

Private and Confidential

To All Known Creditors

Our ref

Date

11 March 2022

Dear Sir/Madam

InfraRed UK Lion Limited Partnership (“the Partnership”) (in Administration)**In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD), Numbers: 002168 of 2021**

We write further to our appointment as joint administrators of the Partnership on 22 November 2021. As you will be aware, we issued our statement of proposals to creditors on 13 January 2022. Within these proposals we explained how we expect the purpose of the Administration to be achieved.

Our proposals also explained that we would need to seek approval from the relevant class of creditors to the basis of our remuneration for acting as joint administrators and for approval for the unpaid pre-administration costs to be paid as an expense of the Administration. In this case, approval is required from a voting majority of the Partnership’s unsecured creditors.

You have received this letter as our records indicate that you are an unsecured creditor of the Partnership. If you wish to vote on this matter, please read this document carefully and follow the instructions below in order to register your vote.

Decisions for Creditors

We are seeking approval from the Partnership’s creditors to the following three resolutions:

1. THAT the joint administrators’ fees will be charged by reference to the time properly spent by them and their staff in dealing with matters relating to the Administration, such time to be charged at the hourly charge out rates of the grades of staff undertaking the work at the time the work is undertaken and subject to the fees estimate, all of which was set out in Appendix E of the joint administrators’ proposals, a copy of which is enclosed with this letter at Appendix IV.
2. THAT the unpaid pre-Administration costs be paid as an expense of the Administration. As set out in Appendix D of the joint administrators’ proposals (a copy of which is at Appendix IV of this letter), these consist of legal expenses totaling £55,203.40 incurred in relation to the provision of advice and the drafting of legal documents specific to the appointment of the joint administrators, including post-administration contractual arrangements to enable the continued operation of the Eastgate Shopping Centre.
3. THAT the joint administrators’ be discharged from liability in respect of any action of theirs as joint administrators of the Partnership in accordance with Paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, with effect from the date that their appointment as joint administrators ceases to have effect.

Additional Information

The following documents are enclosed with this letter:

- Appendix I Notice of decision(s) for which approval is sought;
- Appendix II Voting Form;
- Appendix III Proof of debt form;
- Appendix IV A copy of Appendix D and Appendix E of the Joint Administrators' proposals which sets out further relevant information in relation to the above resolutions.
- Appendix V Notice of invitation to form a Creditors' Committee
- Appendix VI A receipts and payments account
- Appendix VI An extract of the Joint Administrators proposals summarising the estimated outcome for the various classes of creditors

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>.

Details about how an office holder's fees may be approved for each case type are available in a series of Guidance Notes issued with Statement of Insolvency Practice 9, and they can be accessed at www.fticonsulting.com/emea/cip/forms-and-information.

Please note that InfraRed UK Lion GP Limited, InfraRed UK Lion Nominee 1 Limited and InfraRed UK Lion Nominee 2 Limited were also placed into Administration and in relation to our remuneration for acting as joint administrators of those entities, only secured creditor approval is required. We have written to the secured creditor under separate cover with regard to this.

Voting Procedure

We are seeking the above decisions of creditors by correspondence. If you wish to vote, you must complete and return the enclosed notice of decision by correspondence to us by no later than 23:59 on 12 April 2022 (the decision date). If you have not already submitted a proof of debt, please complete the enclosed form and return it to us, together with the relevant supporting documentation. Your vote on the resolutions will not count unless you have lodged a proof of debt by no later than 23:59 on 12 April 2022.

Please note that we must receive at least one vote by the decision date or the decision will not be made and an application to court may be necessary. We would therefore urge you to respond promptly.

Whilst we are not proposing that a creditors' committee be formed, insolvency legislation requires that you are invited to determine whether to form a committee at this time, and therefore a notice of invitation to form a creditors' committee and further instructions are enclosed. To enable you to make an informed decision as to whether you wish to either seek to form a committee, or to nominate yourself to serve on a committee, further information about the role of the committee and what might be expected from its members has been prepared by R3 and can be found at the following link <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditorguides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available online, they should contact the Joint Administrators' staff at IRUKLion@fticonsulting.com, or by phone on 020 7269 9391.

Yours faithfully
For and on behalf of the Company



Ali Khaki
JOINT ADMINISTRATOR

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan of FTI Consulting LLP ("FTI") were appointed as Joint Administrators (the "Joint Administrators") of InfraRed UK Lion Nominee 1 Limited, InfraRed UK Lion Nominee 2 Limited and InfraRed UK Lion Limited Partnership on 22 November 2021 and InfraRed UK Lion GP Limited on 23 November 2021.

