



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 9 6 7 9 9 4 8

Company name in full Mr Lee's Pure Foods Co. Ltd

→ Filling in this form
Please complete in typescript or in
bold black capitals

2 Administrator's name

Full forename(s) James Andrew

Surname Saunders

3 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country

4 Administrator's name ①

Full forename(s) Robert John

Surname Armstrong

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number The Shard

Street 32 London Bridge Street

Post town London

County/Region


Postcode S E 1 9 S G

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6	Period of progress report																
From date	d	1	d	3	m	0	m	5	y	2	y	0	y	2	y	2	
To date	d	1	d	2	m	1	m	1	y	2	y	0	y	2	y	2	
7	Progress report																
<input checked="" type="checkbox"/> I attach a copy of the progress report																	
8	Sign and date																
Administrator's signature	Signature X  X																
Signature date	d	0	d	9	m	1	m	2	y	2	y	0	y	2	y	2	

AM10

Notice of administrator's progress report



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name Oliver Southwell

Company name Kroll Advisory Ltd

Address The Shard

32 London Bridge Street

Post town London

County/Region

Postcode

S E 1 9 S G

Country

DX

Telephone 0207 089 4700



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Progress Report to Creditors

8 December 2022

**Mr Lee's Pure Foods Co. Ltd
(In Administration)**

*Joint Administrators' Progress Report for the period from 13 May 2022 to
12 November 2022.*

Kroll Advisory Ltd.

The Shard
32 London Bridge Street
London SE1 9SG

Contents

1. Introduction	2
2. Creditor Summary	3
3. Progress of the Administration	4
4. Outcome for Creditors	8
5. Other Matters	9
6. Fees, Expenses and Pre-Administration Costs	9
7. Future Strategy	11

Appendices

Appendix 1 – Statutory Information	12
Appendix 2 – Approved Proposals	14
Appendix 3 – Receipts and Payments Account	16
Appendix 4 – Analysis of Expenses Incurred	17
Appendix 5 – Analysis of Time Charged	18
Appendix 6 – Narrative of Work Carried Out for the Reporting Period	19
Appendix 7 – Statement of Creditors' Rights	21
Appendix 8 – Definitions	22
Appendix 9 – Notice About This Report	24

1. Introduction

The Joint Administrators were appointed on 13 May 2022 by the Directors of the Company.

This progress report provides an update on the Administration of the Company.

The Joint Administrators have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

You will find other important information in this progress report, such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8.

Please also note that an important legal notice about this progress report to creditors is attached at Appendix 9.

2. Creditor Summary

This progress report covers the Reporting Period.

Summary of Proposals

- As previously advised, the Joint Administrators' Proposals for achieving the purpose of the Administration, namely achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), were approved by creditors on 21 July 2022 without modifications, by deemed consent.

Progress to Date

- As previously stated, the Company had minimal funds available at the Appointment Date. Coupled with high operating costs, it was therefore not viable to continue to trade the Company on a short-term basis, and its operations were suspended. The employees were briefly retained but in the absence of a purchaser on a going concern basis, it was necessary to make them redundant on 26 May 2022.
- The sales process for the assets of the Company has now concluded. The Joint Administrators have realised £25,795 in the Administration. More detail on this can be found in section 3.1.
- Together with realising the assets of the Company, the Joint Administrators must meet a number of statutory duties. One of these duties is to investigate the affairs of the Company prior to it entering Administration. The Joint Administrators have submitted their findings to BEIS. These Investigations remain confidential. More detail on this can be found in section 3.2.
- Furthermore, the Joint Administrators have spent time liaising with HMRC regarding the Company's tax positions for VAT, CT and PAYE/NL.

Outcome for Creditors

- The Company does not have a secured creditor.
- As anticipated, there are insufficient funds available to enable a distribution to Preferential Creditors.
- As anticipated, there are insufficient funds available to enable a distribution to unsecured creditors.

Please note, this progress report provides creditors with an account of the progress of the Administration of the Company in the Reporting Period. The Proposals issued to the Company's creditors are available to view on the Portal and paper copies can be provided free of charge by writing to Oliver.Southwell@Kroll.com. Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides an update on the Joint Administrators' strategy for the Administration and progress to date.

3.1 Strategy and Progress to Date

The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators, and will continue to be managed and financed, are set out below.

