In accordance with Rule 18.6 of the Insolvency (England & Wales) Rules 2016.

AM10

Notice of administrator's progress report

Companies House

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

1 Company details

Company number	0 3 6 8 5 5 2 7
Company name in full	intu properties plc

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

2 Administrator's name

Full forename(s)	James Robert
Surname	Tucker

3 Administrator's address

Building name/number	10 Fleet Place
Street	
Post town	London
County/Region	
Postcode	E C 4 M 7 Q S
Country	

4 Administrator's name ❶

Full forename(s)	David John
Surname	Pike

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	10 Fleet Place
Street	
Post town	London
County/Region	
Postcode	E C 4 M 7 Q S
Country	

❷ **Other administrator**
Use this section to tell us about another administrator.

6 Period of progress report

From date	26/06/2021
To date	25/12/2021

7 Progress report

☑ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X J. Tucker X
Signature date	21/01/2022

AM10
Notice of administrator's progress report

Presenter information

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

Contact name	Marie Hayden
Company name	Interpath Ltd
Address	319 St Vincent Street
	Glasgow
Post town	G2 5AS
County/Region	
Postcode	
Country	
DX	
Telephone	Tel +44 (0) 118 214 5929

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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

Important information

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

Where to send

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

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

Further information

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

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ❶ Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

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

All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- ☑ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

❶ You can use this continuation page with the following forms:
- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

2 Insolvency practitioner's name

Full forename(s)	Michael Robert
Surname	Pink

3 Insolvency practitioner's address

Building name/number	10 Fleet Place
Street	
Post town	London
County/Region	
Postcode	E C 4 M 7 Q S
Country	

interpath

Joint Administrators' progress report for the period 26 June 2021 to 25 December 2021

Intu Properties plc - in Administration

21 January 2022

Deemed delivered: 24 January 2022

Document Classification – Public

Notice to creditors

Please note that KPMG LLP sold its Restructuring practice in the UK to Interpath Ltd ("Interpath") on 4 May 2021. This has no impact on the administration of the Company nor in your day-to-day dealings with the Company, and your case contacts remain the same. For further details, please refer to the insolvency portal accessed via the below link.

This progress report provides an update on the administration of Intu Properties plc ("the Company").

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 any other company in the Group.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 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.

We have included (Appendix 2) an account of all amounts received, and payments made since the date of our appointment.

We have also explained our future strategy for the administration and how likely it is that we will be able to pay each class of creditor.

You will find other important information in this progress report such as the costs which we have incurred to date.

A glossary of the abbreviations used throughout this document is attached (Appendix 8).

Finally, we have provided answers to frequently asked questions and a glossary of insolvency terms on the following website, http://intuproperties.ia-insolv.com. We hope this is helpful to you.

Please also note that an important legal notice about this progress report is attached (Appendix 9).

Contents

1 Executive summary

The Company's Directors resolved to appoint us - Jim Tucker, David Pike and Mike Pink - as Joint Administrators on 26 June 2020.

This progress report covers the third six months of the Intu administrations, from 26 June 2021 to 25 December 2021. The Company in this report to creditors is one of eight Companies ("Administration Companies") of the Intu Group ("Group"). There are four sets of progress reports relating to the Administration Companies, all of which are available at http://intuproperties.ia-insolv.com. This report is for Intu Properties plc ("Properties" or "the Company"), the Group's former listed 'Topco'. Whilst the detail in each report is necessarily different, the executive summary of each of the four reports is deliberately similar, such that creditors can obtain an understanding of the overall group administrations.

Estimated outcome for creditors and first interim distribution

In our previous report, we provided a preliminary estimate of outcomes for creditors. Over the last six months we have continued to refine the assumptions that drive the estimated outcome including costs, expected recoveries from assets and the quantum of creditors. This work has not resulted in a revision to our previous estimates which are set out below and are subject to the assumptions previously set out. Given the difficulty in estimating realisable values for the Group's non-UK assets, at this time (and as previously reported) we have not included them in our estimated outcome statements.

We are currently finalising a plan to begin a first interim distribution to the Company's creditors in H1 2022. In our previous reports we described our activity with HMRC seeking to resolve the Company's and the Group's complex tax position. Given the continuing lack of certainty around the tax position, we still intend to make a first distribution but it is likely to be smaller than we originally planned. By issuing a notice of intention to distribute we hope to gain more certainty over the quantum of creditors in certain estates. As a result, we would expect that subsequent distributions can be made expeditiously.

We repeat the point made in the notices to this report that 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 any other company in the Group. Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

For **Properties**, our indicative estimate is that unsecured creditors of Intu Properties plc may ultimately receive a return of **7p in the £**. This is calculated as c£100m of net realisations divided by c£1.5 billion of liabilities. The key creditor groups can be summarised as:

RCF Lenders: £581 million;

Guarantee under the Convertible Bonds: £377 million;

Intercompany Creditors including claim by Intu (Jersey) 2 Ltd: £392 million; and

Swap guarantee creditors: £144 million.

