



To all known creditors

Joint Administrators' Progress Report

InfraRed UK Lion Limited Partnership
InfraRed UK Lion Nominee 1 Limited
InfraRed UK Lion Nominee 2 Limited
InfraRed UK Lion GP Limited
(all in Administration)

Entities covered by this report

Further statutory information in relation to the entities and our appointments is set out in Appendix A

Entity Name	Company Number	Appointment Date	Period Covered by this Report
InfraRed UK Lion Limited Partnership	LP015850	22 November 2021	22 November 2023 to 21 May 2024
InfraRed UK Lion Nominee 1 Limited	08818236	22 November 2021	22 November 2023 to 21 May 2024
Infrared UK Lion Nominee 2 Limited	08818235	22 November 2021	22 November 2023 to 21 May 2024
InfraRed UK Lion GP Limited	08818231	23 November 2021	23 November 2023 to 22 May 2024

Contents

Glossary	4
Purpose of this report	6
Progress of the Administrations	8
Key Matters Remaining	16
Estimated Outcomes for Creditors	
Appendices	18



Glossary

Commonly Used Terms	Definition
Administration(s)	The Administration of the Company
Act / IA86	Insolvency Act 1986 (as amended)
BEIS	Department for Business, Energy and Industrial Strategy
c.	Approximately
CDDA	Company Directors Disqualification Act 1986
CT	Corporation Tax
CVL	Creditor's Voluntary Liquidation
EBITDAP	Earnings Before Interest, Taxes, Depreciation, Amortization and Pension Income
FTI / FTI UK	FTI Consulting LLP
HMRC	HM Revenue & Customs
IR16 / the Rules	Insolvency (England and Wales) Rules 2016 (as amended)
PAYE / NIC	Pay-as-you-earn tax / National Insurance Contributions
Preferential creditors	First ranking: Principally employee claims for unpaid wages (max £800 per employee), holiday pay and certain unpaid pension contributions. Second ranking: HMRC in respect of certain specified debts.
Prescribed Part	Amount set aside for unsecured creditors from floating charge net realisations in accordance with Section 176A IA86
S/c	Share Capital
Schedule / Sch B1	Schedule B1 IA86
SPA / APA / ASA	Sale & Purchase Agreement, Asset Purchase Agreement, Asset Sale Agreement
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
Unsecured creditors	Creditors who are neither secured nor preferential. Principally trade creditors, inter-company debts and utility providers. HMRC and employee-related claims that do not rank preferentially are also included here. A secured creditor may also claim for the unsecured element of its debt.
VAT	Value Added Tax

Case Specific References	Meaning
Appointment date	22 November 2021 (23 November 2021 for IRUK GP)
Administrators / Joint Administrators / we / our / us	Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan
IRCP / InfraRed / ARA	ARA Europe (Formerly InfraRed Capital Partners Limited)
IRUK N1	InfraRed UK Lion Nominee 1 Limited
IRUN N2	InfraRed UK Lion Nominee 2 Limited
IRUK GP	InfraRed UK Lion GP Limited
IRUK LP / the Partnership / the LP	InfraRed UK Lion Limited Partnership
the Companies / the Group / the Entities	IRUK LP, IRUK GP, IRUK N1 and IRUK N2
Court / the Court	The High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies Court
Eastgate / the Centre	Eastgate Shopping Centre, Basildon
The Period	22 November 2023 to 21 May 2024 23 November 2023 to 22 May 2024 for IRUK GP
The Purchaser(s)	Eastgate was sold in two parts to two separate purchasers. In this report we refer to the Purchaser or Purchasers as appropriate for the context.
Secured Creditor / Lender	Creditors with security in respect of their debt in accordance with Section 248 IA86. In this case, the Secured Creditor is Bayerische Landesbank.
PPM	Planned Preventative Maintenance
The Proposals	The Joint Administrators' Statement of Proposals including its appendices, dated 13 January 2022.
Property Managers / MK	Munroe K
SC / Asset Managers	Sovereign Centros
Section 198 election to transfer the Capital Allowances / s198 Capital Allowances Position	Election to agree the part of the sale price that is expenditure incurred by the Purchaser[s] on the provision of fixtures for capital allowances purposes.
Secured Debt	c.£55,610,178.44 term loan provided by the Secured Lender
Shareholder / IRCP	InfraRed Capital Partners Limited, the ultimate shareholder of the Companies



Purpose of this report

Purpose of this report

- Andrew Johnson, Ali Khaki and Matthew Callaghan were appointed as joint administrators of IRUK GP on 23 November 2021, and 22 November 2021 in respect of IRUK LP, IRUK N1 and IRUK N2.
- Pursuant to Rule 18.6 IR16, we are required to provide creditors with a report setting out what has happened in the Administrations during the six-month period since our previous progress report.
- This report covers the period from 22 November 2023 to 21 May 2024 in respect of IRUK LP, IRUK N1 and IRUK N2, and 23 November 2023 to 22 May 2024 for IRUK GP; and contains:
 - An explanation of the work we have undertaken in the Period and how the Administrations have progressed;
 - An update on the estimated outcome for each class of creditor;
 - Details of the work we still need to do before the Administrations can be concluded;
 - A statement of our receipts and payments and details of expenses we have incurred;
 - An update on our remuneration for acting as joint administrators; and
 - Further information required by statute regarding our appointments as joint administrators.
- Background information on the Companies and events leading up to the Administrations can be found in our Proposals and previous progress reports, which continue to be available online (see How to Contact Us).
- Certain legal notices regarding this report, our appointments and creditors' rights are included as an appendix.
- We can confirm that during the Period, the Court ordered that the Administrations be extended for a period of two years to 21 November 2025, principally to allow sufficient time for the Land Registry to record the transfer of title to the Purchaser of the Centre.
- If you have any questions regarding this report or the Administrations generally, please contact us.

How to Contact Us

- Creditors can contact us using the preferred methods below:

Email: IRUKLion@fticonsulting.com

Post: InfraRed UK Lion
c/o FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

Tel: 020 7269 9391

- Information can also be found at:

<https://www.fticonsulting.com/emea/cip/infrared-uk-lion>

Signed: _____



Ali Abbas Khaki

Joint Administrator
Acting as agent and without personal liability



Progress of the Administrations

Recap on the Administrations

In the first year of the Administrations, Eastgate continued to trade whilst a strategy for its sale was developed. The Centre was sold in the period ending May 2023 and in subsequent periods we have continued to recover value for the estate whilst we await registration of the change of title of the Properties at the Land Registry.

Background to the Administrations

- In our Proposals, we provided a background to the Companies, details of the events leading up to the appointment of administrators and an overview of the strategy being pursued for achieving the purpose of the Administrations. In addition, we have set out in our previous six-monthly progress reports both the work undertaken and the asset realisations achieved in the Administrations.
- Content from those reports is not repeated here for the purposes of this report unless considered beneficial or necessary to do so. Therefore, creditors may wish to read this report in conjunction with the Proposals and our previous reports, the key points from which have been summarised below.

Strategy to Achieve the Purpose of the Administrations

- At the onset of the Administrations, we assessed that continuing to trade the shopping centre with a view to its ultimate sale would result in the best outcome for creditors. The existing Property and Assets Managers were retained, and Savills were engaged to support on identifying and implementing the optimal sales strategy. Part of our strategy was also to support the ongoing planning appeals that had the potential to make Eastgate a more attractive proposition to some purchasers.

Trading and Sale of the Centre

- In our previous progress reports, we explained the progress of the Administrations during the first two years of our appointment. Events specifically relating to realising the Companies' assets are summarised below:
 - Prior to its sale, the shopping centre continued to trade as normal, and in our previous reports we provided an overview of trading activity, together with the associated receipts and payments in the Administrations.
 - We secured a sale of the Centre on 6 March 2023 for £19.25m and subsequently made an application to the Land Registry to transfer the title in the leaseholds to the Purchasers. Due to delays at the Land Registry, it was anticipated that completion of this transfer could take up to two years.
 - Consequently, and as previously explained, we applied to Court to extend the period of the Administrations. The application was made on 7 September 2023, with the Court hearing taking place on 20 October 2023. The Court ordered that the period of the Administrations be extended to 22 November 2025. Funding of £30,000 plus VAT was agreed by the Purchaser to meet legal, office-holder and counsel fees for the application.