3.1.1 Initial Actions

Due to restrictions on funding, it was not possible to trade the business in the short term and the Joint Administrators looked to achieve a sale of the Company's business and/or assets. The employees were retained for a short period during the Administration, while the Joint Administrators sought to find a buyer for the business as a going concern. However, no such purchasers were identified and, as such, the employees were made redundant on 26 May 2022.

3.1.2 Sale of Assets

As no buyer was found to purchase the business as a going concern, the Joint Administrators sought a purchaser for the Company's assets.

A teaser document was prepared and circulated to 96 interested parties on 17 May 2022. These parties included those who were involved in the previous marketing process conducted by Kroll in August 2021, parties known to the Joint Administrators who have been interested in a business of this type and shareholders of the Company. The Joint Administrators also arranged for the opportunity to be advertised on IP-Bid, a website specialising in advertisements of distressed businesses, and on Kroll's own "Businesses for Sale" website. The IP-Bid advertisement resulted in a further 11 parties coming forward, whilst seven were provided with the teaser document upon making direct contact to the Joint Administrators or their staff.

In order to share relevant information with the interested parties, a data room was set up and to which access was provided upon receipt of a signed non-disclosure agreement. 15 parties signed non-disclosure agreements and were granted access to the data room.

Offers were received from four interested parties. Following negotiations with the interested parties and analysis of the offers, the decision was made to progress with the preferred bidder's offer as it represented the best outcome for the Company. The offer was for the majority of the Company's assets, including the shares in the US subsidiary.

However, having undertaken extensive and time-consuming due diligence, the preferred bidder fundamentally altered its offer, reducing the consideration and deferring part of it. In its amended form, the offer was unacceptable, and the Joint Administrators approached the previously unsuccessful bidders to determine whether improved terms could be negotiated.

As part of this exercise, the Joint Administrators instructed the Agents to value the business assets, stock and intellectual property. The valuation was prepared on two bases of market value, as follows:

- Ex situ, which is the market value of the assets in the scenario of a properly promoted, piecemeal private treaty and/or auction sale of the assets on a break-up basis.
- In situ, which is the market value of the assets on the assumption that they remain in place as part of a successor business.

This was to distinguish between the values of the assets to a successor business and on a break-up basis. The valuation can be summarised as follows:

Assets	In situ £	Ex situ £
Business Assets	2,800	1,000
Stock	42,500	7,000
Intellectual Property	12,850	12,850

It should be noted that the intellectual property valuation was prepared on a "liquidation value" basis. The value of the intellectual property was not thought to differ whether a sale formed part of a wider transaction as a going concern, or if it was on a break-up basis.

Having been approached again, two of the other interested parties chose to collaborate and formed the Purchaser as a special purpose vehicle to acquire certain assets, together with another investor. The assets acquired by the Purchaser and the consideration paid are detailed below:

Assets	Consideration Paid £
Plant & Machinery	2,249
Furniture & Equipment	750
Debtors	1
Stock	550
Intellectual Property	11,450
	<hr/> 15,000

The consideration was paid in full, upon completion on 28 September 2022. For the purposes of comparison to the valuation, the furniture & equipment can be considered to be the 'Business Assets'.

The stock sold to the Purchaser only consisted of cookbooks. The residual stock is discussed in section 3.2.3 below.

The plant & machinery was the sealing machine held by the co-packer. Whilst a formal valuation was not obtained, the Agent did approach the original dealer of the machine to see if they would purchase it back. The dealer offered £2,500. As such, given no disposal costs were incurred (and they would have been if the dealer's offer was accepted), the offer from the Purchaser was completed.

As previously disclosed, c. £14k was due from the manufacturer of the Company's products, in respect of the machine. Originally, the machine was acquired by the Company and was sold to the manufacturer, on the basis that the manufacturer would pay the debt at a rate of 1p per pot produced. The terms of the agreement between the Company and the manufacturer were such that title is retained by the Company until the debt is paid in full. The manufacturer had not paid the debt in full and this therefore meant that the machine was available to be sold in the Administration, as set out above. As the debt was intrinsically linked to the machine and had no separate realisable value, it was also sold to the Purchaser for £1. The residual debtors were retained and are discussed below in section 3.2.2 below.