This estimate excludes any realisation for the RCF Lenders from their secured interest in the Manchester Arndale and Cribbs Causeway (Bristol) shopping centres.

For **LIGT**, our indicative estimate is that unsecured creditors of LIGT may ultimately receive a return of up to **2p in the £**. This is calculated as c£72 million of net realisations divided by c£2.9 billion of liabilities. The key creditor groups can be summarised as:

Unsubordinated intercompany creditors: £2,674 million; and

Swap creditors: £255 million.

For **LIHL**, our indicative estimate is that unsecured creditors of LIHL may ultimately receive a return of up to **5p in the £**. This is calculated as c£15 million of net realisations divided by c£281 million of liabilities. The key creditor groups can be summarised as:

Intercompany creditors: £170 million; and

Swaps guarantees: £111 million.

Our indicative estimate is that unsecured creditors of **Intu Shopping Centres plc** may ultimately receive a return of up to **78p in the £**. This is calculated as c£67 million of net realisations (the majority inter-company distributions) divided by c£85 million of liabilities. The key creditor groups can be summarised as:

Provision for creditor under an unliquidated unsecured commercial guarantee claim (estimate): £60 million;

Known creditors under unsecured commercial guarantees: £16 million; and

Intercompany creditors (including Properties): £9 million.

For **Retail Services**, our indicative estimate is that preferential creditors may ultimately be paid in full and unsecured creditors of Intu Retail Services Limited may ultimately receive a return of **2p in the £**. This is calculated as c£0.3 million of net realisations divided by c£13 million of liabilities. The key creditor groups can be summarised as:

Trade and other unsecured creditors: £10 million; and

Intercompany creditors: £3 million.

For **Intu RS**, our indicative estimate is that preferential creditors may ultimately be paid in full and unsecured creditors of Intu RS Limited may ultimately receive a return of **1p in the £**. This is calculated as c£0.1 million of net realisations divided by c£6.0 million of liabilities. The key creditor groups can be summarised as:

Trade and other unsecured creditors: £6 million.

For **Management Services**, our indicative estimate is that preferential creditors may ultimately be paid in full and unsecured creditors of Intu Management Services Limited may ultimately receive a return of **8p in the £**. This is calculated as c£0.5 million of net realisations divided by c£7 million of liabilities. The key creditor groups can be summarised as:

- Unsecured employee creditors: £2 million; and
- Trade and other unsecured creditors: £5 million.

For **Intu Energy**, our indicative estimate is that unsecured creditors of Intu Energy Limited may ultimately receive a return of **4p in the £**. This is calculated as c£0.2 million of net realisations divided by c£5 million of trade and other unsecured liabilities.

There remain a number of open issues and these estimates of assets and liabilities will continue to be updated as the administrations progress. Creditor claims will be adjudicated as part of the first interim distribution. The ultimate return for each creditor may be materially different as a result of this process.

Assets in Spain

As noted in our previous reports, the Group owns joint venture interests in certain properties in Spain. The most material of these assets is the Group's 50% JV interest in Xanadú, a major shopping centre on the outskirts of Madrid. Most of the detail on the Group's Spanish assets is contained in the creditors' report for Intu Shopping Centres plc.

The appointment of the Joint Administrators to the TopCos has not disrupted the performance of the centre at Xanadú, local asset management initiatives or the servicing of the JV's secured debt. The continued efforts of those employed by the Company's indirect subsidiary, Intu Management Spain SL, to oversee the asset management of Xanadú (and other matters in Spain) continues to be greatly appreciated by the Administrators.

The Administrators continue to support the directors of the Company's indirect subsidiaries holding the Group's Xanadú interests in delivering a proposed refinancing of bank debt secured over Xanadú which is maturing in March 2022. In the period, the Administrators have met with the JV partner, Nuveen, and the Xanadú secured lenders to discuss the refinancing and other matters. We are also exploring options to raise limited additional debt (non-recourse to the Administration Companies) on Intu's limb of the joint venture should any modest equity contributions be required in excess of existing JV cash resources. We will update creditors on the outcome of the refinancing in our next report.

Following completion of the refinancing we will work together with the directors to assess the optimal route to realise maximum value for the Administration Companies' creditors at the right time. Our preferred strategy as Administrators remains to hold Intu's asset within the Group for perhaps a further 12-24 months or beyond whilst the pan-European shopping centre market continues to stabilise and for Xanadú to continue to build on its track record of stable post-pandemic cashflows. Having witnessed a decline during 2020, we are encouraged by an initial modest recovery in valuation of the centre during this period. As such, unless the directors receive any economically attractive and credible bids in the meantime, our preferred strategy continues to be this medium-term hold strategy whilst valuations recover further.