~100 lettable units

Located at the Eastgate Centre

The Eastgate Centre consisted over 100 lettable units. However, given market conditions, a number of these remained unoccupied.

~10%

Rise in population expected by 2049

The Centre remains a focal point in Basildon and continues to be a popular destination for local residents.

Finalising the Sale

Successful sale of Eastgate Shopping Centre

We confirmed in previous progress reports, the sale of Eastgate on 6 March 2023 for £19.25m. We continue to work with the buyers to finalise the Land Registry transfer.

Work Undertaken and Further Asset Realisations

During the Period, several contractual post-sale obligations have been completed. The delays at the Land Registry continue to prevent the closure of the Administrations.

Post-Sale Matters

- In our previous progress report, we explained that we were working with the purchaser of the Asda part of the Eastgate Centre, to agree a Section 198 election to transfer the Capital Allowances to them.
- Despite our continued attempts to progress and resolve this matter, including the provision of relevant information to the Purchaser's solicitor, only limited responses have been received and the matter continues to be unresolved.
- We have also been making simultaneous attempts to recover our costs for dealing with this matter, from the Purchaser. Again, this continues to be unresolved.
- We have sought legal advice and in circumstances where this matter is not resolved prior to finalising the Administrations, we will proceed to close the Administrations without the Capital Allowances having been transferred. The Purchaser has been made aware that this is the case.

Further Asset Realisations

- Under the terms of the APA, we have recently finalised the assignment of pre-appointment rent and utilities charges back to IRUK LP. The Purchaser had the ability to acquire these arrears but chose not to do so.
- We are in discussions with both MK and prospective agents for the collection of these historic rent and service charge debts, with their fees on a commission basis relative to how much is collected.
- Following a review of the remaining arrears by MK, we have been told that realisations are not expected to be significant given that a number of parties from which arrears are due have now entered some form of insolvency process making any recoveries from these entities highly unlikely.
- We continue to pursue additional recoveries where the counterparty has not entered insolvency. However, when the Land Registry finalises the transfer of title, we will proceed to close the Administrations as any additional realisations from these arrears would be outweighed by the costs of keeping the Administrations open.

Land Registry

- As discussed in the previous progress report, following the sale an application was submitted to the Land Registry to transfer the title in the leaseholds to the Purchasers.
- Due to delays at the Land Registry, it was anticipated that completion of these transfers could take up to two years, which is the principal reason why extensions to the period of the Administrations (until November 2025) have been necessary.
- The Land Registry is still experiencing a large backlog and therefore timescales for applications to be processed are still very long with many applications taking over a year to be processed.
- We have been working with the Land Registry to expedite the applications to register the transfers and, in April 2024, it was confirmed that the applications had been "super expedited" by the Land Registry.
- However, the efficacy of these expedition requests is impacted by related applications in the queue (which are sitting ahead of the transfer applications) to be processed against each title. The transfer applications can only be processed when the applications ahead of them in the queue are processed.

Administration' Extension

- During the period, the Administrations have been extended by the Court to 21 November 2025 as explained earlier.

Tax & VAT

- The Group's corporation tax returns are up-to-date and in the Period our work principally related to the final preparation and submission of the 2022/2023 returns for both IRUK GP and IRUK LP.
- With the assistance of our internal tax specialists, VAT returns have continued to be prepared and submitted as they fall due.
- Future returns for both tax and VAT will continue to be prepared and submitted as required.

Dealing with Creditors and other Stakeholders

We have reported regularly to the Secured Creditor and taken steps to assess the level of the Companies' liabilities, including responding to queries received from creditors, to the extent possible.

- We set out below the work done in the Period relating to each class of creditor and other stakeholders.
- The current estimates for amounts owed to the various classes of creditors, the anticipated recovery in each case and (where appropriate) the likely timing of distributions, are set out later in this report.

Secured Creditor

- During the Period, we have continued to liaise closely with the Companies' Secured Creditor. This included obtaining written consent prior to funds and/or professional fees being drawn from the accounts, as per the Funding Agreement.
- The total return to the Secured Creditor to date is £21.05m of which the Secured Creditor received £914,175 during the Period. The amount distributed during the Period was a dividend in respect of the unsecured element of the Secured Creditor's debt, as described in more detail later.

Preferential Creditors

- Preferential creditors are described in the highlighted box below.
- No preferential claims are expected in any of the Companies and as a consequence, no preferential dividends are anticipated.

Preferential creditors

- Preferential creditors are certain categories of unsecured creditors that have preferential status under insolvency legislation.
- They are typically employee-related debts in relation to arrears of wages and unpaid holiday pay, subject to statutory limits. The Redundancy Payments Service becomes a preferential creditor in place of the employees once it has paid their statutory entitlements.
- Since December 2020, HMRC is also a preferential creditor for certain specified debts but ranks behind the preferential debts described above.

Unsecured Creditors

- In preparation for our appointment, we set up a dedicated email address and helpline number in order for creditors to contact us, other than by post.
- As discussed in our previous reports, we invited creditors to submit their claims to us as there was a reasonable prospect of a small dividend becoming available for the creditors of IRUK LP.
- As part of the application to Court to extend the Administrations, we also applied for permission to pay a distribution to the unsecured creditors of IRUK LP, the Court approved the application enabling us to take the steps set out below:
 - During the Period, we wrote to each of IRUK LP's unsecured creditors providing them with notice that we intended to pay a first and final distribution to the unsecured creditors in mid-February 2024, with a deadline to submit claims of 14 March 2024 (if they had not already done so).
 - The dividend was declared on 7 May 2024 with payments made to all participating creditors, with payments made on the same date.
 - As set out opposite, a majority of this dividend was paid to the Group's Secured Creditor, who had a significant shortfall in their secured claim due to secured asset realisations being significantly below the value of their claim. This shortfall formed an unsecured claim in the Administration and accounted for over 99% of overall unsecured creditor claims.
- Further details in relation to the distribution are set out later.

Shareholders and Members

- There will be no return to the shareholders of the Companies (including members of the Partnership) as there will be a material shortfall to the Companies' creditors.

Fulfilling our Statutory Duties

Our work includes the fulfilment of statutory obligations arising as a consequence of our appointment and the Companies’ being in an insolvency procedure.

Extension to the period of the Administrations

- As detailed previously, the new date of expiry of the Administrations is 21 November 2025. Notices of the extensions were filed with Companies House and delivered to creditors.

Exit route from Administrations

- In our Proposals, we outlined the manner in which we anticipated the Administrations would be concluded, once their purpose had been achieved and our work had been completed. In all cases, we still expect that notices will be filed with the Court (for IRUK LP) and Companies House (for all other companies), to bring the Administrations to an end and automatically move the Companies to subsequent dissolution.
- The timing of ending the Administrations is contingent on the Land Registry title transfers being processed. The expected date of which is currently unknown.

Discharge from liability

- Pursuant to Paragraph 98 of Schedule B1, our discharge from liability (in respect of our actions as joint administrators) takes effect at a time determined by the relevant class of creditors, or the Court. In the circumstances of this case, it is for the Secured Creditor and unsecured creditors of IRUK LP to make that determination.
- We previously reported that such determination had been given and that discharge would take effect from the date that our appointment as joint administrators ceases to have effect.

Statutory Investigations

- Further information in relation to our statutory investigations can be found in previous progress reports.
- As required by Section 7A CDDA, we have submitted information regarding the conduct of the Companies’ directors to BEIS. The content of the findings is confidential however, it was concluded that there were no recovery actions that could be pursued.
- There have been no changes to this position during the Period.

Joint Administrators’ Remuneration

- We previously reported that the basis and quantum of our remuneration for acting as joint administrators, had been determined by the relevant classes of creditors as follows:

Entity	Basis Approved	Value (£)
IRUK LP	Time costs (fees estimate)	1,200,000
IRUK GP	Set amount	40,000
IRUK N1	Set amount	5,000
IRUK N2	Set amount	5,000

- An update on our remuneration and expenses is included at Appendix C, including the current position on our time costs (in IRUK LP).
- As explained overleaf, and for the reasons given, we are seeking further approval from the creditors of IRUK LP to increase the above fees estimate from £1.2m to £1.432m (an uplift of £232k).