The transaction is not a disposal to connected parties in accordance with SIP 13. However, it should be noted that there are connections between the Company and the Purchaser, namely:

- Christopher Fung is one of the Directors of the Company as well as a shareholder. He holds 7% of the shares of the Purchaser.
- Peter Tran resigned as a director of the Company on 26 October 2021 and is a shareholder. He holds 20% of the shares of the Purchaser.

3.2 Asset Realisations

Realisations during the Reporting Period are set out in the attached Receipts and Payments Account at Appendix 3.

Summaries of the most significant realisations are provided below:

3.2.1 Cash at Bank

According to the Directors' SoA, the Company held cash at bank totalling £6,990 with the Company's bank, Santander, and the Company's card provider, Pleo. On appointment, the Joint Administrators requested that these balances be remitted to the estate account.

During the Reporting Period, the Joint Administrators received the balances in full. No further realisations are anticipated in this regard.

3.2.2 Book Debts

According to the Directors' SoA and the Company's books and records, the outstanding debts (excluding the debt sold to the Purchaser) due to the Company totalled £13,836 as at the Appointment Date.

The Joint Administrators have analysed the debtor ledger and contacted the debtors, demanding payment. However, it was clear that many of the debts listed had already been paid to the Company and were therefore unrealisable.

During the Reporting Period, the Joint Administrators realised book debts (excluding the debt sold to the Purchaser) to a value of £804.

No further realisations are anticipated regarding the book debts.

3.2.3 Stock

in the Directors' SoA, the Company had stock with a book value of £61,320. The stock comprised a mixture of raw materials and finished products. A significant proportion of the overall stockholding had passed its best before end dates, which impacted the recoverable balance.

The stock was extensively marketed as part of the asset sale process, however, due to the age and the significant risk of ransom payments to storage facilities in order to release the items, the Purchaser did not wish to acquire it. Due to the costs of realising the stock on an ex-situ basis, it was not economically viable to do so, and the Joint Administrators have abandoned the residual stock.

3.2.4 Tax Refunds

The SoA details a VAT refund with a book value of £3,460. Furthermore, the Joint Administrators have been liaising with HMRC regarding a Corporation Tax refund. Discussions remain ongoing regarding the value of the refunds and HMRC's claim in the Administration, and therefore the realisable value of these refunds remains uncertain at this time.

A further update will be provided to creditors in the next progress report.

3.2.6 Investments and Inter-Company Debtors

The Company had two wholly owned subsidiaries, Mr Lee's Pure Foods USA, Inc and Mr Lee's Pure Foods Co Pty Limited, which are corporate entities incorporated in the USA and Australia respectively.

The Company's shareholding in Mr Lee's Pure Foods USA, Inc had a book value of £77. The Company funded this entity's losses and as such an intercompany debtor arose with a value of £1,539,653 at the Appointment Date.

Prior to the Appointment Date, the Company wrote down the value of its investment in the Australian entity (which had a book value of £59) and wrote off the balance due back to the Company (which totaled £1,351,031 as at the Appointment Date). Strike off action is in progress for this entity and no sums will be realised for the debt or for the shares.

The Joint Administrators considered the process of recovering the debt due from Mr Lee's Pure Foods USA, Inc in comparison to a sale of the Company's shares in that entity. Any purchaser of the entity was likely to require that the intercompany debtor balance was written off at the time of acquisition, hence the recovery of value for one asset precluded the recovery of the other. Based on the offers received and projections for the US entity, a sale of the shares with a write off of the debtor was considered to be the best outcome for the Company.

However, as set out in section 3.1, it was not possible to sell the shares despite an extensive marketing process. Mr Lee's Pure Foods USA, Inc has no funds available to return to the Company and, as such, no balance will be recovered for the debt or for the shares.

3.2.5 Investigations

The Joint Administrators reviewed the affairs of the Company to find out if there were any actions which could be taken against third parties to increase recoveries for creditors.

The Joint Administrators have a statutory obligation to file a report with BEIS concerning the conduct of all Directors of the Company that served in the three years prior to the Joint Administrators appointment. The Joint Administrators have filed their confidential report with BEIS regarding the conduct of the Directors of the Company.

If any creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please do so by writing to Oliver.Southwell@Kroll.com or Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London SE1 9SG.