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

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

Appendix I – Notice of decision for which approval is sought

Notice of decision by correspondence

InfraRed UK Lion Limited Partnership – In Administration

In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies
List (ChD) - CR-2021-002168

(Partnership Number LP015850)

Notice is given by Ali Khaki, Andrew Johnson and Matthew Callaghan to the creditors of InfraRed UK Lion Limited Partnership that set out below are decisions for your consideration under Rule 15.8 of the Insolvency (England and Wales) Rules 2016. Please complete the voting section on the attached Voting Form indicating whether you are in favour or against each of the following resolutions:

Resolutions
1. THAT the joint administrators' fees will be charged by reference to the time properly spent by them and their staff in dealing with matters relating to the Administration, such time to be charged at the hourly charge out rates of the grades of staff undertaking the work at the time the work is undertaken and subject to the fees estimate, all of which was set out in Appendix E of the joint administrators' proposals, a copy of which is enclosed with this letter at Appendix IV.
2. THAT the unpaid pre-Administration costs be paid as an expense of the Administration. As set out in Appendix D of the joint administrators' proposals (a copy of which is at Appendix IV of this letter), these consist of legal expenses totaling £55,203.40 incurred in relation to the provision of advice and the drafting of legal documents specific to the appointment of the joint administrators, including post-administration contractual arrangements to enable the continued operation of the Eastgate Shopping Centre.
3. THAT the joint administrators' be discharged from liability in respect of any action of theirs as joint administrators of the Partnership in accordance with Paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, with effect from the date that their appointment as joint administrators ceases to have effect.

The final date for votes is 12 April 2022, the decision date.

1. In order for their votes to be counted, creditors must submit to us their completed voting form so that it is received at InfraRed Lion Group, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD by no later than 23:59 hours on 12 April 2022. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
3. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decisions provided they have lodged proof of their debt.
4. Creditors may, within five business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decisions above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."
5. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of The Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying

to Court under Rule 15.35 of The Insolvency (England and Wales) Rules 2016 within 21 days of the decision date.

Creditors requiring further information regarding the above, should either contact us at InfraRed Lion Group, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD, or contact the Joint Administrators' staff at IRUKLion@fticonsulting.com, or by phone on 020 7269 9391.

DATED THIS 11th DAY OF MARCH 2022



Ali Khaki
JOINT ADMINISTRATOR

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan of FTI Consulting LLP ("FTI") were appointed as Joint Administrators (the "Joint Administrators") of InfraRed UK Lion Nominee 1 Limited, InfraRed UK Lion Nominee 2 Limited and InfraRed UK Lion Limited Partnership on 22 November 2021 and InfraRed UK Lion GP Limited on 23 November 2021.

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

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

Appendix II – Notice of decision for which approval is sought

InfraRed UK Lion Limited Partnership – In Administration

**In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies
List (ChD) - CR-2021-002168**

(Partnership Number LP015850)

Voting on Decisions

** delete as appropriate*

Resolution	For / Against *
1. That the joint administrators’ fees will be charged by reference to the time properly spent by them and their staff in dealing with matters relating to the Administration, such time to be charged at the hourly charge out rates of the grades of staff undertaking the work at the time the work is undertaken and subject to the fees estimate, all of which was set out in Appendix E of the joint administrators’ proposals, a copy of which is enclosed with this letter at Appendix IV.	For / Against
2. That the unpaid pre-Administration costs be paid as an expense of the Administration. As set out in Appendix D of the joint administrators’ proposals (a copy of which is at Appendix IV of this letter), these consist of legal expenses totaling £55,203.40 incurred in relation to the provision of advice and the drafting of legal documents specific to the appointment of the joint administrators, including post-administration contractual arrangements to enable the continued operation of the Eastgate Shopping Centre.	For / Against
3. That the joint administrators’ be discharged from liability in respect of any action of theirs as joint administrators of the Partnership in accordance with Paragraph 98(2)(b) of Schedule B1 to the Insolvency Act 1986, with effect from the date that their appointment as joint administrators ceases to have effect.	For / Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____
 (Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: _____

Date: _____

Appendix III – Proof of Debt form

Rule 14.4 The Insolvency (England and Wales) Rules 2016

Proof of Debt – General Form

IN THE

HIGH COURT OF JUSTICE BUSINESS AND PROPERTY COURTS OF ENGLAND
AND WALES INSOLVENCY AND COMPANIES LIST

Company Name	Company Number	Court Reference Number (of 2021)	Appointment Date
InfraRed UK Lion Limited Partnership	LP015850	CR-2021-002168	22 November 2021

1 Name of creditor

(If a company, please also provide the company registration number).

2 Correspondence address of creditor (including any email address)

3 Total amount of claim (£)

(include any Value Added Tax)

5 Details of how and when the debt was incurred.

(If you need more space, attach a continuation sheet to this form)

6 Details of any security held, the value of the security and the date it was given.

7 Details of any reservation of title claimed in respect of goods supplied to which the debt relates.

8 Details of any document by reference to which the debt can be substantiated

9 Signature of creditor
(or person authorised to act on the creditor's behalf)

10 Address of person signing if different from 2 above

11 Name in BLOCK LETTERS:

12 Position with, or relation to, creditor

13 Date of signature

14 Bank account details (for dividend purposes), including Sort Code and Account Number if UK account

Notes:

1. This form can be authenticated for submission by email by entering your name in block capitals and sending the form as an attachment from an email address which clearly identifies you or has been previously notified to the office holder. If completing on behalf of a company, please state your relationship to the company.

Please submit this form along with supporting documentation by email to IRUKLion@fticonsulting.com or by post at:

**InfraRed UK Lion Limited Partnership (in Administration)
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London EC1A 4HD**

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan of FTI Consulting LLP ("FTI") were appointed as Joint Administrators (the "Joint Administrators") of InfraRed UK Lion Nominee 1 Limited, InfraRed UK Lion Nominee 2 Limited and InfraRed UK Lion Limited Partnership on 22 November 2021 and InfraRed UK Lion GP Limited on 23 November 2021.