In the period, the Administrators have also met with the JV partner for Costa del Sol and Valencia, Eurofund, to develop options for those assets.

Given the difficulty in estimating realisable values for the Group's Spanish assets, we have not included them in our estimated outcome statements at this time.

Tax

We remain in ongoing dialogue with HMRC (the UK's tax authority) to ascertain the quantum and treatment of taxes arising across the Group, including treatment of historic capital transactions, the approach to corporation tax compliance and transfer pricing for the post-appointment periods. We have not yet received confirmation from HMRC on any of these matters.

Clearly, HMRC's agreement is necessary on these key points. Noting the ongoing pressures on HMRC arising from the pandemic, we continue to seek engagement from them to determine the liabilities and to confirm our understanding of the correct tax treatment.

Additionally, our tax team has supported in the winding up and striking off of certain subsidiaries as part of the corporate simplification workstream as well as resolving tax matters pertaining to two PropCo disposals.

Administration costs

In our proposals, we originally estimated trading costs of c£100 million, of which c£89 million was estimated to be recharged to PropCos. Our latest estimates suggest trading costs will equate to c£57 million, of which c£48 million will be recharged to PropCos.

In our last progress report to creditors, 12 months into the administrations, we estimated aggregate Administrator fees across the Administration Companies of c£35 million, of which c£20 million was estimated to be recharged to PropCos. These revised fee estimates were approved by the creditors as part of the previous decision procedures dated 16 August 2021 (except Shopping Centres, whose creditors provided approval on 16 November 2021). We continually review and monitor these costs and do not propose any changes at this time.

Other matters

There are no creditors with security over the Company's entire business and assets. The RCF Lenders hold security over Shopping Centres' shareholdings in two shopping centres, Manchester Arndale and Cribbs Causeway (Section 3 - Dividend prospects).

We are not aware of any preferential claims against the Company (Section 3 - Dividend prospects).

There are currently no Creditors' Committees for any of the Companies. When membership of the Company's Creditors' Committee fell below the statutory minimum of three, we invited the Company's creditors to come forward such that the Company's Creditors' Committee could be reconstituted. No formal nominations for membership were received. Furthermore, during the current period, we were unable to form a Committee of Intu Shopping Centres plc's creditors due to the withdrawal of two nominations, leaving insufficient nominations for membership. Similarly, there were insufficient nominations for membership of a Creditors' Committee for LIGT and LIHL.

Due to the complexities of these administrations, and as we stated on our last call with all creditors, it is the Administrators' preference to have a committee of some kind, ideally comprising major creditor representatives to enable appropriate consultation on key strategic matters. Accordingly, an informal committee comprising significant creditor representatives has been established to support this process. This informal committee has no formal powers; decisions that would otherwise be for a Creditors' Committee to determine remain with the creditors as a whole for each respective Administration Company.

Please note: you should read this progress report in conjunction with our proposals and our first and second progress reports which were issued to the Company's creditors and can be found at http://intuproperties.ia-insolv.com. Unless stated otherwise, all amounts in this progress report and appendices are stated net of VAT.

J. Tucker

Jim Tucker
Joint Administrator

2 Progress to date

This section updates you on our strategy for the administration and on our progress to date. It follows the information provided in our previous progress reports.

2.1 Strategy and progress to date

Overview

During the past six months of the administration our focus has been on the following workstreams:

- Working with the directors of the Company's subsidiaries to develop options for maximising realisable value for the Group's assets, including UK shopping centres, unencumbered real estate interests and assets in Spain;
- Finalising the intercompany assets and liabilities of the Company;
- Continuing to ascertain the quantum and treatment of taxes arising across the Group and seeking engagement from HMRC;
- Updating the Entity Priority Model that will form the basis of the calculations for distributions to creditors; and
- Liaising with the stakeholders of the various PropCos to seek a settlement of the TSA arrangements including any intercompany liabilities.

Distributions to creditors

Having previously obtained an order from the Court permitting the Joint Administrators to make distributions to the unsecured, non-preferential creditors of the Administration Companies we had hoped to make an interim distribution before the end of 2021. This was, however, contingent upon achieving appropriate agreement from HMRC. We have not yet received confirmation from HMRC on the requested matters.

Noting the ongoing pressures on HMRC arising from the pandemic, we continue to seek engagement from them to determine the liabilities and to confirm our understanding of the correct tax treatment. We hope to resolve the position to allow a first interim distribution to the Company's creditors in H1 2022. Given the lack of clarity around the tax position this is likely to involve a smaller distribution than was originally planned but by issuing a notice of intention to distribute we hope to gain more certainty over the creditor base. As a result, we would expect that subsequent distributions can be made expeditiously.