Future reporting

- We are required to provide a further progress report to all creditors within one month of the end of the period ending 21 November 2024 (and 22 November 2024 for IRUK GP), or when the Administrations come to an end, whichever is sooner.
- All documents will be retained on our website and will remain available until at least two months after the conclusion of the proceedings. If you require any hard copy documents, please contact us using the details provided earlier and you will be provided (free of charge) a hard copy of documents posted to the website, either now or in the future.



Key Matters Remaining

Joint Administrators' Revised Fees Estimate

We have incurred costs to date of c.£1.372m and are expecting additional time costs of c.£60k. We are therefore seeking approval to exceed the approved fees estimate by up to £232k.

Infrared UK Lion Limited Partnership - Fee Estimate												
	Incurred to date			To be incurred			Approved Fees Estimate			Total Revised Estimate		
	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£	Avg £/Hr	Hr	£
Administration and Planning	355	825	292,651	631	14	8,834	536	284	152,186	360	839	301,485
Investigations	327	64	20,795		-	-	201	139	27,886	327	64	20,795
Realisation of assets	575	482	277,157	446	23	10,260	333	577	192,094	576	505	287,417
Trading	440	802	352,828	514	10	5,135	447	914	408,745	441	812	357,963
Creditors	287	253	72,591	568	26	14,757	529	407	215,184	314	279	87,348
Tax	547	221	120,786	611	26	15,886	351	203	71,184	554	247	136,672
Reporting	378	621	234,704	624	9	5,616	300	442	132,721	379	630	240,320
Other	-	-	-	-	-	-	236	21	4,836	-	-	-
Administrators' fee estimate	420	3,267	1,371,512	611	113	60,488	402	2,987	1,200,000	425	3,371	1,432,000

- The table above shows the fees estimate previously approved by creditors in comparison to our current view of estimated total time costs for the Administration (revised fees estimate), based on costs incurred in the first two and a half years of the Administration (c.£1.372m) and the cost of anticipated future work (c.£60k) assuming the Administration ends prior to March 2025.
- With total time costs now expected to be £1.432m, we are requesting that the Company's creditors approve that we may draw amounts up to the total of our revised fees estimate. The principal reasons for exceeding our current fees estimate are set out below:
 - **Administration and Planning:** Additional time has (and will be) incurred relating to statutory work due to the Administration having gone beyond its third anniversary. This includes periodic case reviews, progress reports, bonding reviews, as well as the review and filing of company documents.
 - **Realisation of Assets:** Additional work has been required to pursue further recoveries, notably pre-transaction rent and service charge income, utilities refunds, rates refunds and the recovery of pre-administration VAT; each of these have provided benefit to overall recoveries in the estate.
 - **Tax:** Additional time has been spent in seeking resolution to the Capital Allowances position with one of the Purchasers at Eastgate as well as assessing any potential risk to Companies in not agreeing to the transfer of these allowances (see earlier in the report for further detail). This matter has not been closed out and small amounts of additional work may be required.
- Should no significant work relating to the realisation of assets be required, or any additional work be necessary beyond the above which has been included in the revised fees estimate and detailed above (and should the Administration complete before the end of the extension period granted by the Court), we do not expect our costs to exceed the revised fees estimate; and no further approval should be required.

Creditors' Decision:

On the **enclosed voting form in Appendix E**, we are seeking approval to the following resolution with respect to our fees:

THAT the Joint Administrators' remuneration may draw remuneration in excess of the total amount previously approved by creditors, up to the revised fees estimate of £1,432,000 plus VAT.

The decision date (deadline for votes) is 23:59 hours on 20 July 2024.

Work We Still Need To Do

The remaining steps that need to be taken ahead of concluding the Administrations are shown below, in addition to certain periodic statutory duties we must fulfil whilst we remain appointed.

Area	<p>Assets</p>	<p>Tax / VAT</p>	<p>Land Registry</p>	<p>Winding-down</p>
Work Required	<ul style="list-style-type: none"> ■ We have had discussions with agents to realise the Groups historic rent and service charge debts, subject to a commission fee based on recoveries made. We are assessing the value of the remaining debts with MK and understand that a number of the remaining counterparties are insolvent, and returns are likely to be minimal. Given this, the cost/benefit of further pursuit may make this not viable. 	<ul style="list-style-type: none"> ■ We continue to work to resolve the s198 Capital Allowances position with one of the Eastgate Purchasers, however, if unresolved it should be noted that this will not delay the conclusion of the Administrations. ■ CT returns will be completed for any outstanding periods. ■ Now trading has ceased, we will shortly look to de-register the entities for VAT purposes. 	<ul style="list-style-type: none"> ■ We are still awaiting the transfer of the property. We made the application in March 2023 following the completion of the sale. ■ Following the application we still need to continue to respond to any Land Registry Requisitions which means we can speed up the process. 	<ul style="list-style-type: none"> ■ Progress other matters required to wind-down the Companies' affairs prior to them being dissolve; including (but not limited to) the completion of a final report to the Companies' creditors. ■ Following the conclusion of the Administrations we will make a final distribution to the Secured Creditor.
Timing	<ul style="list-style-type: none"> ■ Once other remaining Administration issues have been completed, we will take a view on the ability to (and benefit of) collecting remaining debts and whether these outweigh the costs of keeping the Administrations open. 	<ul style="list-style-type: none"> ■ CT and VAT returns will continue to be filed until they are no longer required. ■ Following de-registration VAT will be reclaimed using form VAT 427. ■ On the s198 Capital Allowances Position, we hope to bring this matter to a conclusion shortly. 	<ul style="list-style-type: none"> ■ Timing is contingent on the Land Registry filings but estimated to be no sooner than Q4 2024. 	<ul style="list-style-type: none"> ■ Timing is contingent on the Land Registry filings but estimated to be no sooner than Q2 2024.



Estimated Outcomes for Creditors

Secured and Unsecured Creditors

The Secured Creditor has the principal financial interest in the Administrations. The first and final dividend has been paid to the unsecured creditors of IRUK LP.

Secured Creditor

- At the Appointment Date, the Secured Creditor was owed c.£52.9m plus accrued interest totalling £2.8m; with the debt subject to fixed and floating charge security over certain (but not all) of the Companies' assets.
- In prior periods, a total of £21.05m had been distributed to the Secured Creditor in accordance with its security entitlements.
- Assets in the Administrations that were not subject to any security principally consisted of c.£917k of cash held by IRUK LP (at the time of our appointment) in a specifically designated service charge bank account held by MK. These funds were available for distribution to the unsecured creditors of IRUK LP and the Secured Creditor was able to participate in the distribution in respect of the unsecured element of its debt (i.e., primarily the shortfall remaining after the sale of the Eastgate Centre).
- Given the magnitude of this shortfall, the Secured Creditor was the largest unsecured creditor and received c.£914k (99.7%) of the funds available. Further information on the unsecured dividend is set out below.
- We expect one further distribution to the Secured Creditor under its secured entitlements shortly prior to the completion of the Administrations and following any further minimal asset realisations. However, the Secured Creditor will suffer a significant shortfall in the recovery of its lending to the Companies.

Preferential Creditors

- No preferential claims are expected in any of the Companies and as a consequence, no preferential dividends are anticipated.

Unsecured Creditors

- In an administration, dividends may become available for unsecured creditors from two sources:
 1. The statutory (ring-fenced) Prescribed Part fund; and/or
 2. The surplus remaining after any secured and preferential creditors have been repaid in full.
- The Prescribed Part applies to each of IRUK N1, IRUK N2 and IRUK GP as there is a floating charge created on or after 15 September 03. However, a Prescribed Part dividend is not expected to be paid from any of these three entities as they have no known realisable assets. For the same reason, no other surplus is expected to be available for creditors of these companies.
- The Prescribed Part does not apply in relation to IRUK LP, as Section 176A IA86 does not apply to limited partnerships. However, a dividend was expected to become available for the unsecured creditors of IRUK LP from opening cash balances (after costs) that were not subject to any security entitlements.
- In their Statement of Affairs, the directors of IRUK LP estimated that non-preferential unsecured claims would be c.£451k. The value of claims admitted for dividend was c.£33.9m due to the inclusion of the unsecured element of the Secured Creditor's claim following the sale of the Centre.
- With the permission of the Court, a first and final dividend to unsecured creditors was paid on 7 May 2024 in the total amount of £916,683.22, equating to a dividend rate of 0.027p/£.
- No further dividends will be available and therefore no further work is required in this area, in any of the Companies.