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

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

*The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

Appendix IV – Appendix D and Appendix E of the Joint Administrators’ proposals

Appendix D: Statement of Pre-Administration Costs

The payment of unpaid pre-administration costs as an expense of the Administration is subject to approval under Rule 3.52 IR16 and does not form part of our Proposals subject to approval under Paragraph 53 of Schedule B1.

The table below provides details of costs incurred prior to our appointment but with a view to the Companies entering Administration.

£	Unpaid	Paid	Paid by
Our fees as administrators-in-waiting	-	185,000.00	IRUK LP
Expenses incurred by us as administrators-in-waiting	55,203.40	25,000.00	IRUK LP
Total	55,203.40	210,000.00	

FTI Consulting

FTI was engaged by the Secured Lender on 9 July 2021 to refresh a review performed in the previous year, but with a greater focus on insolvency options. The pre-Administration costs incurred from 27 September 2021 principally relate to the following work:

- Developing and refining a detailed planning programme, including commercial discussions with the property managers (Munroe K) and asset managers (Sovereign Centros) to establish post-appointment contractual arrangements.
- Undertaking further diligence and planning in relation to key contracts, tax, BTCM and Health and Safety procedures.
- Understanding the Companies’ banking and funding flows, and establishing a post-administration funding agreement including drawdown mechanisms.
- Drafting a communications strategy and associated documents.
- Completing the necessary statutory planning to place the Companies into Administration.
- Understanding and assessing the current position in respect of property planning application issues for progression post-appointment.

BCLP

BCLP was engaged by FTI on 22 October 2021 to undertake a security review to ensure the validity of our appointment and confirm the extent of security over the Companies’ assets. BCLP also drafted the funding agreement between the Secured Lender and the joint administrators.

BCLP's costs of £25,000 plus VAT were paid by IRUK LP prior to appointment.

Stephenson Harwood

Stephen Harwood were engaged by the proposed administrators on 10 November 2021, to undertake the following work:

- Advising the proposed administrators on the Administration appointments. Reviewing and amending appointment documentation.
- Advising the proposed administrators regarding the continuance of certain supplier contracts, including the Property Managers' and Asset Managers' contracts.
- Drafting the revised Property Management and Asset Management agreements.
- Providing insolvency advice specific to a Limited Partnership.

Fees of £55,203.40 plus VAT and disbursements were unpaid as at the date of Administration and will be paid as an expense of the estate, subject to obtaining the approval of IRUK LP's creditors in due course.

To the best of our knowledge, no pre-Administration costs were incurred by any other persons qualified to act as an insolvency practitioner.

Appendix E: Post-Appointment Time Costs and Expenses

Requirement for Fee Approval

When a company enters a formal insolvency process under the control of an insolvency practitioner, the costs of the proceedings are paid out of the assets of the company and include the insolvency practitioners' fees and expenses.

We must seek approval to the basis of our fees and certain categories of expenses before they are paid. Approval must be sought from the appropriate class(es) of creditors or the Court, as determined by insolvency law and the circumstances of the case.

Where a creditors' committee is appointed it will be for them to fix the basis of our fees and Category 2 expenses. Where there is no committee appointed, the relevant class of creditors to give such determination is as follows:

- For IRUK LP, the creditors of the Partnership (because we have said that a dividend for unsecured creditors might become available); and
- For the other three companies, the Secured Creditor (because we have said that there are insufficient funds for a distribution to be made to unsecured creditors).

Information provided in this Report

We have set out the proposed basis for our remuneration and how this will be funded, together with details of the expenses expected to be incurred.

We refer you to earlier sections of these Proposals for details of the key areas of work we expect to do as joint administrators. Further details are included later in this Appendix E.

This Remuneration Report should be read in conjunction with the remainder of the Proposals.

Action required by Creditors

Please read this report carefully and contact us if you have any questions regarding the approval of our remuneration or in connection with the Administration generally, or if you would like hard copies of any of the documents made available online.

As explained earlier, in the circumstances of these Administrations and if no creditors' committee is formed, the basis of our remuneration and certain categories of disbursements will be determined by the Companies' creditors.

However, we are not seeking fee approval at this time. We will contact creditors on this matter in due course.

Other Fee Disclosures

Information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at www.creditorinsolvencyguide.co.uk/.

Details about how administrators' fees may be approved are provided in a 'Guide to Administrators Fees April 2021 England & Wales', which can be found online at: www.fticonsulting.com/emea/cip/forms-and-information.

There are no business or personal relationships with parties responsible for approving our remuneration or who provide services where the relationship could give rise to a conflict of interest.

We are proposing that our remuneration for acting as joint administrators is to be on a time cost basis for IRUK LP and a set (fixed) amount for the other companies, the latter of which will be funded by the Secured Creditor.

Insolvency Legislation

Insolvency law allows fees to be calculated in the three ways set out below. Different bases (or a combination of them) can be used for different parts of the work.

- As a percentage of the value of the property realised and/or distributed (often referred to as a “percentage basis”).
- By reference to the time properly given by the office-holders and their staff in attending to the matters arising (“time cost basis”); or
- A set amount (a fixed fee).