Our indicative high level preliminary estimate remains that unsecured creditors of Properties will ultimately receive a return of up to 7p in the £. This estimate has not materially changed since the date of our last report.

It should be noted that this estimate is derived from an Entity Priority Model that contains a number of material assumptions; for example, we have not yet issued a notice of intention to distribute nor advertised for claims, so our estimates for total liabilities may be subject to change. There are also still a number of open issues that we are working hard to resolve so these estimates are provided for guidance and should not be relied upon, and we will revise these estimates as further material information is uncovered.

As noted from our previous report, conclusions have been reached in relation to certain significant creditor positions. Unless stated below, these positions remain unchanged as at the date of this report.

Review of Intercompany receivables and liabilities

Whilst we have largely completed our review of intercompany balances, we continue to update the matrix when adjustments are identified as a result of other workstreams. In this reporting period we identified adjustments totalling £8.5 million which are shown in Appendix 6 and 7.

The adjustments relate to £4.7 million of VAT payments funded by the Company relating to the pre-administration period that should have been re-charged to Shopping Centres and Intu Investments Limited via intercompany postings in the general ledger, final reconciliation of a number of less material balances and the SGS Group settlement as discussed below.

Intercompany balances are a key consideration in the corporate simplification workstream and we have worked with the various liquidators and the CSP to resolve any intercompany matters.

We are seeking to create a clean break settlement between the PropCos and the Administration Companies when negotiating intercompany balances in respect of both remaining TSA amounts (as discussed below) and other intercompany liabilities. Where an intercompany settlement has been agreed, the creditor has waived its right to revise its claim as a creditor in the administration as part of the commercial terms of settlement.

PropCo receivables

We have now finalised the allocation of the £22.1 million (which includes VAT and is comprised of £19.7 million of additional receivables and £2.4 million of TSA Opex/Capex receipts) received at the outset and paid this to the relevant Group beneficiaries, although no amount was due to the Company. We have, however, recovered a further £0.4 million of pre-administration receivables following our robust reconciliation and analysis of the PropCo intercompany positions and total recoveries may increase, although it is dependent upon successful negotiations with the debtors.

Intercompany receivables

We previously reported estimated intercompany receivables of £821 million. This has increased slightly to £825 million as a result of receivables linked to the aforementioned VAT payments. It must be noted that the realisable value of the intercompany receivables is largely dependent upon a dividend from LIGT (creditor claim value of £727 million), and the success of the Spanish realisations as discussed in the Shopping Centres' progress report. The receivable from Properties' 100% owned subsidiary, Nailsfield Limited which is registered in Mauritius, is dependent upon realisations of the Indian investments as set out below. Further detail on the intercompany receivables is provided in Appendix 6.

Intercompany liabilities

As a result of the identified VAT payments, one creditor's claim has been extinguished which reduces the intercompany creditor pool by £0.7 million. Further detail on the intercompany liabilities is provided in Appendix 7.

India

We have continued to navigate the complex regulatory and compliance issues regarding overseas investment in India. Only once these have been concluded will we be able to finalise our strategy for realising the value of the listed Indian assets. It remains our opinion that limited liquidity in the shares of Prozone Intu Properties Limited means that Properties is unlikely to realise its stake at the current implied market price.

High-level discussions continue with potential interested parties for the Company's privately held Indian assets. Certain of these assets may require some funding before they are marketable, albeit no such funding requests have been submitted to the Company's subsidiaries to date. For reasons of commercial sensitivity, the Joint Administrators will not be commenting on any sale negotiations until they are completed.

Transitional Service Agreements ("TSAs"), migration and paid-for support provided to PropCos

Following completion of our fourth True-Up Process for the period to 30 September 2021, we made a proposal to the PropCos to conclude each TSA with a full and final settlement. The considerable advantage to bringing each TSA to a conclusion now is that it will end the need to complete the robust and resource-intensive periodic TSA true-up exercises. In order to reach this position, it was necessary to carry out an in-depth reconciliation of TSA costs to understand what the future contingency should be and also forecast TSA recoverable costs to finalisation.

Following conversations with the relevant TSA counterparties, we have received verbal agreement from all PropCos to accelerate the close out of the TSA on the terms presented.

Should this proceed to completion, we anticipate that settlements will be finalised by the end of February 2022.

Further details of the TSAs, migration and true-up processes are included in the Administrators' proposals and progress reports for Retail Services.

Corporate simplification exercise

The Intu group consisted of 258 entities within a complex group structure and an initial analysis to determine the appropriate strategy to efficiently wind down the Group was carried out following our appointment, ensuring where possible that maximum value to the parent companies was realised.