Shareholders

- There will be no return to any of the Companies' members as there will be a material shortfall to their creditors.



Appendices

Appendix A: Statutory Information

Company Names: **Infrared UK Lion GP Limited, Infrared UK Lion Limited Partnership, Infrared UK Lion Nominee 1 Limited, Infrared UK Lion Nominee 2 Limited**

Previous Name(s)	n/a	Administrators' Address	FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London EC1A 4HD
Trading Names(s)	Infrared UK Lion GP Limited Infrared UK Lion Limited Partnership Infrared UK Lion Nominee 1 Limited Infrared UK Lion Nominee 2 Limited	Administrators' Recognised Professional Body	The Institute of Chartered Accountants in England and Wales
Registered Number	08818231 for IRUK GP LP015850 for IRUK LP 08818236 for IRUK N1 08818235 for IRUK N2	Functions of Administrators	The Administrators may exercise any of the powers conferred on them by the IA1986 joint or severally
Date of Incorporation	17 December 2013 (IRUK GP, IRUK N1, IRUK N2) 18 November 2013 (IRUK LP)	Appointment Date	23 November 2021 (IRUK GP) 22 November 2021 (IRUK LP, IRUK N1, IRUK N2)
Registered Office	C/O FTI CONSULTING LLP, 200 Aldersgate Street, London, EC1A 4HD	Appointer / Applicant	The Directors of the Company, pursuant to Paragraph 22 of Sch B1.
Former Registered Office	Level 7 One Bartholomew Close Barts Square, London EC1A 7BL United Kingdom	Objective being pursued	To achieve 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).
Court Name / Address	High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)	EC Regulation	The proceedings flowing from the appointment will be COMI proceedings (as defined in rule 1.2)
Court References	CR-2021-002153 for IRUK GP CR-2021-002168 for IRUK LP CR-2021-002150 for IRUK N1 CR-2021-002152 for IRUK N2	Changes in Administrator	n/a
Administrators' Names	Andrew James Johnson Ali Abbas Khaki Matthew Boyd Callaghan	Current Administration End Date	21 November 2025

Appendix B: Receipts and Payments Account

IRUK LP fixed charge receipts and payments for the period from 22 November 2023 to 21 May 2024.

£	Statement of Affairs	22 Nov 21 to 21 Nov 23	22 Nov 23 to 21 May 24	Total R & P	
Fixed Charge Receipts					
Freehold Land & Property	1	34,200,000	20,350,000.00	-	20,350,000.00
Bank Interest			22,572.99	5,515.82	28,088.81
Cash at Bank (Fixed Charge)			1,645,269.48	-	1,645,269.48
Rental Income	2	4,608,562.65	50,143.15		4,658,705.80
Car Park Income			332,174.97	-	332,174.97
Unallocated Cash			40,713.39	-	40,713.39
Pre-Admin Rental Income			1,300,926.25	-	1,300,926.25
Subtotal		28,300,219.73	55,658.97		28,355,878.70
Fixed Charge Payments					
Office Holders Fees (Fixed Charge)			614,119.18	-	614,119.18
Office Holders Expenses			71.72	-	71.72
Office Holders Disps			225.00	-	225.00
Professional & Legal Fees (Fixed Charge)	3	731,911.38	47,189.61		779,100.99
Insurance			614,609.98	-	614,609.98
VAT - Unrecoverable			7,702.74	-	7,702.74
Bank Charges (Fixed Charge)			14.90	-	14.90
Professional & Legal Fees (Planning)			427,784.88	-	427,784.88
Secured Creditor Uncharged Funding			424,345.89	-	424,345.89
Sales Fees			372,042.90	-	372,042.90
Agents/subcontractor Fees			117.50	-	117.50
Secured Creditor Trading Fund			2,317,958.09	-	2,317,958.09
Car Park Expenses			435,563.11	-	435,563.11
Pre-admin legal fees			32,830.14	-	32,830.14
Subtotal		(5,979,297.41)	(47,189.61)		(6,026,487.02)
Fixed Charge Surplus/Deficit		22,320,922.32	8,469.36		22,329,391.68

Notes

- 1. Freehold Land & Property** – Total receipts received from the sale of a single Eastgate unit to a third party as well as the wider sale of the Eastgate centre.
- 2. Rental Income** – Rental receipts from tenants for applications for payment raised after our appointment.
- 3. Professional & Legal Fees (Fixed Charge)** – All fees relating to tenant leases, and legal costs relating to the Administration (these exclude professional and legal fees associated with planning).

Appendix B: Receipts and Payments Account

IRUK LP uncharged receipts and payments for the period from 22 November 2023 to 21 May 2024, and statement of funds held.

£	Statement of Affairs	22 Nov 21 to 21 Nov 23	22 Nov 23 to 21 May 24	Total R & P
Uncharged Receipts				
Funding Arrangement(from fixed)		424,345.89	-	424,345.89
Book Debts		4,896.12	-	4,896.12
Cash at Bank	2,306	928,067.68	-	928,067.68
Insurance Refund		317,144.48	-	317,144.48
Other Sundry Debtors	567,609	-	-	-
TRADING SURPLUS/(DEFICIT)	1	(1,195,114.75)	(276.72)	(1,195,391.47)
Pre-Admin VAT refund		38,968.59	-	38,968.59
Bank Interest	2	9,029.19	2,206.33	11,235.52
Utilities Refund	3	-	129,652.48	129,652.48
Third Party Funds		30,000.00	-	30,000.00
Subtotal		557,337.20	-	688,919.29
Uncharged Payments				
Funding Arrangement Fee		50,000.00	-	50,000.00
Office Holders Fees	4	409,412.79	13,146.00	422,558.79
Re-Direction of Mail		1,034.40	-	1,034.40
Statutory Advertising		368.00	-	368.00
Property expenses		314.62	-	314.62
Business rates		9,322.06	-	9,322.06
Legal Fees		14,277.74	-	14,277.74
Pre-admin legal fees		21,886.76	-	21,886.76
Subtotal		(506,616.37)	(13,146.00)	(519,762.37)
Uncharged Surplus/Deficit		50,720.83	118,436.09	169,156.92
Net realisations		22,371,643.15		22,498,548.60
Distributions				
Creditor Distribution		-	(916,683.22)	(916,683.22)
Fixed Charge Distribution		(21,043,801.17)	-	(21,043,801.17)
Subtotal				538,064.21
Represented By				
Cash at Bank		1,143,987.92	(607,652.99)	536,334.93
Net VAT Position		183,854.06	(182,124.78)	1,729.28
Subtotal		1,327,841.98	(789,777.77)	538,064.21

Notes

- Trading Account** – See the trading statement and further comments on the following page.
- Bank Interest** - Interest received during the period in relation to the uncharged assets bank account.
- Utilities Refund**– Refund in the Period in respect of Utilities for the Eastgate centre – see further explanation earlier in report.
- Office Holder Fees** - Refund in the Period in respect of Office Holder Fees for the Administration.

Appendix B: Receipts and Payments Account

IRUK LP trading account for the period from 22 November 2023 to 21 May 2024, to be read in conjunction with the fixed charge rental income to understand the trading position of the Centre during the Administration.