3.3 Costs

Payments made in the Reporting Period are set out in the attached Receipts and Payments Account at Appendix 3. Creditors should refer to the expenses schedule at Appendix 4 for further details in relation to costs.

4. Outcome for Creditors

4.1 Secured Creditors

The Company has no secured creditor.

4.2 Preferential Creditors

The Preferential Creditors' claims consist of employee claims for arrears of pay and holiday pay, the majority of which are likely to be subrogated to the BEIS following payment to the employees by the RPS.

The RPS submitted a preferential claim totalling £10,380 on 30 July 2022 in respect of payments made to the Company's former employees.

Based on the current information available to the Joint Administrators, it is anticipated that there will be insufficient realisations to enable a distribution to the Preferential Creditors.

4.3 Unsecured Creditors

According to the Directors' SoA, unsecured creditors total £3,159,088 and claims received to date total £59,386.

Based on the current information available to the Joint Administrators, it is anticipated that there will be insufficient realisations to enable a distribution to the unsecured creditors of the Company.

4.4 Prescribed Part

The Company is not subject to any floating charges and therefore, the Prescribed Part provisions will not apply.

5. Other Matters

5.1 Creditors' Committee

A Creditors' Committee has not been established.

5.2 Joint Administrators' Receipts and Payments Account

Detailed Receipts and Payments Account for the period is shown in Appendix 3.

5.3 Statement of Creditors' Rights

Further information regarding the remuneration and expenses of the Joint Administrators, including creditors' rights to challenge such costs is provided at Appendix 7, Statement of Creditors' Rights.

6. Fees, Expenses and Pre-Administration Costs

6.1 Fees and Expenses

6.1.1 Time Costs

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 5.

The Joint Administrators remuneration was fixed by reference to time properly given by them and their staff and a fee estimate of £100,035 was approved by creditors on 21 July 2022.

Time costs incurred in the Reporting Period total £120,096, which represents 309 hours at an average hourly rate of £389.

Despite the time costs for the Reporting Period exceeding the time costs estimate provided in the Proposals, the Joint Administrators will not be providing a new time fee estimate as there are insufficient realisations to enable the Joint Administrators to draw fees above the initial estimate.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

6.1.2 Fees

No fees have been drawn in the Reporting Period.

Based upon realisations to date, the Joint Administrators expect to draw remuneration of £11,621. This is £88,414 below the agreed fee estimate. However, if the Corporation Tax refund referred to in section 3.2.4 is received, this will materially impact the funds available to be drawn as remuneration.

6.1.3 Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration.

Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1) and those that do (Category 2).

Category 1 Expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.

Category 2 Expenses are payments to associates or which have an element of shared costs and require approval from creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.

In the Proposals, The Joint Administrators provided an estimate of expenses for the Administration, totalling £11,807. This was for information purposes only and could possibly change over the course of the Administration.

The Joint Administrators do not currently anticipate exceeding the estimate of expenses.

Appendix 4 details the current update of the expenses estimate.

Appendix 4 also details the expenses incurred and paid for the Reporting Period.

In the Reporting Period, Category 1 Expenses of £6,625 were paid and a further £2,670 were Incurred but not yet paid. In the same period, Category 2 Expenses incurred totalled £188, which are yet to be paid.

6.1.4 Additional Information

Also attached at Appendix 6 is a narrative summary of the work carried out to assist creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to creditors.

Details of how to obtain further information relating to the fees and expenses of the Joint Administrators is set out in Appendix 7.

6.2 Pre-Administration Costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner before the Company entered Administration but with a view to it doing so.

Pre-Administration Costs	Paid	Unpaid	Total
Kroll fees	£0.00	£5,876.50	£5,876.50
Legal fees	£1,378.50	£0.00	£1,378.50
Total	£1,378.50	£5,876.50	£7,255.00

On 21 July 2022, the Pre-Administration costs were approved by the creditors via correspondence, to be paid out of the assets of the Company.

7. Future Strategy

7.1 Future Conduct of the Administration

The Joint Administrators will continue to manage the affairs, the business and the property of the Company in order to achieve the purpose of the Administration. This will include but not be limited to:

- Paying outstanding costs of the Administration;
- Producing the final report to creditors;
- Moving the Company into dissolution; and
- Dealing with other statutory matters and duties including accounting for VAT and completing Corporation Tax returns.