The office-holders must seek approval to the proposed basis (or combination of bases) and provide sufficient supporting information in order for the fee approving body to decide whether it represents the most appropriate mechanism in the circumstances of the case. This information must include details of the expenses the office-holders consider will be (or are likely to be) incurred and the work the office-holders propose to undertake.

Insolvency law says that in determining the basis of remuneration, regard must be had to the following:

- The complexity (or otherwise) of the case;
- Any exceptional responsibility falling on the office-holders;
- The effectiveness with which the office-holders are carrying out, or have carried out, their duties; and
- The value and nature of the property with which the office-holders have to deal.
- If any part of the remuneration is intended to be taken on a time cost basis, the office-holders must also provide a fees estimate to all creditors, containing:
 - the hourly charge-out rate(s) proposed for each part of that work;
 - the time the office-holders anticipate each part of that work will take; and
 - whether (and if so, why) the office-holders anticipate that it will be necessary to seek further approval to exceed the fee estimate.

Proposed Basis of Remuneration

As noted earlier, the majority of the Companies’ asset value is held (and the trading of Eastgate is undertaken) by IRUK LP. Therefore, we anticipate that the vast majority of our work will arise in the Administration of IRUK LP.

For IRUK LP, we are proposing that our fees be determined on a time cost basis. This is principally due to the indeterminate amount of work (and duration of time) that is expected to be incurred in trading the Centre, progressing the planning appeals and ultimately selling the property. A time cost basis ensures that fees are only charged for work that is performed in the Administration. Below we have set out our fees estimate of £775,000.

For IRUK N1, IRUK N2 and IRUK GP, we are proposing that our fees be determined as a set amount in each case, totalling £50,000.

There are no known assets in any of these three companies, yet work is still required to manage their affairs and undertake our statutory duties as administrators. In respect of IRUK GP, additional work is expected because (as general partner of the Partnership) it manages the Partnership’s VAT affairs and other day-to-day matters.

The fixed fee basis reflects the necessity for work to be performed, but provides the Secured Creditor (funding the costs) with certainty over the amount to be charged.

Approval of Fee Bases

We set out on the previous page the manner in which we expect our fees to be approved and confirmed that we are not seeking fee approval at this time.

We will provide an update on the approval of our remuneration in our first progress report to creditors in June 2022.

Staff Allocation

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team at any point in time will usually consist of one or more of the grades shown in the table opposite, depending on the anticipated size and complexity of the assignment.

Work is delegated to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and they are supervised accordingly to maximise the cost effectiveness of the work done. Complex issues or important matters of exceptional responsibility are handled by more experienced senior staff or the office-holders themselves.

Time Charging Policy and Hourly Rates (IRUK LP only)

All of our staff who work on the case charge time directly to it and are included in any analysis of time charged. Time is charged in six minute units. We don't charge general overhead costs.

The Administration will also utilise the services of specialist teams within FTI Consulting LLP, principally in relation to VAT and tax matters and the costs of which are included within our fees estimate.

We consider that the rates chargeable for these services are in line with general market practice and that the service is at least comparable to similar firms of professional advisors. In addition, by working closely with our internal teams, we believe a more coordinated and efficient approach to the Administration workstreams is possible.

A schedule of FTI's charge-out rates (exclusive of VAT) for this assignment is shown below, these rates will also be applicable to our specialist tax and VAT colleagues for this assignment. These rates have been agreed between FTI and the Secured Lender, and reflect a discount to our standard charge out rates.

Grade of Staff	2021 (£/hour)	2022 (£/hour)
Senior Managing Director	647.50	672.00
Managing Director	556.50	577.50
Senior Director	518.00	539.00
Director	462.00	479.50
Senior Consultant	409.50	427.00
Consultant	350.00	364.00
Associate	164.50	171.50

In common with many professional firms, these rates may rise to cover inflationary cost increases. Any changes will be notified to creditors in our next statutory report.

Fees Estimate (IRUK LP only)

Earlier in this report, we set out details of the key areas of work we expect to undertake in the Administration of IRUK LP. Further information is included in this Appendix.

On the previous page, we confirmed the hourly charge-out rates that will apply to each area of that work.

Together, these give the time costs (fees estimate) that we anticipate will be incurred in undertaking our duties in respect of IRUK LP during the first twelve months of the Administration. A breakdown of the fees estimate for the first twelve months by category of work, is provided in the table opposite.

In arriving at this estimate, a number of assumptions have been necessary. These are summarised below:

- A Liquidation is not expected to follow the Administration but if required, we may propose that the Joint Administrators are appointed as Joint Liquidators. In circumstances where this is required, we will revert to creditors with the anticipated additional costs of a Liquidation.
- These estimates have been provided to creditors at a relatively early stage in the administration of the case. Estimates are based on our current knowledge of the case and our experience with cases of a similar size and complexity.
- Estimates do not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case exceed the estimate, or are likely to exceed the estimate, we will provide an explanation as to why that is the case in the next progress report.
- Time costs are recorded against and expected to be paid from the estate of IRUK LP.

To 31 December 2021, a total of 379 hours have been spent working on the Administration of IRUK LP at an average charge-out rate of £374, giving a total time cost of £141,940. A analysis of the time spent by category of work and grade of staff is provided on the next page.

