

TO ALL KNOWN CREDITORS

30 August 2021

Ref: AW//DT/AR/D16.1
Direct line: 02890 443500

Email: irafdragon@parthenon.ey.com

Dear Sirs

**IRAF UK Dragon Limited Partnership (“the Limited Partnership”)
IRAF UK Dragon Nominee 1 Limited and
IRAF UK Dragon Nominee 2 Limited (together “the Companies”)
(all in Administration) (all “the Entities”)**

**High Court of Justice, Business and Property Courts of England and Wales in London
Insolvency and Companies List (ChD) (Numbers: CR-2021-000178, CR-2021-000176 and
CR-2021-000177)**

On 1 February 2021, the Entities entered Administration and A S Dolliver and I were appointed as Joint Administrators (**‘the Administrators’**). The appointment to the Limited Partnership was made by the members of the Partnership pursuant to the terms of paragraph 22 of Schedule B1 to the Insolvency Act 1986 (**‘the Act’**) (as modified by paragraph 9 of Schedule 2 to the Insolvent Partnerships Order 1994) and the appointment to the Companies was made by the qualifying floating charge holder (“QFCH”) under the provisions of paragraph 14 of Schedule B1 to the Insolvency Act 1986 (**‘the Act’**).

I write, in accordance with Rule 18.3 and Rule 18.6 of the Insolvency (England and Wales) Rules 2016 (**‘the Rules’**), to provide creditors with a report on the progress of the Administrations. This report covers the period from 1 February 2021 to 31 July 2021 (**‘the Period’**) and should be read in conjunction with the Administrators’ Statement of Proposals dated 26 March 2021 (**‘the Proposals’**).

A P Williams and A S Dolliver are UK licenced insolvency practitioners and consequently are bound by the Insolvency Code of Ethics when carrying out all professional work relation to the Administrations.

Statutory information about the Limited Partnership, the Companies, the Administrations and the office holders is given at Appendix 1.

Summary of progress

Trading

The Entities own St George’s Shopping Centre in Preston (**‘the Property’**).

During the Period the Administrators continued to trade the Property in Administration, in line with Government COVID-19 guidelines. The incumbent asset managers (Sovereign Centros) and managing agents (Munroe K) were retained to assist the Administrators in this regard.

Approval of the Proposals

The Proposals were issued to all known creditors of the Entities on 26 March 2021.

In accordance with paragraph 52 (1) of Schedule B1 to the Insolvency Act 1986 and Rules 3.38 of the Insolvency (England and Wales) Rules 2016, the Proposals in relation to each of the Entities were deemed approved on 12 April 2021.

Asset Realisations

Property

The Administrators engaged Knight Frank on 20 May 2021 on a fixed fee basis to begin a sale process for the Property.

A range of potential interested parties were contacted, with information in relation to the Property provided to these parties (subject to receipt of suitable non-disclosure agreements) to assist them formulate bids.

A sale of the Property was completed on 27 August 2021 for gross consideration of £21.5m to AG RETAIL NUM (1) LIMITED. Further details will be provided in our next progress report which will cover the completion date.

Collections from Tenants

As part of their role, Sovereign Centros and Munroe K manage the collection of rental income from the Property's tenants, under the overall supervision of the Joint Administrators and their staff.

Monies held by agents at the date of appointment

At the date of appointment of Administrators, an amount of c.£0.3m was held by Munroe K in relation to monies collected from tenants but not yet transferred to the Entities. These monies were transferred to the Limited Partnership during the Period.

Tenant arrears at the date of appointment

At the date of appointment of Administrators, a total of c.£1.6m was due from tenants. As outlined in the Proposals, this level of arrears was significantly higher than historical averages as a result of the impact of the Covid-19 pandemic and ongoing restrictions regarding landlords' abilities to use forfeiture and/or other legal routes to pursue tenants for unpaid balances.

c.£0.3m of these arrears have been collected during the Period.

Tenant collections for the Period

A further c.£1.0m has been collected and transferred to the Limited Partnership's fixed charge account during the period in relation to rental income due in the Period.

Car park income

Munroe K also manage the operation and collection of monies from the Property's car park.

Approximately c.£85k of car park income was collected and transferred to the Limited Partnership's fixed charge account during the Period.

Cash on Appointment

Fixed charge cash

An amount of c.£5.4m was held in "blocked" accounts charged to and controlled by Wells Fargo N.A. London Branch ('the **Secured Creditor**') under the terms of its fixed charge security. These monies were swept by the Secured Creditor during the Period in partial repayment of amounts owed to them at appointment.

Floating charge cash

At the date of appointment, a cash balance totalling c.£12k was held in a current account in the name of the Limited Partnership. The Administrators continue to liaise with the Entities' pre-appointment bankers with a view to sweeping these funds to the Limited Partnership's floating charge Administration bank account.

The Companies did not hold any cash at the date of appointment.

Prepayments & other assets

At the date of appointment, the Limited Partnership had c.£22k of prepayments (principally accounting entries in relation to business rates), and c.£47k of other assets (relating to debit balances on creditor ledgers, minor dilapidation claims and tenant recharges, and other sundry debtors) on its balance sheet.