The remaining Intu group directors left the business during the period. We have engaged a third-party Corporate Services Provider ("CSP") to hold directorships of 31 Group companies. The CSP will maintain the companies' books and records in a cost-effective manner whilst their assets are realised and any remaining issues are resolved. The CSP will place the companies into a relevant process to wind-up the companies and make distributions to creditors and the parent companies in due course. During the period we have worked with the CSP to onboard the entities and provided assistance to resolve a number of queries to help progress the companies towards resolution. A number of the entities have complex historical tax issues and we have worked with the CSP and HMRC to find resolutions which will minimise tax liabilities in the parent companies.

Of the 258 companies: 171 have been migrated to Propco structures; 44 companies have been placed into either solvent or insolvent liquidation by their directors to wind-up their affairs or have been, or are being, struck-off depending on their circumstances; 31 are with the CSP; and the balance are overseas companies linked to the Spanish and Indian investments. Asset realisation strategies have been determined for the companies with the CSP and it is expected that these strategies will be executed over the next 6 to 12 months. The overseas companies are being retained to support the respective asset realisation strategies as discussed below and in the Shopping Centres report.

VAT

Following our appointment, we applied to HMRC for a new VAT group comprising the Administration Companies, including the Company, and six other Topco companies where the Joint Administrators expected to raise sales invoices or incur expenditure for the purpose of the Administrations.

Further to HMRC's retrospective approval for this VAT group, we have to date submitted two VAT returns for the quarters ended 30 June 2021 and 30 September 2021. The repayment of £1.3 million in respect of the September 2021 quarter is still outstanding and we have been in discussions with HMRC regarding this.

A return for the quarter ended 31 December 2021 will be submitted to HMRC shortly.

2.2 Asset realisations

Realisations during the period are set out in the attached receipts and payments account (Appendix 2).

Summaries of the most significant realisations during the period are provided below.

UK shopping centre interests

During this reporting period we have realised our equity interest in the SGS Group of companies (comprising the Lakeside, Braehead Glasgow, Victoria and Watford/Charter Place shopping centres) which was owned by the Company. As had been clear for some time, the SGS directors established that value of the group broke within the secured bank debt and that there was no value available for the Company's shareholdings or subordinated intercompany debt; as a result it was not possible to realise the £933 million subordinated debt owed to LIGT. We were, however, able to realise £0.4 million for the unsubordinated intercompany receivables, of which £0.1 million has been paid to Properties with the balance due, and paid, to other administration estates (Shopping Centres, Retail Services and the property management companies that served the SGS Group).

Funds received on behalf of third parties

An amount of £0.2 million was received on behalf of Intu MHDS Holdco Limited as this company does not have its own bank account. It is anticipated that these funds will be distributed to Properties in due course.

Intercompany receivables

Further intercompany recoveries of £1.2 million were made by Retail Services in the period; of this amount, £0.4 million related to the Company and, as a consequence was remitted to Properties by Retail Services.

Business rates refund

Following a successful challenge against the rateable value of the London office, refunds totalling £1.2 million were received from Westminster Council with regards to business rates paid previously.

2.3 Costs

Payments made in this period are set out in the attached receipts and payments account (Appendix 2).

The majority of payments on behalf of the Administration Companies have been made by Retail Services utilising the Group's existing BACS facility. A transfer to the relevant companies will be affected in due course under the Intra-Group Agreement.

Summaries of the most significant payments made during the period are provided below.

Agents and Valuers fees

A total of £0.1 million has been paid to our agents in respect of their support with the challenge to the rateable value of the London office.

Payments under Intu (Jersey) 2 Limited funding agreement

The Joint Administrators signed a funding agreement with the liquidators of Intu Jersey 2 Limited (in liquidation) whereby certain payments would be settled by the Company. The Joint Administrators are entitled to deduct these amounts from any future dividend payable by the Company to Intu Jersey 2 Limited.

To date £0.1 million of expenses have been settled subject to this agreement.

2.4 Schedule of expenses

We have detailed the costs incurred during the period, whether paid or unpaid, in the schedule of expenses attached (Appendix 3).

Summaries of the most significant expenses which have been incurred in the period but have not yet been paid are provided below.

Administrators' fees

The £1.2 million incurred in the period but not yet paid relates to Administrators' time costs incurred for the period as set out at Appendix 5.

KPMG fees

The £0.1 million incurred in the period but not yet paid relates to time costs incurred by KPMG in assisting the Administrators. Further explanation of the relationship between KPMG and the Administrators is outlined at section 5.2 below.

Insurance

During the period the Group's Director & Officers Liability Insurance cover was renewed for certain senior officers retained at various group companies not in a formal insolvency process. The payment of £0.3 million with regard to this insurance has not yet been invoiced.

3 Dividend prospects

3.1 Secured creditors

As previously reported, the only security granted by the Company is a specific fixed charge in relation to a facility agreement created on 28 August 2014 in favour of Wells Fargo Bank N.A., London Branch (as Facility Agent and Security Trustee for the RCF Lenders). The fixed charge relates to amounts owed to the Company by Intu The Hayes Limited. We are not aware of any assets owned by the Company that would be subject to this charge.