Further Approval (IRUK LP only)

It is considered probable that the Administration could run beyond its first anniversary as a consequence of planning issues remaining open and a sale of the property not having completed. Where this is the case, additional costs are expected and a further fees estimate will be circulated and creditor approval sought at an appropriate time.

InfraRed UK Lion Limited Partnership - Fee Estimate			
	Total Estimate		
	Avg £/Hr	Hr	£
Administration and Planning	514	175	90,000
Investigations	325	100	32,500
Realisation of assets	333	480	160,000
Trading	447	750	335,000
Creditors	500	125	62,500
Tax	350	100	35,000
Reporting	300	200	60,000
Administrators' fee estimate	402	1,930	775,000
Total estimate inclusive of VAT			930,000

Remuneration as a Fixed Fee (IRUK GP, IRUK N1 and IRUK N2)

For these three companies, we are proposing that our remuneration be determined on a fixed fee basis. This is principally due to insufficient assets in these estates and the manner in which the costs will be funded.

A fixed fee basis provides the Secured Creditor with a degree of certainty and control over the costs of the Administrations and we believe this will be appropriate in the circumstances and subject to certain assumptions regarding the extent of work involved.

We are proposing that the fixed fees be set at the following levels:

Legal entity	£
IRUK GP	40,000
IRUK N1	5,000
IRUK N2	5,000
Total	50,000

The variation in the above amounts reflects the work being undertaken in relation to each company, which is summarised below:

IRUK N1 and IRUK N2 – The work for these entities is expected to be limited to the statutory and compliance requirements in any administration, including (but not limited to) the following workstreams:

- Case planning and routine administrative tasks (e.g. setting up case files and dealing with routine correspondence);
- Issuing notifications and reports to creditors and others, both on and during the office-holders' appointment;
- Reporting on and conducting investigations into the directors' conduct; and
- If applicable, dealing with any creditor correspondence and claims.

IRUK GP – We are required to complete the same statutory and compliance workstreams as IRUK N1 and IRUK N2. However, additional work is necessary for the following key reasons:

- Dealing with the interconnectivity between IRUK GP and the Partnership and ensuring all Partnership matters managed by its general partner continue to be addressed, for example, in relation to supplier contracts.
- IRUK GP is the VAT registered entity and is therefore responsible for the completion and submission of VAT returns and ensuring any VAT is properly accounted for.
- We hold the view that the proposed fixed fees are a reasonable and fair reflection of the work expected to be required in order to complete the workstreams required for each of the three companies.

Summary of our work in the Administrations

The main body of our report includes an explanation of the main areas of our work in the Administrations. The table below categorises this work, provides additional narrative and indicates whether the work is ongoing (O), completed (C) or intended future work (F).

Where work is specific to an individual entity this has been highlighted. We have also indicated in the table below the rationale for undertaking the work, for example whether it is required by statute or compliance with the Statements of Insolvency Practice, or whether there is a potential direct benefit for creditors.

Category	Description	Rationale/Benefit to Creditors
Administration & Planning	<ul style="list-style-type: none"> • Case planning - devising appropriate strategies for all entities and dealing with the case generally, including instructions to staff when working on the cases (O). • Issuing the statutory notifications to creditors and others required on appointments as office holders, including gazetting the office holders' appointments (C). • Routine administrative tasks, such as setting up case files, dealing with routine correspondence (O). • Obtaining specific penalty bonds (this is insurance required by statute that every insolvency office holder has to obtain for the protection of each estate) (C). Review of this bond and whether it is sufficient on a quarterly basis (F). • Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court (F). • Cashiering – including opening, maintaining and managing the office holders' estate bank accounts, processing of receipts and payments and bank reconciliations (O). • Undertaking periodic reviews of the progress of the cases, including six-month progress reports to creditors and members (F). 	Statutory / compliance requirement and to ensure efficient project management (and control of costs)
Investigations	<ul style="list-style-type: none"> • Recovering, listing and reviewing the books and records for the Companies (O). • Submitting online returns on the conduct of the directors/ members for each of the four entities as required by the Company Directors Disqualification Act 1986 (O). • Conducting initial investigations with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties, such as the bank, accountants, solicitors, etc. (O). 	Statutory / compliance requirement. Where potential asset recoveries are identified this may be to the benefit of creditors.