No recoveries were made against these balances in the Period. The Administrators will continue to seek to realise value in these assets where appropriate and economic, however, it is anticipated that minimal recoveries will ultimately prove possible.

The Companies did not have any prepayments or other assets on their balance sheets at the date of appointment.

Escrow Monies

As reported previously, at the date of appointment a balance of £1.9m was held in an escrow account with Citibank subject to the terms of an escrow agreement. No realisations have been made in relation to this during the Period.

Receipts and payments account

A summary of our receipts and payments for the period from 1 February 2021 to 31 July 2021 is attached at Appendix 2. Note these accounts do not reflect estimated future realisations or costs.

Investigations

We have undertaken our statutory investigation into the Entities' affairs prior to our appointment pursuant to Statement of Insolvency Practice Number 2 (Investigations by Office Holders) and The Company Directors Disqualification Act 1986, with the necessary confidential returns made to the Insolvency Service on 29 April 2021. No investigations are continuing, and no third-party funding has been provided in relation to our work in this regard.

VAT

It became apparent during the period that in order to account for and reclaim VAT appropriately during the Administrations, and to maximise realisations from the ongoing sale process, it would be necessary to register the Entities for VAT with HMRC. Prior to our appointment VAT had been accounted for in returns submitted to HMRC by IRAF UK Dragon GP Limited, a separate group entity not under the control of the Administrators.

As such, having liaised with VAT experts within EY and HMRC, the Administrators' submitted VAT registration forms for the Entities during the period, with this registration taking effect from 1 February 2021. The Entities first VAT return will be submitted in October 2021 and will relate to the period from 1 February 2021 to 30 September 2021.

Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Insolvency (England and Wales) Rules 2016. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to me.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses, or to apply to court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Insolvency (England and Wales) Rules 2016). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

Pursuant to Rule 18.18(4) of the Insolvency (England and Wales) rules 2016, the basis of the Administrators' fees in these Administrations will be approved by the Secured Creditor and the preferential creditors (if any) of the Entities.

The Administrators have submitted a request to these parties in June 2021 that their remuneration in respect of each of the Entities be fixed on the basis of time properly given by them and their staff in dealing with matters arising in the Administration, in accordance with the Fee Estimate dated 19 March 2021 ('the Fee Estimate') which was circulated to creditors at the same time as the Proposals. Our remuneration is not expected to exceed the amounts set out in the Fee Estimate. Whilst we still await approval from the Secured Creditor and preferential creditor, the Joint Administrators anticipate that this will be agreed in due course.

At Appendix 3 to this report there is an analysis and narrative explanation of time spent by the Administrators and their staff during the Period, along with a comparison to our previous Fee Estimate.

The Administrators do not anticipate drawing fees in excess of the Fee Estimate. No amounts in relation to remuneration have yet been drawn.

Joint Administrators' statement of expenses incurred

During the period covered by this report, we have incurred expenses totalling c.£346k plus VAT which is broken down between the Entities as follows: Limited Partnership c.£308k plus VAT, Nominee 1 c. £19k plus VAT and Nominee 2 c.£19k plus VAT. There is a breakdown of expenses incurred in the Period at Appendix 3 of this report.

Expenses are not expected to exceed the levels set out in our original Fee Estimate.

Pre-Administration costs

The Proposals detailed pre-Administration costs in relation to work undertaken by the Administrators prior to their appointment totalling c.£12k across the Entities. These costs are also subject to approval by the Secured Creditor and the preferential creditors (if any) of the Entities. A request for approval to draw these balances was submitted to these parties at the same time as the request to set the basis of the Administrators remuneration, as referred to above. No amounts have yet been drawn in relation to these balances.

The Proposals referred to a further c.£49k plus VAT of unpaid pre administration costs across the Entities, relating to legal fees. During the period the Administrators obtained consent from the Secured Creditor to pay these balances using funds made available to the Administrations by the Secured Creditor, pursuant to the terms of a funding agreement agreed between the Administrators and the Secured Creditor at the outset of the Administration. As such these balances have now been settled.

Distributions to creditors

Secured Creditor

Wells Fargo Bank, N.A. London Branch ("**the Secured Creditor**") is the Entities' only known secured creditor and holds fixed and floating charge security over the Entities' assets.

Based on the Directors' Statement of Affairs, as at the date of appointment of the Administrators the Entities owed the Secured Creditor c.£40.3m prior to post appointment interest and charges.

During the Period, a total of c.£5.4m was swept by the Secured Creditor from bank accounts subject to their fixed charge in partial repayment of amounts owed to them at appointment. The Secured Creditor is expected to suffer a shortfall against its principal indebtedness.

Preferential Creditors

The Limited Partnership

Based on the Directors' Statement of Affairs, total estimated amounts owing to preferential creditors are c.£252k, in respect of the Limited Partnership. All of this balance comprises amounts owned to HMRC in relation to VAT.