A further charge, a mortgage of shares created on 31 October 2006, is showing as outstanding at Companies House. However, we understand that this charge has been unconditionally and irrevocably released.

3.2 Preferential creditors

We are not aware of any preferential claims against the Company.

3.3 Unsecured creditors

Based on initial indicative estimates, we continue to forecast that unsecured creditors should receive a dividend of up to 7p in the £.

Having obtained an order from the Court permitting the Joint Administrators to make distributions to the unsecured, non-preferential creditors of the Administration Companies we had hoped to make an interim distribution before the end of 2021. This was, however, contingent upon achieving appropriate agreement from HMRC.

Despite our continuous efforts we have yet to receive confirmations from HMRC in relation to any taxes payable. We are currently finalising a plan to begin a first interim distribution in H1 2022. Given the lack of clarity around the tax position this is likely to involve a smaller distribution than was originally planned but by issuing a notice of intention to distribute we hope to gain more certainty over the creditor base. As a result, we would expect that subsequent distributions can be made expeditiously.

4 Other matters

4.1 Creditors' Committee

The Creditors' Committee was disbanded as a result of membership of the Committee falling below the statutory minimum number of three members, with no further nominations received from creditors at the time of our last decision procedure.

Accordingly, all decisions revert to the creditors as a whole.

In view of the complex nature of the administration of the Administration Companies, the Administrators were keen to have a committee of some kind to allow key decisions to be considered amongst stakeholders representing major creditors. Whilst it has no formal powers on decisions affecting the administrations, an informal committee has been established with whom the Administrators may consult at their discretion.

4.2 Shared costs of the Administration Companies

The vast majority of payments made on behalf of the Administration Companies have been made by Retail Services utilising the Group's existing BACS facility. This has allowed the payments to be made in a more cost-efficient manner than if individual payments had to be raised in each Administration Company.

As previously reported, a significant amount of these costs have and will be recharged to the PropCos under the TSA and are then recoverable by the relevant Administration Companies via the Intra-Group Agreement. The balance of these costs will be borne by each of the Administration Companies in accordance with the shared costs allocation described in our previous report.

As noted in our previous report, costs treated as Category 2 expenses (from appointment and for the duration of the administrations) are estimated at £57 million. These amounts have been paid by Retail Services or on its behalf in connection with the provision of services and benefits under the TSA. Accordingly, it is expected that a significant majority of these amounts will be recharged to the PropCos under the TSAs and not ultimately allocated to other Administration Companies.

Whilst discussions with the PropCos as to the level of the costs that will be recovered under the TSA remain ongoing, it is currently estimated that £48 million of potential shared costs will be recoverable from the PropCos under the TSA. The estimated balance of £8 million will be apportioned between Retail Services and the other Administration Companies as the provision of the TSA services ultimately improve the recoveries of each of the Administration Companies.

In our previous report to creditors, we sought a resolution permitting the Administrators apportion such costs on an appropriate basis, being the inter-company recoveries from the PropCos. This resolution was approved by creditors on 16 August 2021. Accordingly, as part of the TSA settlement process (which is anticipated to be concluded in Q1 2022), finalising the apportionment of these shared costs will be completed by the time of our next report.

5 Joint Administrators' remuneration and expenses

5.1 Joint Administrators' remuneration and expenses

In the period we obtained approval from unsecured creditors that:

- our remuneration be drawn on the basis of time properly given by us and the various grades of our staff in accordance with the revised fees estimate and charge-out rates, as set out in our second progress report dated 22 July 2021. This includes work undertaken in respect of, but not limited to, tax, VAT and employee advice provided to the Joint Administrators from Interpath in-house specialists; and

- that expenses for services provided by the Joint Administrators (defined as Category 2 expenses in Statement of Insolvency Practice 9) be charged in accordance with Interpath's policy, as set out in our second progress report dated 22 July 2021.

The above approvals followed specific prior approvals for remuneration, on a time costs basis, from the Creditors' Committee, as previously disclosed.

Time costs

From 26 June 2021 to 25 December 2021, we have incurred time costs of £1,227,961. These represent 1,860 hours at an average rate of £660 per hour.

Administrators' Expenses

During the period, we have incurred expenses of £115,351. This includes Category 2 expenses of £113,104, representing time costs incurred by KPMG Specialists. Further details of the costs expected to be incurred by KPMG are detailed in section 5.2 below.

Additional information

We have attached (Appendix 5) an analysis of the time spent, the charge-out rates for each grade of staff and the expenses paid directly by Interpath for the period from 26 June 2021 to 25 December 2021. We have also attached our charging and expenses policy.