£	22 Nov 21 to 21 Nov 23	22 Nov 23 to 21 May 24	Total R & P
Trading Receipts			
Service Charge Income	1,727,331.60	-	1,727,331.60
Other Income	78,100.18	-	78,100.18
Secured Creditor Service Charge Contribution	2,317,958.09	-	2,317,958.09
Total Receipts	4,123,389.87	-	4,123,389.87
Trading Payments			
Bad Debts Written Off	98,072.96	-	98,072.96
Bank Charges	(2,595.01)	-	(2,595.01)
Direct Labour	47,251.96	-	47,251.96
Direct Property Management Expense	187,157.24	-	187,157.24
Health and Safety	124,337.75	-	124,337.75
Indirect Labour	375,127.14	-	375,127.14
Insurance Expense	4,779.50	-	4,779.50
Marketing & Advertising Expense	183,069.39	-	183,069.39
Miscellaneous Expenditure	142,121.78	-	142,121.78
Payroll Taxes	40,325.31	-	40,325.31
Professional Fees	306,048.75	-	306,048.75
Ransom Creditors	113,163.75	-	113,163.75
Repairs & Maintenance	1,541,628.92	-	1,541,628.92
Security Expense	592,001.56	-	592,001.56
Service Charge Contribution	522,731.61	-	522,731.61
Utilities	808,771.98	276.72	809,048.70
Service Charge Transfer	234,510.03	-	234,510.03
Total Payments	(5,318,504.62)	(276.72)	(5,318,781.34)
Trading Surplus/(Deficit)	(1,195,114.75)	(276.72)	(1,195,391.47)

Notes

- All of the Companies' trading was done through IRUK LP and therefore no trading accounts have been produced for IRUK N1, IRUK N2 or IRUK GP. All rental income is subject to fixed charge security.
- Trading income consists of the following receipts:
 - **Service Charge Income** – Monies paid by tenants in respect of the Service Charge for both pre and post Administration periods. The Secured Creditor Service Charge Contribution is in lieu of amounts payable by landlords in respect of vacant units.
 - **Other Income** – Collected directly from tenants for their proportion of different costs (e.g. insurance, electric, water) for Eastgate.

Appendix B: Receipts and Payments Account

The accounts below cover the relevant period in relation to IRUK GP only. As the main trading entity is IRUK LP, there are limited receipts and payments in the remaining entities.

£	Statement of Affairs	22 Nov 21 to 21 Nov 23	22 Nov 23 to 21 May 24	Total R & P
Fixed Charge Receipts				
Cash at Bank	304	273.85	-	273.85
Fixed Charge Bank Interest		1.69	1.32	3.01
Subtotal		274.54	1.32	276.86
Fixed Charge Payments				
Fixed Charge Bank Charges		12.57	-	12.57
Subtotal		(12.57)	-	(12.57)
Fixed Charge Surplus/Deficit		262.97	1.32	264.29
Net realisations		261.97	1.32	264.29
Represented By				
Cash at Bank		261.97	1.32	264.29
Subtotal		261.97	1.32	264.29

Appendix B: Receipts and Payments Account

The accounts below cover the relevant period in relation to IRUK N1 and IRUK N2 only. As the main trading entity is IRUK LP, there are no receipts and payments in these entities.

IRUK N1 (£)	Statement of Affairs	22 Nov 21 to 21 Nov 23	22 Nov 23 to 21 May 24	Total R & P
Distributions		-	-	-
Ordinary Shareholders	1	-	-	-
Subtotal		-	-	-
Represented By		-	-	-
Cash at Bank		-	-	-
Subtotal		-	-	-

IRUK N2 (£)	Statement of Affairs	22 Nov 21 to 21 Nov 23	22 Nov 23 to 21 May 24	Total R & P
Distributions		-	-	-
Ordinary Shareholders	1	-	-	-
Subtotal		-	-	-
Represented By		-	-	-
Cash at Bank		-	-	-
Subtotal		-	-	-

Appendix C: Joint Administrators' Remuneration and Expenses

Our remuneration for acting as joint administrators is 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.

Overview

- In our previous report we gave details of the manner in which our remuneration had been approved by the relevant classes of creditors for each of the entities.
- In this Appendix, we provide additional detail on the work done in the Period, an update on expenses incurred in the Administrations and in relation to IRUK LP only:
 - an analysis of our time costs for the Period and the cumulative position to date; and
 - a reminder of our time charge policy and hourly rates that apply to the work performed.
- The Secured Creditor will be providing sufficient funding to pay our remuneration in relation to IRUK GP, IRUK N1 and IRUK N2, as those companies have no (or insufficient) assets. In relation to each of these entities we have agreed the following fixed fees:
 - IRUK GP - £40,000
 - IRUK N1 - £5,000
 - IRUK N2 - £5,000
- In relation to each of the above amounts that we have yet to draw, it is intended that these amounts will be drawn from fixed charge realisations in IRUK LP, consent for which has been received from the Secured Creditor during the Period.
- Our remuneration for acting as joint administrators of IRUK LP will be paid from fixed and uncharged asset realisations, subject (at all times) to having obtained the necessary approval to draw funds from the estate for this purpose.
- During the Period, for IRUK LP we spent 180 hours, incurring a cost of c.£73.6k. The total time costs for the Administration to 21 May 2024 is c.£1.36m which consists 3,258 hours at an average cost of £418.60 per hour. Further analyses of this work is set out later.

Fees Estimate (IRUK LP only)

- The table overleaf shows the time expected to be required in each area of the IRUK LP Administration and the estimated cost based on the charge-out rates given later. Our total revised fees estimate is c.£1.432m, representing 3,371 hours at an average rate of £425 per hour.
- We also previously confirmed that in January 2023, the creditors of IRUK LP gave approval for us to draw remuneration in excess of the initial fees estimate and up to £1.2m. The amounts drawn to date are set out in the earlier receipts and payments accounts.
- As set out on the following page, our time costs have exceeded the current approved fees estimate and we anticipate incurring a further c£60k of time costs.
- As explained earlier in this report, at this stage we are seeking approval from LP's creditors to draw additional remuneration, and the voting form in relation to this increase is provided at Appendix E.

Appendix C: Joint Administrators' Remuneration and Expenses

Our remuneration for acting as joint administrators of IRUK LP is on a time cost basis, therefore our time charging policy and hourly charge out rates are important factors and are set out below.

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

- All of our staff who work on the case charge time directly to it and are included in any analysis of time charged. Only if there is a large block of time incurred by a member of the secretarial team, e.g. report compilation and distribution, do we seek to charge and recover our time in this regard. Time is charged in six-minute units. We don't charge general overhead costs.
- During the administration of the insolvency, we 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 also 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 relevant workstreams is possible.

Hourly Rates

- A schedule of the 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.

Grade of Staff	1 Jan 21 - 31 Dec 21 (£/hour)	1 Jan 22 - 30 Sep 22 (£/hour)	01 Oct 22 - 30 Sep 23 (£/hour)	01 Oct 23 - Present (£/hour)
Senior Managing Director	647.50	672.00	756.00	801.50
Managing Director	556.50	577.50	651.00	689.50
Senior Director	518.00	539.00	605.50	640.50
Director	462.00	479.50	539.00	570.50
Senior Consultant	409.50	427.00	479.50	507.50
Consultant	350.00	364.00	409.50	434.00
Associate	164.50	171.50	276.5	294.00

- 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.

Appendix C: Joint Administrators' Remuneration and Expenses

Analysis of time incurred for the period from 22 November 2023 to 21 May 2024 (IRUK LP only).

