8 December 2011

8. Administrators' remuneration

- 8 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
- 8 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
- 8 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

- 8 4 I attach at Appendix B a summary of time spent to date in accordance with SIP9 From 30 September 2011 to 23 July 2012 322 30 hours have been spent dealing with the administration of this case, at a total of £71,579 representing an average hourly rate of £222 09
- 8 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
- 8 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
- 8 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

9. Professional advisors

- 9 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

- 9 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
- 9 3 The Administrators' have reviewed the fees incurred to date and are satisfied that they are reasonable in the circumstances of the case

10. Ending the administration

- 10 1 As the Administration has now run its course and the objective of the Administration has been achieved, in accordance with Rules 2 47 and 2 110 of the Insolvency Rules, this shall be the Administrators' final report in the Administration
- 10 2 The Administration converted to Liquidation on 23 July 2012 The aim of the Liquidation will be to agree creditors' claims and make a distribution to creditors



M J Wellard
Joint Administrator

Dated 31 July 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

RECEIPTS	From 30/09/2011 To 29/03/2012 (£)	From 30/03/2012 To 23/07/2012 (£)	Total (£)
Fixtures & Fittings	3,766 66	-	3,766 66
Stock	5,435 00	-	5,435 00
Leasehold Property - Piccadilly	250,000 00	-	250,000 00
Leasehold Property - Vigo Street	257,500 00	-	257,500 00
Furniture & Equipment	15,000 00	-	15,000 00
American Express funds	795 95	-	795 95
Cash at Bank	21,721 02	-	21,721 02
Rate Refund	8,620 52	14,638 35	23,258 87
Rent Deposit	134,871 03	-	134,871 03
Bank Interest Gross	334 10	245 13	579 23
Refund - Bunzl	-	1,548 28	1,548 28
Contribution to legal fees	3,000 00	-	3,000 00
VAT Payable	1,840 33	(1,840 33)	-
Vat Control Account float	34,371 58	(34,371 58)	-
	<u>737,256.19</u>	<u>(19,780.15)</u>	<u>717,476.04</u>
PAYMENTS			
Payroll services	655 00	-	655 00
Pre-appointment fees	25,962 00	-	25,962 00
Administrator's Fees	20,000 00	30,000 00	50,000 00
Pre-appointment disbursements	41 00	-	41 00
Accountancy fees	750 00	-	750 00
Agents Fees	124,673 00	4,391 50	129,064 50
Legal Fees (1)	30,305 80	-	30,305 80
Site Clearance	1,100 00	-	1,100 00
Storage Costs	1,293 11	25 50	1,318 61
Re-Direction of Mail	272 00	-	272 00
Statutory Advertising	153 00	-	153 00
Other Property Expenses	7,890 00	-	7,890 00
Bank Charges	15 00	-	15 00
Redundancy Payment Service	-	23,065 23	23,065 23
Employees Wage Arrears	-	9,910 40	9,910 40
Employees Holiday Pay	-	3,661 89	3,661 89
VAT Receivable	46,849 60	(29,328 51)	17,521 09
	<u>259,959.51</u>	<u>41,726.01</u>	<u>301,685.52</u>
Balance in Hand	<u>477,296.68</u>	<u>(61,506.16)</u>	<u>415,790.52</u>

Analysis of Liquidators' time costs for the period 03/09/2011 to 23/07/2012

Classification of work Function	Hours			Total Hours	Time Cost	Average Hourly Rate
	Partner	Manager	Administrator			
Charge - out rates	460	200 - 305	80-160			
2 Admin & Planning	4 00	1 30	6 40	11 70	2,990 00	255 56
3 Taxation	0 20	7 00	5 50	12 70	2,983 50	234 92
4 Investigations	2 10	0 70	10 20	13 00	2,607 50	200 58
5 Realisation of Assets	32 70	34 20	22 70	89 60	28,577 50	318 95
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	5 00	3 80	32 50	41 30	7,899 00	191 26
9 Reporting	5 40	4 40	10 30	20 10	5,268 00	262 09
10 Distributions			0 30	0 30	33 00	110 00
11 Cashiering		0 60	30 80	31 40	3,220 00	102 55
12 Statutory & Compliance	0 50	8 00	38 30	46 80	8,014 00	171 24
Total Hours	48 90	85 00	188 40	322 30	71,579 00	222 09
Total Time Costs (£)	22,631 50	24,007 50	24,940 00	71,579 00		
Average Hourly Rate by Grade	462 81	282 44	132 38	222 09		