Additionally, we have attached a revised expenses estimate at Appendix 4 as our expenses estimates have increased from the prior progress report. Further narrative is provided in the Appendix.

5.2 Payment to KPMG

The Joint Administrators have engaged tax, forensic, IT, Property and F-Tech specialists from KPMG ("KPMG Specialists") to continue to progress the administration. The decision to appoint specialists from KPMG has been based on their extensive knowledge of the Group and the administration to date.

Up until 4 May 2021, the Joint Administrators and their staff were also partners and employees of KPMG. Therefore, up to 4 May 2021 the time incurred by KPMG Specialists forms part of the Joint Administrators' fees.

Time incurred by KPMG Specialists from 4 May 2021 has been based on a formal agreement between KPMG and Interpath and will be paid and disclosed separately, as set out in this report. The agreement is based on hourly rates in line with those charged by the Administrators.

Whilst KPMG Specialists' teams are no longer part of the same organisation as the officeholders, and not considered to be an associate for the purposes of SIP 9, for transparency payments will be subject to the same disclosure and approval as the Joint Administrators' Category 2 expenses, where they have not already been approved as part of the Joint Administrators' remuneration.

In accordance with approvals obtained from creditors on 16 August 2021, KPMG have raised an invoice payable by the Company for their costs from 4 May 2021 to 1 October 2021 totalling £228,000, which is in line with their fee estimate previously reported. This invoice was paid in the current period.

6 Future strategy

6.1 Future conduct of the administration

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

- Facilitating receipt of distributions from subsidiary companies (by way of liquidation, dissolution etc);
- Investigating, reconciling and validating historic transactions in order to submit valid intercompany claims and receive and process dividends;
- Reallocating residual costs between the Administration Companies and other Group companies (and apportioning any Additional Receivables collected by Retail Services from PropCos at the outset of the administrations) as envisaged by the Intra-Group Agreement;
- Completing administration corporation tax returns and VAT returns for the relevant periods from our appointment and identifying opportunities to utilise any tax losses to reduce the Company and the wider Group's tax liability;
- Agreeing claims of unsecured creditors with a view to making a distribution at the appropriate time;
- Payment of administration expenses, including our remuneration as approved initially by the Creditors' Committee and in line with subsequent approval obtained from the unsecured creditors; and
- Complying with statutory and compliance obligations.

6.2 Discharge from liability

At the appropriate time we will seek approval from the unsecured creditors, or the Court, that we will be discharged from liability in respect of any action as Joint Administrators upon the filing of our final receipts and payments account with the Registrar of Companies.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against us.

6.3 Future reporting

We will provide a further progress report within one month of 25 June 2022.

Appendix 1 Statutory information

Company information	
Company name	Intu Properties plc
Date of incorporation	14 December 1998
Company registration number	03685527
Present registered office	10 Fleet Place, London EC4M 7QS

Administration information	
Administration appointment	The administration appointment granted in High Court of Justice, Business and Property Courts of England & Wales, Insolvency and Companies list (ChD), 002884 of 2020
Appointor	Directors
Date of appointment	26 June 2020
Joint Administrators' details	Jim Tucker, David Pike and Mike Pink
Prescribed Part distribution	The Prescribed Part is not applicable on this case as there are no qualifying floating charge holders
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2)
Current administration expiry date	26 June 2023

Appendix 2 Joint Administrators' receipts and payments account

Intu Properties plc - in Administration

Abstract of receipts & payments

Statement of affairs (£)		From 26/06/2021 To 25/12/2021 (£)	From 26/06/2020 To 25/12/2021 (£)
	ASSET REALISATIONS		
	TSA funding - pre-admin recharges	(2,137.64)	NIL
	Funds received on behalf of 3rd parties	217,636.25	230,816.52
7,882,579.00	Plant & equipment	NIL	NIL
	Furniture & equipment	NIL	105,127.83
	Tax refunds (pre-appointment)	NIL	2,337.19
6,017,176.00	VAT refunds (pre-appointment)	NIL	NIL
	Intercompany realisations	408,201.90	408,201.90
	Business rates refund	1,201,262.51	1,201,262.51
89,611,427.00	Cash at bank	NIL	87,097,566.12
		1,824,963.02	89,045,312.07
	OTHER REALISATIONS		
	Bank interest, gross	24,303.88	79,335.68
196,030,700.00	Investment in subsidiaries	NIL	NIL
	Sundry refunds	11,016.90	95,065.82
	Trading surplus/(deficit)	(492,937.89)	(548,404.81)
58,589,376.00	Funds from Members of Intu Properties	NIL	NIL
935,381.00	Trade receivables	NIL	NIL
4,055,823.00	Prepayments - deposits	NIL	NIL
933,925.00	Receipts under Intu (Jersey) 2 Ltd guarantee	NIL	NIL
		(457,617.11)	(374,003.31)
	COST OF REALISATIONS		
	Payments under Intu (Jersey) 2 Ltd guarantee	(74,513.08)	(141,024.28)
	KPMG's pre-administration fees	NIL	(107,720.00)
	KPMG's post appointment fees	(227,677.27)	(227,677.27)
	IT costs	NIL	(110,000.00)
	Administrators' fees	(1,987,101.80)	(4,739,569.20)
	Administrators' expenses cat 1	(65.06)	(5,565.98)
	Agents'/Valuers' fees	(105,000.00)	(122,213.59)
	Statutory advertising	NIL	(483.63)
	Other property expenses	NIL	(6,346.00)
	Insurance	NIL	NIL
	Re-direction of mail	(321.00)	(321.00)
	Bank charges	(245.30)	(597.10)
		(2,394,923.51)	(5,461,518.05)
	PREFERENTIAL CREDITORS		