Category	Description	Rationale/Benefit to Creditors
	<ul style="list-style-type: none"> • Liaising with the Companies Directors/ Members in relation to the completion of the Statement of Affairs (C). • Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors (O). 	
Realisation of Assets	<ul style="list-style-type: none"> • All assets are held by IRUK LP, this section is therefore specific to this entity. • Arranging suitable insurance over assets (C). Regularly monitoring the suitability and appropriateness of the insurance cover in place (O). • Monitoring the Property Development planning appeals and engaging advisors as appropriate (O). • Following pitches from a selection of sales advisors, engaging appropriate Sales Agent to value, provide strategic advice and ultimately market the Centre (O). Once sales agents are appointed, regularly review sales strategy and anticipated returns (F). • Completing a sale process of the Centre (F). • Liaising with the Companies' bankers regarding pre-appointment accounts, and arranging for transfers of funds, and closure of the accounts (C). 	Identify, assess and seek to realise potential value for creditors
Tenants	<ul style="list-style-type: none"> • All assets (including rental income from tenants) are held by IRUK LP, this section is therefore specific to this entity. • Administration of ongoing and renewal of leases (O). • Dealing with tenant enquiries and concerns regarding ongoing trading (O). • Liaising with tenants regarding historic rental and service charge arrears and Covid concessions (O). 	Identify, assess and seek to realise potential value for the ongoing trading of the Centre
Creditors	<ul style="list-style-type: none"> • Dealing with creditor correspondence, emails and telephone conversations regarding their claims (O). • Maintaining up to date creditor information on the case management system (O). • For IRUK LP only, reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend (O). • Calculating and making distributions to both the Companies' secured and unsecured creditors (F). 	Statutory requirements and required for orderly case management
Tax	<ul style="list-style-type: none"> • Preparing and filing VAT returns on a quarterly basis - IRUK GP and IRUK LP are the VAT group members (O). • Preparing and filing Corporation Tax returns for both the pre-administration and post-administration periods (O). • Seeking clearance to conclude the administrations from HMRC and other relevant parties (F). 	Statutory requirements and assist in maximising recoveries for creditors
Reporting	<ul style="list-style-type: none"> • Preparing, reviewing and issuing proposals to the creditors and members (C). • Filing the proposals at Companies House and (for IRUK LP) the Court (O). • Reporting on the outcome of the approval of the proposals to the creditors, Companies House and the Court (F). • Reporting to the Lender on the progress of the Administration (O). • Preparing, reviewing and issuing six-monthly (and final) progress reports to creditors and members (F). • Filing progress reports at Companies House (F). 	Required by statute and to inform creditors
Technology	<ul style="list-style-type: none"> • Ensure ongoing registration with the Information Commissioners Office to ensure GDPR compliance (C). 	Compliance/legal requirement

Expenses

Definition of Expenses

Expenses are any payments from the estate which are neither office-holders' remuneration nor a distribution to a creditor or a member. Expenses also include disbursements. Disbursements are payments which are first met by the office-holder and then reimbursed to the office-holder from the estate.

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

- Category 1 expenses: These are payments to persons providing the service to which the expense relates who are not an associate of the office-holder. Category 1 expenses can be paid without prior approval.
- Category 2 expenses: These are payments to associates or which have an element of shared costs. Before being paid, Category 2 expenses require approval in the same manner as an office-holder's remuneration. Category 2 expenses require approval whether paid directly from the estate or as a disbursement.

The types of disbursements categorised as Category 1 expenses typically include external supplies of incidental services specifically identifiable to the case such as postage, statutory case advertising, bonding, invoiced travel and external services such as printing, room hire and document storage. Also included would be any properly reimbursed expenses incurred by personnel in connection with the case.

The types of disbursements categorised as Category 2 expenses typically include mileage, in-house printing and electronic data storage.

Professional Advisors and Subcontractors

Our choice of professional advisors and subcontractors was based on our perception of their experience and ability to perform this type of work and the complexity and the nature of this assignment.

We also considered that the basis on which they will charge their fees is appropriate in the circumstances. Other than the legal advice and insurance services, the work could have been undertaken by our teams, but we have outsourced it as we consider it to be more cost effective, combined with the providers having more relevant specialist experience.

The following professional advisors and subcontractors have been engaged.

Firm	Services	Fee Arrangement
Munroe K	Property Management Services	Monthly fixed fee
Sovereign Centros	Asset Management Services	Monthly fixed fee
Stephenson Harewood	Legal Advice	Time cost and expenses
Aon UK Limited	Insurance Risk Services	Insurance premiums
Aon UK Limited	Bonding	Fixed premium
ERA Solutions	Payroll in relation to BTCM directorship	Fixed fee based on number of employees
EPE Reynell	Gazette Notices	Fixed cost per advert

Expenses Estimates

The tables below show our estimates of the expenses likely to be incurred during the course of the Administrations.

We do not anticipate incurring any Category 2 expenses and therefore we will not need to seek approval to the basis upon which these may be charged to the estate. If this changes, we will write to creditors at the appropriate time to seek the necessary approval.

The unpaid Pre-Administration costs have not been included and need to be approved by the creditors of IRUK LP before these can be paid (as set out previously in this report).

Except for our remuneration and pre-Administration costs, there is no requirement for us to seek approval to any of these expenses and the estimates provided do not represent a cap on the amount that can be paid. However, when reporting to creditors, we will provide an update on the amounts incurred and paid, together with an explanation for any material differences compared to the estimates.

We are satisfied that the amounts expected to be incurred are reasonable in the circumstances of the case and are consistent with the monthly running costs incurred by the Companies in the lead up to the Administrations.

No Category 2 expenses have been paid as at 31 December 2021. Those category 1 expenses that have been paid have been included in the receipts and payments accounts provided in this report.