Task	Senior Managing Director	Managing Director / Director	Associate	Total Time	Total Cost	Average Cost
Administration and Planning						
Strategy and planning	-	17.2	-	17.2	9,592.8	557.7
Receipts and payments accounts	-	-	6.5	6.5	1,797.3	276.5
Cashiering and reconciliations	-	1.9	21.1	23.0	7,071.1	307.4
Bonding and IPS maintenance	-	0.1	-	0.1	65.1	651.0
Subtotal	0.0	19.2	27.6	46.8	18,526.2	
Realisation of assets						
Cash and investments	-	1.8	-	1.8	1,103.6	613.1
Post-completion obligations	1.5	1.0	-	2.5	1,673.0	669.2
Book debts	-	1.0	-	1.0	539.0	539.0
Tax- Post Transaction Obligations	0.5	3.0	-	3.5	2,194.5	627.0
Subtotal	2.0	6.8	0.0	8.8	5,510.1	
Trading						
Closure of trading	2.5	-	-	2.5	1,890.0	756.0
Subtotal	2.5	0.0	0.0	2.5	1,890.0	
Creditors (correspondence and claims)						
Unsecured creditors	-	0.5	31.8	32.3	9,118.2	282.3
Subtotal	0.0	0.5	31.8	32.3	9,118.2	
Tax						
Post appointment CT	-	5.4	-	5.4	2,955.4	547.3
Post appointment VAT	-	-	1.3	1.3	359.5	276.5
Tax advice on transactions	-	0.5	-	0.5	325.5	651.0
Other post appointment tax	-	8.7	-	8.7	5,302.9	609.5
Subtotal	0.0	14.6	1.3	15.9	8,943.2	
Reporting						
Other statutory reports/meetings	-	27.0	42.2	69.2	26,669.3	385.4
Secured creditor reports	-	-	1.5	1.5	414.8	276.5
Subtotal	0.0	27.0	43.7	70.7	27,084.1	
Total Time by Grade	4.5	68.1	104.4	177.0		
Total Cost by Grade	3,402.0	38,803.1	28,866.6	71,071.7		
Average by Grade	756.0	569.8	276.5	401.5		
	Time Costs	Category 1	Total			
Total Costs to Date	71,071.70	0.0	71,071.70			
Amount Billed	0.0	0.0	0.0			
Total WIP	71,071.70	0.0	71,071.70			

Appendix C: Joint Administrators' Remuneration and Expenses

Analysis of time incurred for the IRUK LP Administration from 22 November 2021 to 21 May 2024

Task	Senior Managing Director	Managing Director / Director	Senior Consultant / Consultant	Associate	Total Time	Total Cost	Average Cost
Administration and Planning							
Strategy and planning	12.8	228.4	5.0	28.5	274.7	135,865.8	494.6
Initial actions	7.5	8.6	-	36.0	52.1	15,568.4	298.8
Appointment and related formalities	-	8.9	-	91.4	100.3	26,654.3	265.7
Receipts and payments accounts	0.3	21.8	0.4	33.9	56.4	20,364.8	361.1
Checklist and reviews	0.5	3.4	-	42.0	45.9	13,874.7	302.3
Cashiering and reconciliations	0.3	17.0	-	251.0	268.3	72,125.9	268.8
Bonding and IPS maintenance	-	0.7	1.0	17.5	19.2	5,667.8	295.2
Case Admin	-	0.7	-	7.5	8.2	2,529.5	308.5
Subtotal	21.4	289.5	6.4	507.8	825.1	292,650.9	
Investigations							
Correspondence with directors	-	1.0	-	2.8	3.8	1,078.7	283.9
Directors questionnaire/checklists	-	2.2	-	5.0	7.2	2,115.4	293.8
Statement of affairs	-	2.2	-	-	2.2	1,245.3	566.0
Reports of Directors' conduct	-	16.7	-	28.3	45.0	13,196.4	293.3
Books and records	-	4.7	-	-	4.7	2,769.9	589.3
Electronic records	-	0.7	-	-	0.7	389.6	556.5
Subtotal	-	27.5	0.0	36.1	63.6	20,795.3	
Realisation of assets							
Cash and investments	-	16.3	-	22.7	39.0	14,245.0	365.3
Sale of business	30.8	258.6	-	-	289.4	185,727.2	641.8
Post-completion obligations	2.8	3.3	-	-	6.1	3,907.1	640.5
Book debts	0.3	2.0	-	-	2.3	1,371.3	596.2
Stock and WIP	-	-	-	10.6	10.6	2,237.9	211.1
Property, plant and vehicles	-	14.3	-	13.7	28.0	10,511.9	375.4
Other assets	1.5	21.0	-	0.4	22.9	12,700.1	554.6
Health & Safety/Insurance	-	0.8	-	-	0.8	451.5	564.4
Legal issues/litigation	-	0.5	-	-	0.5	278.3	556.5
Fixed Charge Property	-	56.1	-	-	56.1	29,732.2	530.0
Lazard Process	0.5	2.0	-	-	2.5	1,680.0	672.0
Tax- Post Transaction Obligations	0.5	13.1	-	-	13.6	8,691.2	639.1
Post Transactions Obligations	-	10.1	-	0.2	10.3	5,623.8	544.4
Subtotal	36.4	398.1	0.0	47.6	482.1	277,157.3	

Appendix C: Joint Administrators' Remuneration and Expenses

Analysis of time incurred for the IRUK LP Administration from 22 November 2021 to 21 May 2024

Trading							
Initial control of operations	-	2.6	-	0.5	3.1	1,529.2	493.3
Ongoing trading / monitoring	5.8	449.0	-	259.6	714.4	303,851.3	425.3
Closure of trading	7.3	0.5	-	-	7.8	5,844.3	749.3
Employees - Payroll	-	36.4	-	2.5	38.9	21,294.4	547.4
Employees - HR Issues	-	34.4	-	3.2	37.6	20,308.4	540.1
Subtotal	13.1	522.9	0.0	265.8	801.8	352,827.5	
Tax							
Initial reviews CT and VAT	-	0.5	-	-	0.5	288.8	577.5
Pre-appointment CT	-	17.0	-	-	17.0	10,293.5	605.5
Pre-appointment VAT	-	0.9	-	-	0.9	500.9	556.5
Post appointment CT	4.5	12.9	4.1	0.8	22.3	12,968.9	581.6
Post appointment VAT	1.7	29.5	4.0	30.6	65.8	29,449.7	447.6
Tax advice on transactions	14.5	49.6	0.6	0.7	65.4	41,647.2	636.8
Other post appointment tax	-	43.1	1.4	4.6	49.1	25,637.2	522.1
Subtotal	20.7	153.5	10.1	36.7	221.0	120,786.1	
Reporting							
Proposals	-	48.4	-	88.9	137.3	40,839.1	297.4
Other statutory reports/meetings	4.6	153.8	0.5	184.0	342.9	132,094.6	385.2
Secured creditor reports	1.0	62.5	23.0	46.2	132.7	56,985.2	429.4
Secured creditor calls	3.3	4.3	-	-	7.6	4,784.9	629.6
Subtotal	8.9	269.0	23.5	319.1	620.5	234,703.7	
Total Time by Grade	109.2	1,682.3	40.0	1,435.2	3,266.8		
Total Cost by Grade	79,518.3	954,383.1	16,997.5	320,613.2	1,371,512.1		
Average by Grade	728.2	567.3	424.9	223.4	419.8		
	Time Costs	Category 1	Category 2	Total			
Total Costs to Date	1,371,512.06	1,201.0	-	1,372,713.06			
Amount Billed	(1,023,532.0)	(296.7)	-	(1,023,828.7)			
Total WIP	347,980.1	904.3	-	348,884.4			

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms, our work includes realising the Companies' assets, quantifying its liabilities and returning funds to creditors, managing the Companies' affairs and fulfilling our statutory obligations as joint administrators.

Earlier in this report, we described the main areas of our work in the Administrations during the Period covered by this report. The table below provides more detail but is not an exhaustive list of all work performed. Also provided is an indication of whether the work provided a financial benefit for creditors or whether (for example) it was required by statute.

Area of work	Description of work	Reason and benefit for creditors
Controlling the appointment	<ul style="list-style-type: none"> ■ Case reviews: Periodic reviews of the Administrations, typically every six-months. ■ Financial Management: Preparing and maintaining cost budgets, estimated outcome statements etc, as appropriate for the case. 	<ul style="list-style-type: none"> ■ We have a duty to perform our functions as quickly and efficiently as reasonably practicable in the best interests of the creditors as a whole. ■ Whilst not necessarily generating a direct financial benefit for creditors, these areas of our work ensure that our strategies to maximise realisations and minimise costs (and liabilities where possible), are kept under review and amended as appropriate.
Trading Supervision	<ul style="list-style-type: none"> ■ Trading: Following the sale of Eastgate the ongoing trading of the centre was no longer undertaken by the Joint Administrators. However, during the period various post-sale obligations have been undertaken including service charge reconciliations. 	<ul style="list-style-type: none"> ■ Trading the Centre was part of our strategy of maximising the value of the Centre, which was a direct financial benefit for creditors. ■ The post-transaction works have closed out the positions in relation to rent and service charge enabling the trading position to be finalised.
Realising the Assets	<ul style="list-style-type: none"> ■ Sale of business: In a prior period, we completed the sales of the Eastgate Centre, and under the terms of the SPA we were required to undertake various post-transaction obligations. ■ Rent & Service Charge Arrears: Post-transaction, we continued to have the right to both Rent and Service Charge arrears that were incurred prior to the transaction. We will continue to look to collect these arrears in future periods. During the Period, the Purchaser did not take up an option to purchase these arrears, so these have subsequently been reassigned to the Partnership as seller, and we have been in discussions with agents around their future collection. 	<ul style="list-style-type: none"> ■ The sale of business provides a direct financial benefit for creditors and includes the work required after completion pursuant to the terms of the sale agreement, or otherwise.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as Joint Administrators.