We consider it unlikely that there will be sufficient net floating charge realisations to enable a distribution to be made to the Limited Partnership's preferential creditors.

The Companies

We are not aware of any preferential creditors in either of the Companies.

Unsecured Creditors

The Limited Partnership

The Directors' Statement of Affairs estimated that unsecured non-preferential claims owed by the Limited Partnership totalled c.£48.0m, of which c.£47.6m was understood to be attributable to shareholder loans.

We do not expect that there will be sufficient realisations to enable a distribution to be made to unsecured creditors of the Limited Partnership, including by virtue of the Prescribed Part.

The Companies

The Directors Statement of Affairs indicated there were no unsecured creditors in either of the Companies.

Notwithstanding the above, if you have not already submitted a claim and wish to do so, please complete the enclosed proof of debt form and send by email to irafdragon@parthenon.ey.com, along with supporting documents for the attention of Aine Reavey.

Remaining work

We will continue to deal with the Administrations in accordance with the stated objective outlined in the Proposals. Future tasks will include, but may not be limited to, the following:

- Seeking to realise value in all remaining assets, in particular concluding matters relating to the sale of the Property.
- Continuing to trade the Property in Administration with assistance from our appointed agents until the ongoing sale process is concluded.
- Making distributions to the secured and (if applicable) preferential creditors.
- Dealing with unsecured creditor enquiries.
- Finalising the Administration including the payment of all Administration liabilities.
- Preparing and filing corporation tax and VAT returns (as applicable).
- Completion of statutory and other reporting requirements of the Administrations.
- Any such actions required to be undertaken by the Administrators to fulfil the purpose of the Administrations.

Other matters

Future conduct of the Administrations

If any outstanding matters have not been resolved by the end of the Administrations, or if it is in the best interests of the creditors, the Administrators will seek to either extend the Administrations or place the Entities into a subsequent liquidation. Alternatively, if all outstanding matters have been resolved the Administrators will take steps to dissolve the Entities in accordance with the provisions previously set out in the Proposals.

Next report

We will report to you again at the conclusion of the Administrations or in six months' time, whichever is the sooner.

Yours faithfully
for the Entities (In Administration)



A P Williams
Joint Administrator

Enc: Appendix 1: Information about the proceedings, the company and the office holders
Appendix 2: Joint Administrators' Summary of Receipts and Payments from 1 February 2021 to 31 July 2021
Appendix 3: Summary of Joint Administrators' expenses incurred
Appendix 4: Joint Administrators' time costs for the period from 1 February 2021 to 31 July 2021 and a comparison with the fee estimated dated 26 March 2021
Appendix 5: Proof of Debt Form

A P Williams and A S Dolliver are licensed in the United Kingdom to act as insolvency practitioners by The Insolvency Practitioners Association.

As licensed insolvency practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administrations.

The affairs, business and property of the Entities are being managed by the Joint Administrators, A P Williams and A S Dolliver, who act as agents of the Entities only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Entities may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Appendix 1

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

IRAF UK Dragon Limited Partnership (in Administration)

Name of court:	In The High Court of Justice, Business and Property Courts of England and Wales In London, Insolvency and Companies List (ChD)
Court reference:	CR-2021-000178
Registered name of the company:	IRAF UK Dragon Limited Partnership
Registered office address of the company:	Ernst & Young LLP 1 More London Place, London, United Kingdom, SE1 2AF
Registered number:	LP016476
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	1 February 2021
Details of any changes of administrator:	None
Full names of the administrators:	A P Williams and A S Dolliver
Office holder number(s):	22270 and 15230
Administrators' address(es):	Ernst & Young LLP, 1 More London Place, London, United Kingdom, SE1 2AF and Ernst & Young LLP, Bedford House, 16-22 Bedford Street, Belfast, BT2 7DT
Telephone number:	020 7951 2000
Name of alternative person to contact with enquiries about the case:	Aine Reavey

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

IRAF UK Dragon Nominee 1 Limited (in Administration)

Name of court:	In The High Court of Justice, Business and Property Courts of England and Wales In London, Insolvency and Companies List (ChD)
Court reference:	CR-2021-000176
Registered name of the company:	IRAF UK Dragon Nominee 1 Limited
Registered office address of the company:	Ernst & Young LLP 1 More London Place, London, United Kingdom, SE1 2AF
Registered number:	09408691
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	1 February 2021
Details of any changes of administrator:	None
Full names of the administrators:	A P Williams and A S Dolliver
Office holder number(s):	22270 and 15230
Administrators' address(es):	Ernst & Young LLP, 1 More London Place, London, United Kingdom, SE1 2AF and Ernst & Young LLP, Bedford House, 16-22 Bedford Street, Belfast, BT2 7DT
Telephone number:	020 7951 2000
Name of alternative person to contact with enquiries about the case:	Aine Reavey

Information about the proceedings, the company and the office holders, as required by Rule 18.3(1) of the Insolvency (England and Wales) Rules 2016

IRAF UK Dragon Nominee 2 Limited (in Administration)