Trading Expenses

Total trading expenses for the full duration of the Administration cannot be reliably estimated as the length of the Administration remains undecided, however we present a high-level estimate for certain costs below:

Expense Type	Estimate	Comment
Service Charge expenditure	£290,400 per month	Includes all PPM, including the fees due to the Property Manager
Non-Service Charge expenditure	£85,000 per month	Includes capital expenditure beyond the scope of PPM.
Professional Fees	£574,400	Fees relating to planning, including legal and architects fees.
Insurance	£257,148	Annual Premium for maintaining insurance at the site.
Employee costs	£5,000	Fees resulting from the employment of a director at BTCM

Non-trading expenses

Expense Type	Estimated to be incurred in total
Sales Agents Fees	TBD
Bonding	£180
Gazetting	£442
Legal fees	£132,000
Postage and stationery	£500
Travel and subsistence expenses	£500
Total	£473,622

Other Fee Disclosures

A copy of the Creditors' Guide to Administrators' Fees provides further information on administrators' fees and your rights, and is available at: <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/guide-to-administrators-fees-6-april-2017-england-wales.pdf>

Further information about creditors' rights can also be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>

There are no business or personal relationships with parties responsible for approving remuneration or who provide services where the relationship could give rise to a conflict of interest.

Appendix V – Notice of invitation to form a Creditors’ Committee

**InfraRed UK Lion Limited Partnership (“the Partnership”)
(In Administration)**

**In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies
List (ChD) Number 002168 of 2021
(Partnership Number: LP015850)**

NOTICE IS GIVEN by Andrew Johnson, Ali Khaki and Matthew Callaghan to the creditors of InfraRed UK Lion Limited Partnership of an invitation to establish a Creditors’ Committee under rule 3.39 of The Insolvency (England and Wales) Rules 2016.

1. In addition to seeking a decision on the matters set out in the accompanying notice, creditors are also invited to determine by correspondence, at the same time, whether a creditors’ committee should be established.
2. A committee may be formed if a minimum of 3 and a maximum of 5 creditors are willing to become members.
3. Nominations can only be accepted for a creditor to become a member of the committee if they are an unsecured creditor and have lodged a proof of their debt that has not been disallowed for voting or dividend purposes.
4. The specified date for receipt of nominations for creditors to act as a member of the Committee under Rule 3.39 of the Insolvency (England and Wales) Rules 2016 is 12 April 2022, the decision date.
5. Please complete the form sent with this notice and include the name and address of any person you wish to nominate to act as a member of the committee. The completed document should be returned to the Joint Administrators’ staff by email at IRUKLion@fticonsulting.com so that it is received by no later than 23:59 hours on 12 April 2022, the decision date.

Note: Further information on the rights, duties and the functions of a Committee is available in a booklet published by the Association of Business Recovery Professionals (R3). This booklet can be accessed at <https://www.r3.org.uk/technical-library/england-wales/technical-guidance/creditor-guides/more/29111/page/1/liquidation-creditors-committees-and-commissioners/>. If you require a hard copy of the booklet please contact the Joint Administrators’ staff at IRUKLion@fticonsulting.com, or by phone on 020 7269 9391.

The final date for votes to establish a committee is 12 April 2022, the decision date.

1. In order for their votes to be counted creditors must submit to me their completed voting form so that it is received at InfraRed UK Lion Group, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD by no later than 23:59 hours on 12 April 2022. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote(s) being disregarded.
2. Creditors with small debts, that is claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
3. Any creditors who have previously opted out from receiving documents in respect of the insolvency proceedings are entitled to vote on the decision provided they have lodged proof of their debt.
4. Creditors may, within five business days of delivery of this notice to them, request a physical meeting of creditors be held to determine the outcome of the decision above. Any request for a physical meeting must be accompanied by valid proof of their debt (if not already lodged). A meeting will be convened if

creditors requesting a meeting represent a minimum of 10% in value or 10% in number of creditors or simply 10 creditors, where "creditors" means "all creditors."

5. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 of the Insolvency (England and Wales) Rules 2016 about Creditors' Voting Rights and Majorities, by applying to Court under Rule 15.35 of the Insolvency (England and Wales) Rules 2016 within 21 days of the decision date.

Creditors requiring further information regarding the above, should either contact us at InfraRed UK Lion Group, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, by email IRUKLion@fticonsulting.com, or by phone on 020 7269 9391.

DATED THIS 11th DAY OF MARCH 2022



Ali Khaki
JOINT ADMINISTRATOR

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan of FTI Consulting LLP ("FTI") were appointed as Joint Administrators (the "Joint Administrators") of InfraRed UK Lion Nominee 1 Limited, InfraRed UK Lion Nominee 2 Limited and InfraRed UK Lion Limited Partnership on 22 November 2021 and InfraRed UK Lion GP Limited on 23 November 2021.

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

Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales, under section 390A(2)(a) of the Insolvency Act 1986.

The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at:
<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of our Insolvency Practitioners under the Insolvency Act and other relevant legislation, and also to fulfil the legitimate interests of keeping creditors and others informed about the insolvency proceedings. You can find more information on how FTI uses your personal information on our website at <https://www.fticonsulting-emea.com/~media/Files/emea--files/creditors-portal/cip-emea-forms-info/cip-data-privacy.pdf>.

InfraRed UK Lion Limited Partnership – In Administration
In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies
List (ChD) Number: CR-2021-002168
(Partnership Number LP015850)

Decision

** delete as appropriate*

1. That a Creditors' Committee should be established.

For / Against *

Please note that if creditors vote to establish a Committee, then unless at least 3 nominations for creditors to act as Committee members are received at the same time, it will be necessary to convene a further decision procedure to decide which creditors are to act as Committee members. That will involve incurring additional costs, so if you intend to vote to establish a Committee, please also nominate either yourself or another creditor to act as a Committee member.