Area of work	Description of work	Reason and benefit for creditors
Dealing with Creditors	<ul style="list-style-type: none"> ■ Secured creditors: Liaising with / periodic reporting to the Secured Creditor; and making distributions from asset realisations under security entitlements. ■ Unsecured claims agreement: Reviewing claims where participation in the unsecured dividend was expected; including liaising with the creditors regarding the provision of supporting information and responding to queries. ■ Creditor queries: For all classes of creditors, shareholders and other third parties: responding to inbound queries received to the extent possible and necessary. 	<ul style="list-style-type: none"> ■ Where available, distributions and dividends represent a repayment to creditors in respect of the amounts owed to them by the Company and therefore is a tangible financial benefit from the insolvency proceedings. ■ During the course of claims agreement, we perform a proportionate level work with an appropriate degree of scrutiny taking into account the quantum of the dividend available, to avoid incurring unnecessary costs and to avoid adversely impacting the recovery for creditors. ■ Responding to general inbound queries can take considerable time and does not have a direct financial benefit for creditors, except for example (for individual creditors) where it is to provide debt confirmations for the purpose of credit insurance claims. To the extent possible, we encourage creditors to review information already available on our website.

Appendix C: Joint Administrators' Remuneration and Expenses

In broad terms our work includes realising the Company's assets, quantifying its liabilities and returning funds to creditors, managing the Company's affairs and fulfilling our statutory obligations as Joint Administrators.

Area of work	Description of work	Reason and benefit for creditors
Managing the Company's Affairs	<ul style="list-style-type: none"> ■ Corporation Tax: Prepared and submitted the necessary and periodic tax returns falling due during the Administrations; ■ VAT: Prepared and submitted the necessary and periodic VAT returns falling due during the Administration. This work will include making payments to (or requesting refunds from) HMRC and maintaining adequate VAT accounts. In addition, we have been in significant correspondence with HMRC regarding a resolution to the Company having been incorrectly de-registered for a period of time. ■ Receipts, payments and accounting journals: Maintaining adequate accounting records for the period of the Administrations, including the payment of costs and expenses. 	<ul style="list-style-type: none"> ■ We have a statutory responsibility to complete and submit post-insolvency tax and VAT returns and account for any tax due. ■ As circumstances can often be complex, the involvement of our VAT and tax specialists ensures that the Company pays the correct amount of tax, to avoid adversely impacting any amounts available for creditors.
Fulfilling our Statutory Duties	<ul style="list-style-type: none"> ■ Progress reports: In November 2023, we prepared and circulated our latest annual report on the progress of the Administrations, including receipts and payments accounts. 	<ul style="list-style-type: none"> ■ These workstreams arise from statutory requirements due to the Company being in an insolvency process and similarly do not have any direct financial benefit for creditors. Many requirements are for the purpose of keeping creditors informed about the Administration and to protect their interests generally.

Appendix C: Joint Administrators' Remuneration and Expenses

An overview of the types of expenses incurred and the rationale for the engagement of specialist services.

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

- The table on the following page provides details of professional advisors and subcontractors that we have engaged on this project. The use of subcontractors is in relation to work that we could have done ourselves (subject to the exceptions detailed below), but that we have outsourced.
- 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 nature of the assignment.
- We also considered that the basis on which they 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 and the providers have relevant specialist experience (e.g., both the property and asset managers were incumbent and had a detailed knowledge of Eastgate). We have reviewed the fees they have charged and are satisfied that they are reasonable in the circumstances of this case.
- Details of the expenses incurred in the Period with these third parties (whether paid or not) is set out later in this Appendix. The amounts paid are also detailed in the receipts and payments account at Appendix B.
- We have also utilised the services of other teams within FTI Consulting LLP to assist with the Administration process. The fees of our Tax teams have been included within the basis of our remuneration. 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 cost-effective approach to the Administrations' workstreams has been possible.

Appendix C: Joint Administrators' Remuneration and Expenses

The remainder of this Appendix provides an update on the expenses of the Administrations and the third parties supporting us with our work.

Firm	Services	Fee Arrangement	Reason Selected
Munroe K*	Property Management Services	Monthly fixed fee	Experience and prior knowledge of the Companies
Sovereign Centros*	Asset Management Services	Monthly fixed fee	Experience and prior knowledge of the Companies
Stephenson Harewood	Legal Advice	Time cost and expenses	Experience and prior knowledge of the Companies
Aon UK Limited*	Insurance Risk Services	Insurance premiums	Experienced provider of insurance services to IPs
Aon UK Limited	Bonding	Fixed premium	Experienced provider of insurance services to IPs
ERA Solutions*	Payroll in relation to BTCM directorship	Fixed fee based on number of employees	Experienced provider of employee services to IPs
Savills*	Marketing & Sales strategy advice	% of realisations	Experienced property sales agent, strong industry knowledge.
CMS	Legal Advice	Time cost and expenses	Experience and prior knowledge of the Companies
EPE Reynell	Gazette Notices	Fixed cost per advert	Specialists in dealing with legal advertising
Iceni Projects Limited*	Real Estate Consultant	Time cost and expenses	Experienced real estate consultancy, with strong industry knowledge.
Brasier Freeth Ltd*	Chartered Surveyors & Commercial Property Experts	Time cost and expenses	Experienced Chartered Surveyors with strong industry experience.

*As a result of the sale, these third parties did not perform any work for ourselves, or the Companies, during the Period and no further support is expected.

Appendix C: Joint Administrators' Remuneration and Expenses

Below is a table summarising the trading expenses in the Period, our current estimate of total expenses and a comparison to our initial estimate (the details given to creditors prior to the determination of the basis of our remuneration).

Expense Type	Estimate per the Proposals	Total Estimate	Incurred during the Period	Total Incurred to 21 May 2024	Comment
Service Charge Net expenditure (Estimate for 16 Months up to sale)	290,400.00 (per month)	4,646,400.00	-	3,513,072.84	Includes all PPM, including the fees due to the Property Manager. The amounts incurred during the period relates to the final service charge reconciliations.
Non-Recoverable Service Charge expenditure (Estimate for 16 Months up to sale)	85,000.00 (per month)	1,360,000.00	-	390,042.97	Includes capital expenditure beyond the scope of PPM.
Professional Fees	574,400.00	960,000.00	-	427,784.88	Fees relating to planning and the sales transaction (including legal, agent and architects' fees) and tenant leases.
Employee costs (Estimate for 16 Months up to sale)	5,000.00	80,000.00	-	47,251.96	Includes fees relating to the employment of a director in BTCM, therefore no fees were sent during the period.
Insurance	257,148.00	257,148.00	-	297,465.50	Costs relating to the insurance of the shopping centre. During the previous period we ended the contract and during this period received a refund of c£317k.
Totals		7,343,548.00	-	2,357,660.06	

- 1. Service Charge Net expenditure/ Non-Recoverable Service Charge expenditure** – Our Proposals prudently estimated monthly Service Charge expenditure and Non-Recoverable Service Charge expenditure of £290.4k per month and £85k per month whilst we continued to trade Eastgate. An estimated total was based on the sale completing at 24 months which has been updated to reflect the 16-month trading period and shows that actual net costs incurred were significantly lower than predicted.
- 2. Employee Costs** - Our initial estimate had employee-related costs of £5k but had been incorrectly described as a single amount rather than a monthly estimate. This was clarified in our subsequent progress reports. The expenses incurred have not exceeded the estimate (based on a monthly fee of £5k).
- 3. Insurance** - Our initial insurance estimate assumed that cover was not required beyond the one-year anniversary. The increased expenditure is a consequence of 16-months cover having been required, though it should be noted that a substantial (partial) refund of the second-year premium was received during the period.