Name of court:	In The High Court of Justice, Business and Property Courts of England and Wales In London, Insolvency and Companies List (ChD)
Court reference:	CR-2021-000177
Registered name of the company:	IRAF UK Dragon Nominee 2 Limited
Registered office address of the company:	Ernst & Young LLP 1 More London Place, London, United Kingdom, SE1 2AF
Registered number:	09408934
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A
Date of appointment of the joint administrators:	1 February 2021
Details of any changes of administrator:	None
Full names of the administrators:	A P Williams and A S Dolliver
Office holder number(s):	22270 and 15230
Administrators' address(es):	Ernst & Young LLP, 1 More London Place, London, United Kingdom, SE1 2AF and Ernst & Young LLP, Bedford House, 16-22 Bedford Street, Belfast, BT2 7DT
Telephone number:	020 7951 2000
Name of alternative person to contact with enquiries about the case:	Aine Reavey

Appendix 2

IRAF UK Dragon Limited Partnership (in Administration)

Joint Administrators' Summary of Receipts and Payments from 1 February 2021 to 31 July 2021

Statement of Affairs estimated Note to realise		Period from 1 February 2021 to 31 July 2021
(£)	1,2	(£)
	Fixed charge receipts	
24,500,000	Property	-
5,655,309	3 Cash at date of appointment	-
	Monies held by Munroe K at date of appointment	327,178.84
55,152	4 Rental income received from Munroe K	1,306,775.16
	Car park income received from Munroe K	85,981.67
	Fixed charge bank interest	19.67
		1,719,955.34
	Fixed charge payments	
	None	-
	Distributions to creditors	
	None	-
	Floating charge receipts	
	Funding Agreement drawdown	1,700,000.00
31,617	5 Cash at date of appointment	-
-	Prepayments	-
47,383	Other debtors	-
	Floating charge bank interest	68.26
		1,700,068.26
	Floating charge payments	
6	Pre-Administration costs - legal fees	(49,260.04)
	Legal fees	(28,207.93)
	Consultant & other property costs	(117,164.73)
	Asset management agent fees	(133,333.32)
	Property management agent fees	(9,374.33)
7	Insurance	(56,123.25)
	Bank charges	(1,287.50)
8	Public notices	(298.35)
		(395,049.45)
	Distributions to creditors	
	None	-
	Balances in hand	3,024,974.15
	Represented by:	
9	Cash at bank - fixed charge	1,998,500.33
9	Cash at bank - floating charge	1,237,584.05
	VAT accounts	(211,110.23)
		3,024,974.15
		-

Notes

- This receipts and payments account is shown net of VAT.
- This receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.
- £5.4m of these cash balances were swept in the period by the Secured Creditor in partial repayment of amounts due to them at appointment. The remaining funds were held in a collection account held by the property agent.
- Includes c.£0.3m in collected against arrears of c.£1.6m at the date of appointment, and c.£1m collected in relation to amounts falling due during the Administration trading period.
- This cash balance was offset by £20k cash in transit at the date of appointment. The net funds of c.£12k are currently held in the Limited Partnership's pre appointment operating bank account. We are liaising with the pre-appointment bankers with a view to transferring the funds into the Limited Partnership's floating charge Administration bank account.
- During the period the Administrators obtained the consent of the Secured Creditor to pay pre-Administration legal fees from monies made available to the Administrations by the Secured Creditor pursuant to the terms of the funding agreement agreed between the Administrators and the Secured Creditor at the outset of the Administration. Includes £16,420.26 paid on behalf of IRAF UK Dragon Nominee 1 Limited, and £16,420.26 paid on behalf of IRAF UK Dragon Nominee 2 Limited.
- Represents payment of insurance premiums for all three Entities.
- Represents payment of statutory public notices for all three Entities.
- All funds are held in interest bearing accounts.

IRAF UK Dragon Nominee 1 Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments from 1 February 2021 to 31 July 2021

Statement of Affairs estimated to realise (£)		Note	Period from 1 February 2021 to 31 July 2021 (£)
		1,2	
	Fixed charge receipts		
	<i>None</i>		-
	Fixed charge payments		
	<i>None</i>		-
	Distributions to creditors		
	<i>None</i>		-
	Floating charge receipts		
1	<i>None</i>		-
	Floating charge payments		
	<i>None</i>		-
	Distributions to creditors		
	<i>None</i>		-
	Balances in hand		-
	Represented by:		
	Cash at bank		-
			-

Notes

1 This receipts and payments account is shown net of VAT.

2 This receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.

IRAF UK Dragon Nominee 2 Limited (in Administration)

Joint Administrators' Summary of Receipts and Payments from 1 February 2021 to 31 July 2021

Statement of Affairs estimated to realise (£)	Note 1,2	Period from 1 February 2021 to 31 July 2021 (£)
Fixed charge receipts		
<i>None</i>		-
Fixed charge payments		
<i>None</i>		-
Distributions to creditors		
<i>None</i>		-
Floating charge receipts		
<i>None</i>		-
Floating charge payments		
<i>None</i>		-
	1	
Distributions to creditors		
<i>None</i>		-
Balances in hand		-
Represented by:		
Cash at bank		-
		-
Notes		
1 This receipts and payments account is shown net of VAT.		
2 This receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.		