7.2 Future Reporting

It is expected the Administration will end prior to the anniversary and therefore the Joint Administrators' next report will be their final report. However, in the event the Administration is not closed within the next six months, creditors' approval to an extension would be sought and a further progress report would be issued within one month of 12 May 2023.

If you require further information or assistance, please do not hesitate to contact Oliver Southwell at Oliver.Southwell@kroll.com.

Yours faithfully
For and on behalf of
Mr Lee's Pure Foods Co. Ltd



James Saunders
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, James Saunders and Robert Armstrong, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory Information

Company information		
Company and trading name	Mr Lee's Pure Foods Co. Ltd	
Date of incorporation	10 July 2015	
Registered Number	09679948	
Company Directors and Shareholdings	Mr Christopher Fung – 383,322 Ordinary Shares Mr Stephen Moss - 1,728,201 Ordinary Shares Dr Batholomew Sayle - 1,059,222 Ordinary Shares Venture Development Partners Ltd – Mr Graeme Hossie is a beneficial owner of Venture Development Partners Ltd and he owns 3,265,505 ordinary shares in the Company	
Trading address	Suite 1, 99 Holdenhurst Road, Bournemouth, BH8 8DY	
Registered office	Current: The Shard 32 London Bridge Street London SE1 9SG	Former: 3 Durrant Road Bournemouth Dorset BH2 6NE
Any Other trading names	Mr Lee’s Noodles	
Administration information		
Administration Appointment	The Administration appointment granted in High Court of Justice, Business and Property Courts of England and Wales, Company & Insolvency List 1412 of 2022	
Appointor	Directors	
Date of Appointment	13 May 2022	
Joint Administrators	James Saunders and Robert Armstrong	
Original purpose	Achieving a better result for the Company’s creditors as a whole than would be likely if the Company were wound up (without first being in Administration)	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	12 May 2023	

Prescribed Part

The Prescribed Part is not applicable in this case.

Application of EC Regulations

These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

The following proposals were approved by creditors on 21 July 2021 without modifications:

General

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;
- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's creditors; and
- Seek an extension to the Administration period if considered necessary.

Distributions

- To make distributions to the preferential creditors where funds allow; and
- To make distributions to the unsecured creditors where funds allow;

End of Administration

That the Joint Administrators might use any or a combination of the following exit route strategies in order to bring the Administration to an end:

- Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
- Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently James Saunders and Robert Armstrong of Kroll would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The Creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently James Saunders and Robert Armstrong of Kroll would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to Creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them; and

- Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies because (1) the Company has no remaining property which might permit a distribution to its Creditors, and (2) all outstanding matters have been satisfactorily completed.

Alternatively, the Joint Administrators may allow the Administration to end automatically.

Appendix 3 – Receipts and Payments Account

Mr Lee's Pure Foods Co. Ltd (In Administration)

Joint Administrators' Receipts & Payment Account for the Reporting Period

Statement of Affairs**For the Period 13 May 2022****Estimated to Realise****to 12 November 2022****(£)****(£)****Asset Realisations**

2,249	Plant & Machinery	2,249.00
750	Furniture & Equipment	750.00
550	Stock	550.00
805	Debtors	805.48
6,990	Cash at Bank	6,990.44
11,450	Intellectual Property	11,450.00
	Bank Interest Gross	0.07
22,794		22,794.99

Cost of Realisations

IT Costs	1,371.46
Data Room Costs	598.00
Agents/Valuers Fees	3,000.00
Legal Fees	1,426.50
Legal Fees pre Insolvency	1,328.50
Legal Disbursements pre Insolvency	50.00
Stationery & Postage	125.85
Statutory Advertising	103.50
	(8,003.81)

14,791.18

Represented By

Floating / Main Current Account	16,322.16
VAT Receivable / (Payable)	(1,530.98)
Total	14,791.18

Appendix 4 – Analysis of Expenses Incurred

Mr Lee's Pure Foods Co. Ltd (In Administration)