Appendix C: Joint Administrators' Remuneration and Expenses

Below is a table summarising the non-trading expenses in the Period, our current estimate of total expenses and a comparison to our initial estimate (the details given to creditors prior to the determination of the basis of our remuneration).

Expense Type	Estimate per the Proposals	Incurred during the period	Total Incurred (21 November 2021 to 21 May 2024)	Total Estimate	Comments
Sales Agents Fees	TBD	-	372,042.90	400,000.00	Includes sales fee on leasehold interest of the single unit.
Bonding	180	-	225.00	225.00	Required for all insolvency appointments.
Gazetting	442	-	368.00	368.00	Statutory notices placed in the Gazette.
Legal fees	138,343.00	-	138,343.00	163,343.00	Legal fees incurred during the period relate to the extension of the Administration and were settled shortly after the previous period end. As set out earlier in the report these costs were met by a third party.
Postage and stationery	500	-	1,034.40	1,034.40	Re-direction of mail.
Travel and subsistence expenses	500	-	386.40	500.00	
Totals	133,622.00	21,224.00	512,399.70	354,775.73	

Note

*No non-trading expenses were incurred during the period and all balances remain within previously advised estimates.

Appendix D: Legal Notices

We have set out below some important notices regarding this report and the appointment of administrators.

About this report

- This report has been prepared by the Joint Administrators solely to comply with their statutory duty to report to creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the insolvency proceedings.
- It is not suitable to be relied upon by any other person, or for any other purpose, 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 or any financial interest in the Company or Companies subject to these insolvency proceedings.
- 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 its 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.
- Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Provision of Services Regulations

- To comply with the Provision of Services Regulations, some general information about FTI Consulting LLP, including about our complaints policy and Professional Indemnity Insurance, can be found online at: <https://www.fticonsulting.com/uk/creditors-portal>.

Information on creditors' rights

- A creditors' guide to administrations can be found on our website below. It includes information to help creditors understand their rights and describes how best these rights can be exercised.
<https://www.fticonsulting.com/uk/creditors-portal/forms-and-information>
- The website also has a creditors' guide to administrators' fees which is intended to help creditors be aware of their rights under legislation to approve and monitor fees; and explains the basis on which fees are fixed and how creditors can seek information about expenses incurred by the administrator and challenge those they consider to be excessive.
- The above documents on our website are called:
 - Creditors Guide to Administration (E&W, February 2023)
 - Guide to Administrators Fees April 2021 England Wales
- Details of the above rights are also set out on the right.

Data Protection

- FTI Consulting LLP ("FTI") uses personal information in order to fulfil the legal obligations of its 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 in our Data Privacy statement on our website at <https://www.fticonsulting.com/uk/creditors-portal>.

Creditors' Right to Challenge Remuneration and/or Expenses

- Any secured creditor, or unsecured creditor with the support of at least 10% in value of the unsecured creditors, or with the leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 18.36 or 18.37 IR16), challenging the amount or the basis of the remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred.
- Such application must be made within eight weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses in question, in accordance with Rule 18.34 IR16.

Creditors Right to Request Information

- Any secured creditor or unsecured creditor with the support of at least 5% in value of the unsecured creditors, or with the leave of the Court, may, in writing, request the Joint Administrators of the Company to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 IR16.

Appendix E: Notice of Decision by Correspondence

InfraRed UK Lion Limited Partnership (“the Partnership”) – In Administration
Company Registration Number: LP015850

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

Notice of Decision by Correspondence – Decision Date 20 July 2024

NOTICE IS GIVEN by Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan of FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD to the creditors of the Partnership that set out below is a decision for your consideration under Paragraph 62 of Schedule B1 of the Insolvency Act 1986 and Rule 18.30 of the Insolvency (England and Wales) Rules 2016 (“IR16”). Please complete and return the voting section on the following page indicating whether you are in favour or against the following decision:

1. THAT the Joint Administrators’ remuneration may draw remuneration in excess of the total amount previously approved by creditors, up to the revised fees estimate of £1,432,000 plus VAT.

The final date for votes is 20 July 2024, 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 FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, United Kingdom by no later than 23:59 hours on the Decision Date. It must be accompanied by proof of their debt, (if not already lodged). Failure to do so will lead to their vote being disregarded.
2. Creditors must lodge proof of their debt (if not already lodged) at the offices of FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD, United Kingdom by no later than 23:59 hours on the Decision Date, without which their vote will be invalid.
3. Creditors with claims of £1,000 or less must have lodged proof of their debt for their vote to be valid.
4. 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.
5. 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 below. 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.”
6. Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 IR16 about Creditors' Voting Rights and Majorities, by applying to court under Rule 15.35 IR16 within 21 days of the Decision Date.

Creditors requiring further information regarding the above, should contact the Joint Administrators’ staff by email at IRUKLion@fticonsulting.com, or by phone on 020 7269 9391.

DATED THIS 21 June 2024



Ali Khaki
Joint Administrator

Appendix E: Notice of Decision by Correspondence

**InfraRed UK Lion Limited Partnership (“the Partnership”) – In Administration
Company Registration Number: LP015850**

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

Voting on Decision (Decision Date 20 July 2024)

1. THAT the Joint Administrators’ remuneration may draw remuneration in excess of the total amount previously approved by creditors, up to the revised fees estimate of £1,432,000 plus VAT.

*** For / Against**

**delete as appropriate*

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: _____

This form must be received at IRUKLion@fticonsulting.com or FTI Consulting LLP, 200 Aldersgate Street, Aldersgate, London EC1A 4HD, by 23:59 hours on 20 July 2024, in order to be counted.

Appendix F: Invitation to Form a Committee

InfraRed UK Lion Limited Partnership (“the Partnership”) – In Administration Company Registration Number: LP015850

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

Invitation to Form a Committee – Decision Date 20 July 2024

- NOTICE IS GIVEN by Andrew James Johnson, Ali Abbas Khaki and Matthew Boyd Callaghan of FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD to the creditors of the Partnership of an invitation to establish a Creditors’ Committee under Rule 3.39 of The Insolvency (England and Wales) Rules 2016 (“IR16”).
 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 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 IR16 is 20 July 2024, 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 as a member of the Committee. The completed document should be returned by email or post by no later than 23:59 hours on the Decision Date.
 - 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 www.fticonsulting.com/uk/creditors-portal/forms-and-information. If you require a hard copy of the booklet, please contact the Joint Administrators’ staff by email or by phone on 020 3077 0254.
 - **The final date for votes to establish a Committee is 23:59 hours on 20 July 2024 (the Decision Date).**
 - In order for their votes to be counted creditors must submit to me their completed voting form so that it is received by email or post by no later than 23:59 hours on the Decision Date. 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.
 - Creditors must lodge proof of their debt (if not already lodged) by email or post by no later than 23:59 hours on the Decision Date without which their vote will be invalid.
 - 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.
 - 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.
 - 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.”
 - Creditors have the right to appeal a decision of the convener made under Chapter 8 of Part 15 IR16 about Creditors’ Voting Rights and Majorities, by applying to court under Rule 15.35 IR16 within 21 days of the Decision Date.
- Our contact details for voting forms, proofs of debt or other queries are by email to IRUKLion@fticonsulting.com, by post to FTI Consulting LLP, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. We can also be contacted by phone on 020 7269 9391.

DATED THIS 21 June 2024



Ali Khaki
Joint Administrator

Appendix F: Invitation to Form a Committee

InfraRed UK Lion Limited Partnership (“the Partnership”) – In Administration
Company Registration Number: LP015850

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

Invitation to Form a Committee – Decision Date 20 July 2024

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.

Voting on Decision

1. THAT a Creditors Committee should be established

* For / Against

**delete as appropriate*

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

Name of nominated creditor _____

Address _____

Of (if applicable) _____

Representing (if applicable) _____

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: _____

This form must be received at IRUKLion@fticonsulting.com or FTI Consulting LLP, 200 Aldersgate Street, Aldersgate, London EC1A 4HD, by 23:59 hours on 20 July 2024, in order to be counted.



Experts with Impact™