Appendix 3

IRAF UK Dragon Limited Partnership (In Administration)

Summary of Joint Administrators' expenses incurred in the period and comparison to original Fee Estimate

£ Type of expense	Per Fee Estimate	Paid in Period	Estimated outstanding	Total
Payments which are not disbursements				
Other Trading Costs	1,937,038	117,165	1,818,086	1,935,251
Agents fees	500,000	142,708	357,292	500,000
Legal fees	66,667	28,208	38,459	66,667
Insurance	41,667	18,708	22,959	41,667
Storage	500	-	500	500
Bank Charges	500	1,288	1,000	2,288
Statutory Costs	100	99	1	100
Corporation Tax	-	-	-	-
	2,546,472	308,175	2,238,297	2,546,472
Category 1 disbursements				
Specific penalty bond	320	-	320	320
Postage & printing	100	-	100	100
	420	-	420	420
Category 2 disbursements				
Mileage	500	131	369	500
	500	131	369	500
Total	2,547,392	308,306	2,239,086	2,547,392

Expenses exceeding original estimate

Bank charges – attributable to Citibank charges in relation to the ongoing operation of the escrow account.

Notes

- Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 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. Disbursements fall into either Category 1 or Category 2

Appendix 3

IRAF UK Dragon Nominee 1 Limited (In Administration)

Summary of Joint Administrators' expenses incurred in the period and comparison to original Fee Estimate

£ Type of expense	Per Fee Estimate	Paid in Period	Estimated outstanding	Total
Payments which are not disbursements				
Other Trading Costs	-	-	-	-
Agents fees	50,000	-	50,000	50,000
Legal fees	66,667	-	66,667	66,667
Insurance	41,667	18,708	22,959	41,667
Storage	500	-	500	500
Bank Charges	500	-	500	500
Statutory Costs	100	99	1	100
	-	-	-	-
	159,434	18,807	140,627	159,434
Category 1 disbursements				
Specific penalty bond	20	-	20	20
Postage & printing	100	8	92	100
	120	8	112	120
Category 2 disbursements				
Mileage	500	9	491	500
	500	9	491	500
Total	160,054	18,824	141,230	160,054

Notes

- Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 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. Disbursements fall into either Category 1 or Category 2
- As stated in the Receipts & Payments account, amounts stated above in relation to insurance and statutory costs have been paid from funds made available to the Limited Partnership under the funding agreement agreed with the Secured Creditor.

Appendix 3

IRAF UK Dragon Nominee 2 Limited (In Administration)

Summary of Joint Administrators' expenses incurred in the period and comparison to original Fee Estimate

£ Type of expense	Per Fee Estimate	Paid in Period	Estimated outstanding	Total
Payments which are not disbursements				
Other Trading Costs	-	-	-	-
Agents fees	50,000	-	50,000	50,000
Legal fees	66,667	-	66,667	66,667
Insurance	41,667	18,708	22,959	41,667
Storage	500	-	500	500
Bank Charges	500	-	500	500
Statutory Costs	100	99	1	100
	-	-	-	-
	159,434	18,807	140,627	159,434
Category 1 disbursements				
Specific penalty bond	20	-	20	20
Postage & printing	100	-	100	100
	120	-	120	120
Category 2 disbursements				
Mileage	500	-	500	500
	500	-	500	500
Total	160,054	18,807	141,247	160,054

Notes

- Statement of Insolvency Practice No.9 defines expenses as any payments from the insolvency estate which are neither an office holder's remuneration or a distribution to a creditor or member.
- Expenses are divided into those that do not need approval before they are charged to the estate (Category 1) and those that do require prior approval (Category 2):
 - Category 1 expenses are payments to persons providing the service to which the expense relates who are not an associate of the office holder
 - Category 2 expenses are payments to associates or which have an element of shared costs.
- 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. Disbursements fall into either Category 1 or Category 2
- As stated in the Receipts & Payments account, amounts stated above in relation to insurance and statutory costs have been paid from funds made available to the Limited Partnership under the funding agreement agreed with the Secured Creditor.

Appendix 4

IRAF UK Dragon Limited Partnership (In Administration)

Joint Administrators' time costs for the period from 1 February 2021 to 31 July 2021 and comparison with the fee estimate dated 26 March 2021