Joint Administrators' Expenses for the Reporting Period

Notes	Company	Type of Expense	Activity	Fee Basis	Amount Paid (£)	Amount Incurred (£)	Anticipated Total Cost (£)	Proposals Expenses Estimate (£)
1	Category 1 Expenses							
2	Professional Advisors							
3	Bermans	Legal Fees	Solicitors - Assistance with ad-hoc legal matters in the Administration	Time Costs	1,426.50	1,426.50	1,426.50	2,500.00
4	LB Group	Tax Agents Fees	Preparation of corporation tax returns and ad-hoc accountancy advice	Time Costs	0.00	0.00	800.00	1,000.00
5	Hilco Global	Valuation Agents	Valuation of the Company's Assets	Time Costs	3,000.00	4,500.00	4,500.00	4,500.00
6	AUA Insolvency Risk Services Limited	Insurance Fees	Insuring the Company's assets	As incurred	0.00	674.54	674.54	1,000.00
	Other Expenses							
7	Total Data Management	Storage	Collection and storage of the Company's books and records	As incurred	0.00	0.00	0.00	500.00
8	Courts Advertising	Statutory Advertising	Statutory advertising required by Insolvency Legislation	Fixed Fee	103.50	103.50	103.50	99.45
9	Accurate Mailing	Mailing	Stationery and Postage	As incurred	125.85	125.85	125.85	250.00
10	Ansarada Data Room	Sale of Business	Data room host for Sale of Business purposes	As incurred	598.00	598.00	1,196.00	458.00
11	Data City Computers Ltd	IT Backups	Taking electronic backups of the Company's systems	As incurred	1,371.46	1,371.46	1,371.46	600.00
12	IP Bid Ltd	Advertising	Advertisement of the sale of the business	As incurred	0.00	245.00	245.00	245.00
13	Royal Mail	Mailing	Mail redirection	Fixed Fee	0.00	0.00	0.00	216.00
14	Bordereau	AON UK Ltd	Bond premium	Fixed Fee	0.00	225.00	225.00	225.00
	Company Searches	Co Registrations Online	Winding up searches	As incurred	0.00	5.70	5.70	5.70
	Parking			As incurred	0.00	10.67	10.67	10.67
	Subsistence			As incurred	0.00	8.97	8.97	8.97
	Total Category 1 Expenses				6,625.31	9,295.19	10,693.19	11,618.79
15	Category 2 Expenses							
	Mileage	Travel to Company Premises		As incurred	0.00	188.10	188.10	188.10
	Total Category 2 Expenses				0.00	188.10	188.10	188.10
	Total Expenses				6,625.31	9,483.29	10,881.29	11,806.89

Notes to Expenses Schedule

- Category 1 Expenses are payments to independent third parties where there is specific expenditure directly referable to the Administration.
- The Joint Administrators' choice of professional advisors is based on their perception of the experience and ability of the respective firms / individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.
- Legal advice and disbursements for the provision of legal advice during the Administration including in relation to the sale of the Company's assets.
- The Joint Administrators will instruct accountants to prepare Corporation Tax returns required to be submitted in the Administration.
- The Joint Administrators have instructed specialist valuation agents to value the Company's assets.
- AUA Insolvency Risk Services Limited have been instructed to insure the Company's assets. The premium has not yet been confirmed, so this is an estimate of the cost.
- Storage of Statutory Books & Records as per the Insolvency legislation. It is unclear at this stage how much material will need to be stored.
- Statutory advertising of the Notice of Appointment in the London Gazette as required under insolvency legislation. At this stage, no further advertisements are considered necessary or are likely to be.
- It is usually more cost effective to employ an external agent to print and mail circulars to creditors and members, as required by statute.
- Cost of online data room host for sale of business purposes.
- As part of their investigative duties pursuant to SIP 2, the Joint Administrators arranged for a backup of the Company's electronic systems to be taken.
- IP-Bid.com is a website on which Insolvency Practitioners advertise distressed business and assets for sale. This allowed wider exposure of the opportunity to acquire the Company's assets.
- As the Company has vacated its trading premises, a mail redirection has been put in place to deliver the Company's post to the Joint Administrators' office.
- It is a statutory requirement for insolvency practitioners to have a bond on each case to which they are appointed. The cost is based on the value of the assets.
- Category 2 Expenses are costs that are payments to associates of the Joint Administrators or where there is an element of shared costs. All Category 2 expenses need approval before payment from the Administration estate.
A party is an associate where a reasonable and informed third party might consider there would be an association. Kroll, being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Joint Administrators.
The total anticipated expenses is an estimate based on information available at the commencement of the Administration. The above estimate should therefore be treated with caution as matters may change over the life of the Administration.