I wish to nominate the following creditor to act as a member of the Committee:

Name of nominated creditor _____

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM:

Name of creditor: _____

Signature of creditor: _____

(Complete the following if signing on behalf of creditor, e.g. director/solicitor)

Capacity in which signing document: _____

Dated: _____

The completed form should be delivered to the Joint Administrators' staff by email at IRUKLion@fticonsulting.com, or by post to IRUK LP, c/o FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD so that it is received by no later than 23:59 hours on 12 April 2022, the decision date.

Joint Administrators' Account of Trading Receipts and Payments

GBP	Notes	£	Total
Trading Income			
Service Charge Income		284,238	284,238
Book Debts - Tenant Expense Income		2,268	2,268
Book Debts - Service Charge Income		59,976	59,976
Subtotal		346,483	346,483
Trading Payments			
Indirect Labour		86,681	86,681
Repairs & Maintenance		246,742	246,742
Utilities		28,799	28,799
Bank Charges		52	52
Marketing & Advertising Expense		5,622	5,622
Direct Property Management Expense		56,221	56,221
Security Expense		129,610	129,610
Health and Safety		27,560	27,560
Professional Fees		60,026	60,026
Ransom Creditors		38,855	38,855
Miscellaneous Income/Expenditure		39,603	39,603
Subtotal		(719,771)	(719,771)
Trading Accounts Balance		(373,288)	(373,288)

Notes

1. **Rent Income** - Rental Receipts from tenants for invoices raised after our appointment.
2. **Cash at Bank (fixed charge)** – Funds recovered from HSBC accounts which are subject to the Lender's fixed charge security. No amounts from these accounts can be utilized without the agreement of the Secured Lender.
3. **Car Park Income** – Income receipts from customers of Eastgate using the onsite car park.
4. **Cash at Bank (Uncharged)** – Funds held in the Munroe K Collections and Service Charge Accounts. These funds are held in Munre K accounts in the name of the Partnership and funds flow are subject to our approval.
5. **Non Recourse Fixed Charge Loan** – The Group's secured lender has agreed to fund the ongoing trading of the Administration, in order to achieve this the secured creditor provided a non-recourse loan totaling £1,626,731. Any of these funds not utilized in continuing to trade Eastgate will be returned to the Group's secured lender.
6. **Funding Arrangement Fee** – An amount payable from IRUK LP to the lender in relation to agreeing ongoing funding for the Administration.
7. All figures shown are shown net of VAT.

Appendix VII – Estimated Outcome for Creditors

Dividend Prospects

The guidance given in the tables below on anticipated outcomes for various classes of creditors is only an indication and should not form the basis for any bad debt provision.

The figures are based on the directors/members' Statements of Affairs, with appropriate adjustments as a result of subsequent discussions with the Companies management. These figures may be subject to material change as the value of the Companies' assets, final level of liabilities and the costs of the Administrations, are all yet to be determined.

Secured Creditors

The amount owed to the Secured Creditor is approximately £52.9m plus accrued interest of £2.8m and is secured by fixed and floating charges. The main sources of recovery for the Secured Creditor are proceeds from the sale of the property and rental income collected prior to the sale, all of which are captured by fixed charge security.

Preferential Creditors

None of the Companies employed any staff.

The statement of affairs for IRUK LP detailed HMRC liabilities totaling £566k, of which £424k was classified as preferential. We have discussed the basis of these numbers with management and understand of the £566k:

- £424k largely related to VAT on applications for payment issued to tenants pre Administration, this does not accord with the Companies' usual treatment of VAT, where VAT is only payable to HMRC on receipt of cash from tenants, as such this should not have been shown as a preferential liability in the statement of affairs;
- The balance of c£142k represents a VAT payment deferral agreement with HMRC but did not account for payments made to date, with only c£28k remaining; in addition
- Taking into account the errors detailed above and other VAT balances post the last VAT return, IRUK LP is expected to be in a VAT receivable position with HMRC.

Unsecured Creditors

- The level for unsecured creditors of IRUK LP included in the statement of affairs excludes c.£19m in relation to the estimated shortfall on the Secured Creditor's lending. Whilst the value of the Centre (and therefore the Secured Creditor's recovery under its fixed charge security) is highly uncertain at this early stage, the shortfall due to the Secured Creditor is still expected to represent the vast majority of unsecured liabilities.

IRUK N2 & IRUK N1 Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditor	£55.8m	£Nil	n/a
■ Preferential Creditors	£Nil	n/a	n/a
■ Unsecured Creditors	£Nil	n/a	n/a

IRUK LP Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditor	£55.8m	66%	12 - 18 months
■ Preferential Creditors	Nil	n/a	n/a
■ Unsecured Creditors	£326k	4.3%	18 - 24 months

IRUK GP Creditor Class	Amount Owed	Estimated Recovery	Timing of Payment
■ Secured Creditor	£55.8m	£Nil	n/a
■ Preferential Creditors	Nil	n/a	n/a
■ Unsecured Creditors	£287	£Nil	n/a