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Accounting & Administration	52.5	16,391.6	312	33.6	12,712.00	378	33.6	12,712.0	378
Bank & Statutory Reporting	61.7	30,655.9	497	40.2	18,050.10	449	40.2	18,050.1	449
Creditors	70.4	22,712.9	323	12.8	4,884.70	382	12.8	4,884.7	382
Employees	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-
Immediate Tasks	12.7	4,963.7	392	11.4	6,997.80	614	11.4	6,997.8	614
Investigations	23.3	8,113.8	348	11.7	4,782.90	409	11.7	4,782.9	409
Job Acceptance & Strategy	18.3	11,359.2	620	17.7	13,203.40	746	17.7	13,203.4	746
Other Assets	35.0	13,733.8	392	15.1	13,147.00	871	15.1	13,147.0	871
Other Matters	16.7	5,993.0	360	11.0	5,720.00	520	11.0	5,720.0	520
Out of Scope	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-
Statutory Duties	43.3	17,289.9	399	48.0	25,834.60	538	48.0	25,834.6	538
Trading	245.0	111,033.9	453	230.6	127,257.80	552	230.6	127,257.8	552
VAT & Taxation	88.9	36,469.8	410	85.1	46,845.40	550	85.1	46,845.4	550
Debtors	35.0	12,504.9	357	-	-	-	-	-	-
Legal Issues	20.0	10,773.3	539	-	-	-	-	-	-
Public Relations issues	10.0	4,476.6	448	-	-	-	-	-	-
Total	732.8	306,472.33	418	517.2	279,435.70	540	517.2	279,435.70	540

IRAF UK Dragon Nominee 1 Limited (In Administration)

Joint Administrators' time costs for the period from 1 February 2021 to 31 July 2021 and comparison with the fee estimate dated 26 March 2021

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Accounting & Administration	11.3	3,512.5	312	48.8	22,257.00	456	48.8	22,257.0	456
Bank & Statutory Reporting	61.7	30,655.9	497	45.6	20,958.00	460	45.6	20,958.0	460
Creditors	8.8	2,839.1	323	16.4	6,493.40	396	16.4	6,493.4	396
Employees	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-
Immediate Tasks	12.7	4,963.7	392	20.2	9,195.60	455	20.2	9,195.6	455
Investigations	23.3	8,113.8	348	9.7	2,757.90	284	9.7	2,757.9	284
Job Acceptance & Strategy	18.3	11,359.2	620	18.2	11,241.00	618	18.2	11,241.0	618
Other Matters	16.7	5,993.0	360	8.4	7,452.00	887	8.4	7,452.0	887
Out of Scope	-	-	-	-	-	-	-	-	-
Property	112.5	46,908.1	417	91.6	46,709.00	510	91.6	46,709.0	510
Statutory Duties	43.3	17,289.9	399	59.0	34,172.10	579	59.0	34,172.1	579
Trading	-	-	-	-	-	-	-	-	-
VAT & Taxation	19.1	7,815.0	410	2.6	1,470.60	566	2.6	1,470.6	566
Legal Issues	20.0	10,773.3	539	-	-	-	-	-	-
Public Relations issues	10.0	4,476.6	448	-	-	-	-	-	-
Total	357.6	154,700.08	433	320.5	162,706.60	508	320.5	162,706.60	508

IRAF UK Dragon Nominee 2 Limited (In Administration)

Joint Administrators' time costs for the period from 1 February 2021 to 31 July 2021 and comparison with the fee estimate dated 26 March 2021

	Per Fee Estimate			Actual in this report period			Total actual to date		
	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)	Total hours	Total costs (£)	Average rate (£)
Accounting & Administration	11.3	3,512.5	312	48.4	22,131.00	457	48.4	22,131.0	457
Bank & Statutory Reporting	61.7	30,655.9	497	42.7	18,306.00	429	42.7	18,306.0	429
Creditors	8.8	2,839.1	323	15.3	5,661.40	370	15.3	5,661.4	370
Employees	-	-	-	-	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-
Immediate Tasks	12.7	4,963.7	392	20.2	8,794.10	435	20.2	8,794.1	435
Investigations	23.3	8,113.8	348	9.7	2,757.90	284	9.7	2,757.9	284
Job Acceptance & Strategy	18.3	11,359.2	620	12.6	7,393.00	587	12.6	7,393.0	587
Other Matters	16.7	5,993.0	360	9.0	7,534.00	837	9.0	7,534.0	837
Out of Scope	-	-	-	-	-	-	-	-	-
Property	112.5	46,908.1	417	91.8	47,722.60	520	91.8	47,722.6	520
Statutory Duties	43.3	17,289.9	399	69.1	44,288.10	641	69.1	44,288.1	641
Trading	-	-	-	-	-	-	-	-	-
VAT & Taxation	19.1	7,815.0	410	2.2	1,288.60	586	2.2	1,288.6	586
Legal Issues	20.0	10,773.3	539	-	-	-	-	-	-
Public Relations issues	10.0	4,476.6	448	-	-	-	-	-	-
Total	357.6	154,700.08	433	321.0	165,876.70	517	321.0	165,876.70	517

Statement of work completed in the period

Outlined in the table below is supporting narrative as to the work undertaken in the period. This information is detailed on a category by category basis, aligned to the reporting categories in the time costs analyses set out in the preceding pages.

Details of work undertaken are presented on a level covering all Entities unless otherwise stated. This supporting information should be read in conjunction with all sections of this report.