Appendix 5 – Analysis of Time Charged

Mr Lee's Pure Foods Co. Ltd (In Administration)

Analysis of Joint Administrators' Time Costs for the Reporting Period

Classification of Work Function	Managing Director	Manager	Senior	Hours	Total Hours	Time Cost £	Avg Hourly Rate
				Assistant			
Administration & Planning							
Case Review & Case Diary Management	0.00	1.40	0.00	9.20	10.60	2,521.00	237.83
Cashiering & Accounting	0.00	4.80	0.00	15.10	19.90	5,709.50	286.91
Dealings with Directors & Management	0.00	2.90	0.00	6.30	9.20	2,748.50	298.75
IPS set up & Maintenance	0.00	0.00	0.00	5.60	5.60	1,128.00	201.43
Insurance	0.00	0.80	0.00	0.00	0.80	356.00	445.00
Statement of Affairs	0.00	4.10	0.00	0.70	4.80	2,042.50	425.52
Statutory Matters (Meetings, Reports & Notices)	0.00	7.90	3.80	16.00	27.70	8,733.50	315.29
Strategy Planning & Control	1.30	18.10	0.00	5.80	25.20	13,089.50	519.42
Tax Compliance & Planning	0.00	0.50	0.00	2.80	3.30	956.50	289.85
					107.10	37,285.00	348.13
Creditors							
Dealings with Creditors & Employees	0.00	11.80	0.00	33.70	45.50	12,503.00	274.79
Non Pref Creditors & Employee Claims Handling	0.00	0.00	0.00	4.50	4.50	900.00	200.00
					50.00	13,403.00	268.06
Investigation							
CDDA Reports & Communication	0.00	4.30	0.00	7.60	11.90	3,929.50	330.21
Financial Review & Investigations (S238/239)	0.00	3.00	0.00	3.60	6.60	1,911.00	289.55
					18.50	5,840.50	315.70
Realisation of Assets							
Book Debts	0.00	1.10	0.00	8.00	9.10	2,795.50	307.20
Freehold & Leasehold Property	0.00	0.40	0.00	0.00	0.40	178.00	445.00
Goodwill & Intellectual Property Rights	0.00	0.60	0.00	2.00	2.60	827.00	318.08
Other Intangible Assets	0.30	2.70	0.00	0.00	3.00	1,638.50	546.17
Other Tangible Assets	0.00	2.40	0.00	1.40	3.80	1,460.00	384.21
Plant & Machinery & Fixtures & Motor Vehicles	0.00	0.20	0.00	0.00	0.20	89.00	445.00
Sale of Business	1.90	109.20	0.00	2.30	113.40	56,157.00	495.21
Stock & Work In Progress	0.00	0.80	0.00	0.00	0.80	422.00	527.50
					133.30	63,567.00	476.87
Total Hours:	3.50	177.00	3.80	124.60	308.90		388.78
Total Fees Claimed: £	2,275.00	89,272.50	1,444.00	27,104.00		120,095.50	

Appendix 6 – Narrative of Work Carried Out for the Reporting Period

SIP 9 narrative for the Reporting Period

Administration and Planning	<ul style="list-style-type: none">• Monitoring and reviewing the Administration strategy;• Briefing staff on the Administration strategy and matters in relation to workstreams;• Regular case management and reviewing of process including regular team update meetings and calls;• Reviewing and authorising junior staff correspondence and other work;• Dealing with queries arising during the appointment;• Reviewing matters affecting the outcome of the Administration;• Allocating and managing staff/ case resourcing and budgeting exercises and reviews;• Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters;• Complying with internal filing and information recording practices, including documenting strategy decisions; and• Arranging insurance for the Company's assets with the insurance providers.
Creditors	<ul style="list-style-type: none">• Updating the list of unsecured creditors;• Responding to enquiries from creditors regarding the Administration and submission of their claims and;• Reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records.
Investigations	<ul style="list-style-type: none">• Managing and reviewing the Company books and records;• Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;• Obtaining records from third parties;• Enquiring with counterparties who has raised disputes against the Company;• Reviewing pre-appointment transactions; and• Documenting investigations.
Statutory and Compliance	<ul style="list-style-type: none">• Ensuring compliance with all statutory obligations within the relevant timescales;• Drafting and publishing the Statement of Proposals;• Uploading information to the creditors' portal;• Drafting this progress report;• Running decision procedures;• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9;• Monitoring the fees estimate; and