Category of work	Description of work to be completed
Accounting & Administration	<ul style="list-style-type: none">▶ Ongoing management of the cases, treasury and accounting functions, statutory compliance diaries, time cost reporting and regular bank reconciliations.▶ This is a statutory requirement.
Bank and Statutory Reporting	<ul style="list-style-type: none">▶ Regular reporting to the Entities' Secured Creditor.▶ Preparing the Joint Administrators' Statement of Proposals, six monthly progress reports, preparing Receipts and Payments accounts and final report.▶ This is a statutory requirement.
Creditors	<ul style="list-style-type: none">▶ Receipt and recording of creditor claims.▶ Correspondence with creditors.▶ Processing distributions to the secured creditors.▶ This is a statutory requirement.
Debtors	<ul style="list-style-type: none">▶ Correspondence / engagement with the Administrators' agents and legal advisors in relation to debtors of the Entities.▶ Work will include review of position and actions to realise value, latest position please refer to pages 2 and 3 of this report.
Immediate Tasks	<ul style="list-style-type: none">▶ Completion of work streams requiring immediate attention following the appointments, such as gathering information to enable the Administrators to carry out their statutory duties, including finalising appointment documents and preparing notification of appointment documents, as well as other day one activities.▶ These tasks may comprise a mixture of statutory requirements and tasks undertaken to realise value in the Entities assets.
Investigations	<ul style="list-style-type: none">▶ Investigations into the Entities' affairs in accordance with Statement of Insolvency Practice 2 "Investigations by Office Holders".▶ Preparation and submission of the Joint Administrators' report on the conduct of the directors under the Company Directors Disqualification Act 1986, considering any issues which the Joint Administrators are made aware of by creditors and or other parties.▶ This is a statutory requirement.
Job Acceptance & Strategy	<ul style="list-style-type: none">▶ Matters relating to the appointment and initial planning of the Administration strategy, including meetings and discussions with Entities directors and management and

	<p>formulating and executing the strategy adopted.</p> <ul style="list-style-type: none"> ▶ Considering exit routes from Administrations and implementing the most appropriate route. ▶ Time spent in complying with the firms' internal compliance and job acceptance procedures on appointment. ▶ These tasks comprise a mixture of statutory requirements and tasks undertaken to maximise realisable value in the Entities assets.
Legal Issues	<ul style="list-style-type: none"> ▶ Dealing with any ad hoc legal issues. ▶ These issues may comprise a mixture of statutory requirements and tasks undertaken to maximise realisable value in the Entities assets.
Other Assets	<ul style="list-style-type: none"> ▶ Realising value from the Entities' residual assets (if any) as noted in the Directors' Statement of Affairs. ▶ Work to date has primarily included discussions with third party and legal advisors around potential structure of a transaction. ▶ Assessing, quantifying, and seeking to realise value from assets not recorded in the management accounts of the Entities at the date of appointment.
Other Matters	<ul style="list-style-type: none"> ▶ Recovery of the Entities' books and records, and electronic records. ▶ Other matters arising in the Administrations, which are not covered under other headings. ▶ Work undertaken in this category will primarily comprise statutory requirements.
Property	<ul style="list-style-type: none"> ▶ Dealing with matters relating to the Property, including dealing with interested parties and in due course the process to sell and realise value in the Property. ▶ Dealing with ongoing day to day matters that arise in respect to the Property, to include discussions with third party agents and legal advisors.
Public Relations	<ul style="list-style-type: none"> ▶ Agreeing and issuing statements to the press as required in pursuit of the strategy discussed in the Proposals.
Statutory Duties	<ul style="list-style-type: none"> ▶ Completion of statutory requirements of the Administration, including notifications to creditors and members, advertising the appointment, and sending to creditors and filing at Companies House. ▶ These are statutory requirements.
Trading	<ul style="list-style-type: none"> ▶ Dealing with matters relating to the ongoing trading of the shopping centre, including discussions with agents (incl. reviewing and approving recommendations), tenants (as appropriate) and other stakeholders. ▶ This work is an essential part of the Administrators' strategy to ensure the efficient ongoing operation of the centre in Administration pending a sale process being undertaken in due course to realise value in the centre.

VAT & Taxation

- ▶ Preparation and arrangement of VAT registration for the entities, further detail on this disclosed on page 4 of this report.
 - ▶ Preparing annual corporation tax and quarterly VAT returns, with input from EY VAT and tax specialists.
 - ▶ Assessment of the VAT and tax treatment of transactions and agreements entered into during the Administrations.
 - ▶ Preparing claims for VAT bad debt relief (if applicable).
 - ▶ This is a statutory requirement.
-

Administration Proof of Debt

Rule 14.4, Insolvency (England and Wales) Rules 2016

Convocatoria para la presentación de créditos. Plazos aplicables
 Výzva k přihlášení pohledávky. Závazné lhůty
 Opfordring til anmeldelse af fordringer. Vær opmærksom på fristerne
 Aufforderung zur Anmeldung einer Forderung. Etwaige Fristen beachten!
 Nõude esitamise kutse. Järgitavad tähtajad
 Προσκληση για αναγγελία απαιτήσεως. Προσοχή στις προθεσμίες
 Invitation to lodge a claim. Time limits to be observed
 Invitation à produire une créance. Délais à respecter
 Invito all'insinuazione di un credito. Termine da osservare
 Uzaicinājums iesniegt prasījumu. Termiņi, kas jāievēro
 Kvietimas pateikti reikalavimą. Privalomieji terminai
 Felhívás követelés bejelentésére. Betartandó határidők
 Stedina għal preżentazzjoni ta' talba. Limiti taż-żmien li għandhom jiġu osservati
 Oproep tot indiening van schuldvorderingen. In acht te nemen termijnen
 Wezwanie do zgłoszenia wierzytelności. Przestrzegać terminów
 Aviso de reclamação de créditos. Prazos legais a observar
 Výzva na prihlášení pohľadávky. Je potrebné dodržat stanovené termíny
 Poziv k prijavi terjatve. Roki, ki jih je treba upoštevati!
 Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat
 Anmodan att anmäla fordran. Tidsfrister att iaktta

IRAF UK Dragon Limited Partnership (in Administration)

Date of Administration: 1 February 2021

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 1 February 2021
 Less: any payments made to you after 1 February 2021 in
 respect of the claim
 Less: any trade or other discounts (except early payment discounts)
 under Rule 14.20
 Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning of
 section 386, schedule 6, of the Insolvency Act 1986? If so, into which
 category of debt does it fall?

Continued on next page

Particulars of how and when the debt was incurred.

Is your claim secured? If so, please provide the following information:

- the nature of the security
- the date on which it was given
- the value which you put on the security

If you claim or have claimed reservation of title in respect of goods to which the debt refers, please give details here.

Please provide details of any document by reference to which the debt can be substantiated

Signed
Signature on behalf of creditor

Name

Address

Authority to sign on behalf of creditor

Date

For Administrator's use only

File with Aine Reavey

Reviewed by _____

Notes to Administration Proof of Debt Form:

1. Please attach a detailed statement of your account as at the date on which the company entered Administration.
2. VAT bad debt relief may usually be claimed six months after the date of supply.
3. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
4. The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

Administration Proof of Debt
Rule 14.4, Insolvency (England and Wales) Rules 2016

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Poziv k prijavi terjatve. Roki, ki jih je treba upoštevati!
Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat
Anmodan att anmäla fordran. Tidsfrister att iaktta

IRAF UK Dragon Nominee 1 Limited (in Administration)

Date of Administration: 1 February 2021

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 1 February 2021
Less: any payments made to you after 1 February 2021 in
respect of the claim
Less: any trade or other discounts (except early payment discounts)
under Rule 14.20
Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

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Continued on next page

Particulars of how and when the debt was incurred.

Is your claim secured? If so, please provide the following information:

- the nature of the security
- the date on which it was given
- the value which you put on the security

If you claim or have claimed reservation of title in respect of goods to which the debt refers, please give details here.

Please provide details of any document by reference to which the debt can be substantiated

Signed
Signature on behalf of creditor

Name

Address

Authority to sign on behalf of creditor

Date

For Administrator's use only

File with Aine Reavey

Reviewed by _____

Notes to Administration Proof of Debt Form:

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Uzaicinājums iesniegt prasījumu. Termiņi, kas jāievēro
Kvietimas pateikti reikalavimą. Privalomieji terminai
Felhívás követelés bejelentésére. Betartandó határidők
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Poziv k prijavi terjatve. Roki, ki jih je treba upoštevati!
Kehotus saatavan ilmoittamiseen. Noudatettavat määräajat
Anmodan att anmäla fordran. Tidsfrister att iaktta

IRAF UK Dragon Nominee 2 Limited (in Administration)

Date of Administration: 1 February 2021

Please refer to the notes at the end of this form.

Name of Creditor

Address

Total amount of claim, including VAT, as at 1 February 2021
Less: any payments made to you after 1 February 2021 in
respect of the claim
Less: any trade or other discounts (except early payment discounts)
under Rule 14.20
Less: any adjustments for set off in accordance with Rule 14.24

Net claim after deductions

Amount of any outstanding uncapitalised interest included in claim

Amount of any VAT included in claim

Is the whole or any part of your claim preferential, within the meaning of
section 386, schedule 6, of the Insolvency Act 1986? If so, into which
category of debt does it fall?

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Continued on next page

Particulars of how and when the debt was incurred.

Is your claim secured? If so, please provide the following information:

- the nature of the security
- the date on which it was given
- the value which you put on the security

If you claim or have claimed reservation of title in respect of goods to which the debt refers, please give details here.

Please provide details of any document by reference to which the debt can be substantiated

Signed
Signature on behalf of creditor

Name

Address

Authority to sign on behalf of creditor

Date

For Administrator's use only

File with Aine Reavey

Reviewed by _____

Notes to Administration Proof of Debt Form:

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2. VAT bad debt relief may usually be claimed six months after the date of supply.
3. The Administrator may call for any document or other evidence to be produced if it is considered necessary for the purpose of substantiating the whole or any part of the claim made.
4. The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Company may act as a data processor on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrator's appointment. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.