- Monitoring the expenses estimate.
- Cashiering
- Preparing statutory receipts and payments accounts; and
 - Renewing bonding and complying with statutory requirements;
- Asset Realisations
- Collating information from the Company's records regarding assets;
 - Liaising with agents regarding the valuation of assets;
 - Reviewing outstanding debtors and management of debt collection strategy;
 - Conducting the sale process for the Company's assets;
 - Communicating with landlords regarding rent, property occupation and other property issues;
 - Liaising with third parties regarding costs incurred;
 - Reviewing and agreeing invoices;
 - Reviewing costs incurred to ensure recorded accurately; and
 - Arranging payments to agents and solicitors in a timely manner.
- Tax
- Analysing and considering the tax effects of asset sales;
 - Working on tax returns relating to the periods affected by the Administrator;
 - Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
 - Dealing with post appointment tax compliance.

Appendix 7 – Statement of Creditors' Rights

Rule numbers refer to *Insolvency (England & Wales) Rules 2016 (as amended)*

Section or paragraph numbers refer to *Insolvency Act 1986*

If you require a copy of any relevant rule or section, please contact Oliver Southwell at Oliver.Southwell@kroll.com.

Information for Creditors on Remuneration and Expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of the expenses policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Creditor's Guide to Insolvency Practitioner Fees". This can be viewed and downloaded from the website at:

<https://www.kroll.com/-/media/kroll-uk/pdfs/creditor-guides-and-employee-fact-sheets/administration-a-guide-for-creditors-kroll.pdf>

Should you require a copy, please contact this office.

Creditors' Requests for Further Information

If you would like to request more information about the Joint Administrators' remuneration and expenses disclosed in this progress report, you must do so in writing within 21 days of receiving this progress report.

Requests from unsecured creditors must be made with the concurrence of at least 5% in value of unsecured creditors (including, the unsecured creditor making the request) or with the permission of the Court.

Creditors' Right to Challenge Our Remuneration and Expenses

If you wish to challenge the basis of the Joint Administrators' remuneration, the remuneration charged, or the expenses incurred during the period covered by this progress report, you must do so by making an application to Court within eight weeks of receiving this progress report.

Applications are by unsecured creditors (including the unsecured creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Oliver Southwell at The Shard, 32 London Bridge Street, London, SE1 9SG.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	Hilco Appraisal Ltd, independent agents who were instructed to value certain assets of the Company
the Appointment Date	13 May 2022, being the date of appointment of the Joint Administrators
the Bank	Santander Plc, with whom the Company banked
BEIS	Department for Business, Energy & Industrial Strategy
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
the Company	Mr Lee's Pure Foods Co. Ltd (In Administration) (Company Number: 09679948)
the Directors	Mr Christopher Fung, Mr Stephen Moss, Dr Batholomew Sayle and Venture Development Partners Ltd, the directors of the Company at the Appointment Date
EC Regulation	EC Regulation on Insolvency Proceedings 2000
HMRC	HM Revenue and Customs
the Joint Administrators	James Saunders of Kroll, The Chancery, 58 Spring Gardens, Manchester, M2 1EW and Robert Armstrong of Kroll
Kroll	Kroll Advisory Ltd., The Shard, 32 London Bridge Street, London SE1 9SG
Preferential Creditors	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full.

Word or Phrase	Definition
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to unsecured creditors
the Proposals	The Joint Administrators Statement of Proposals dated 7 July 2022
the Purchaser	RCP Brands Limited
the Reporting Period	the period 13 May 2022 to 12 November 2022
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and expenses
SoA	Statement of Affairs, documentation supplied by the Director outlining the Company's financial position as at the Appointment Date

Appendix 9 – Notice About This Report

This report has been prepared by James Saunders and Robert Armstrong, the Joint Administrators of the Company, solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of any financial interest in the Company or any other company in the same group.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

James Saunders and Robert Armstrong are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Kroll Advisory Ltd does not assume any responsibility and will not accept any liability to any person in respect of this progress report or the conduct of the Administration.