(44,587.00)	Employees	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(229,657.00)	Trade & expense	NIL	NIL
(470,529.00)	Employees	NIL	NIL
(724,259,659.00)	Unsecured swap guarantees & RCF	NIL	NIL
(44,851.00)	Unclaimed dividends	NIL	NIL
(391,103,459.00)	Members of Intu Properties plc	NIL	NIL
(6,022,396.00)	Other creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(677,520,127.00)	Ordinary shareholders	NIL	NIL
		NIL	NIL
(1,435,638,878.00)		**(1,027,577.60)**	**83,209,790.71**
	REPRESENTED BY		
	Floating charge VAT receivable / (payable)		77,899.14
	Cash at bank		83,131,891.57
			83,209,790.71

Intu Properties plc - in Administration Trading accounts Statement of Affairs (£)		From 26/06/2021 To 25/12/2021 (£)	From 26/06/2020 To 25/12/2021 (£)
	POST-APPOINTMENT SALES		
	Other income	NIL	4,413.25
		NIL	4,413.25
	OTHER DIRECT COSTS		
	Direct labour	(521.92)	578,069.90
		(521.92)	578,069.90
	TRADING EXPENSES		
	Rent	NIL	(130,364.00)
	IT costs	(40,673.52)	(52,366.99)
	Telephone/Telex/Fax	NIL	(840.00)
	Insurance	(5,460.00)	(366,460.00)
	Professional fees	(445,282.45)	(495,203.44)
	Sundry expenses	(1,000.00)	(43,322.99)
	Work capital fund/overseas subsidiaries	NIL	(40,000.00)
	Stationery & postage	NIL	(2,330.54)
		(492,415.97)	(1,130,887.96)
	Trading surplus/(deficit)	**(492,937.89)**	**(548,404.81)**

The above receipts and payments account does not include any costs that may have been paid by other Group Companies. In due course, these will be reconciled and potentially recharged.

Appendix 3 Schedule of expenses

Schedule of expenses (26/06/2021 to 25/12/2021)			
Expenses (£)	Incurred and paid in the period (£)	Incurred in the period not yet paid (£)	Total (£)
OTHER DIRECT COSTS			
Direct labour	521.92	NIL	521.92
TRADING EXPENSES			
Rent	NIL	NIL	NIL
IT costs	NIL	NIL	NIL
Telephone/Telex/Fax	NIL	NIL	NIL
Insurance	5,460.00	291,200.00	296,660.00
Professional fees	202,740.05	113,216.00	315,956.05
Sundry expenses	1,000.00	NIL	1,000.00
Work capital fund/overseas subsidiaries	NIL	NIL	NIL
Stationery & postage	NIL	NIL	NIL
COST OF REALISATIONS			
Payments under Intu (Jersey) 2 Ltd guarantee	NIL	NIL	NIL
KPMG's pre-administration fees	NIL	NIL	NIL
IT costs	NIL	NIL	NIL
Administrators' fees	NIL	1,227,961.25	1,227,961.25
Administrators' expenses cat 1	NIL	2,246.98	2,246.98
KPMG fees	87,049.52	26,054.73	113,104.25
Agents'/Valuers' fees	105,000.00	NIL	105,000.00
Statutory advertising	NIL	NIL	NIL
Other property expenses	NIL	NIL	NIL
Insurance	NIL	NIL	NIL
Re-direction of mail	321.00	NIL	321.00
Bank charges	245.30	NIL	245.30
TOTAL	**402,337.79**	**1,660,678.96**	**2,063,016.75**

The above schedule of expenses for the period to 25 December 2021 has been prepared using the information available at the time of writing. Due to the complexity of the payments across the Group it is possible that invoices relating to the period have not yet been received and so are not captured here.

Certain costs paid by Retail Services may be reallocated to the appropriate Administration Companies under the Intra-Group Agreement. The reallocation between the Administration Companies will not be undertaken until the majority of costs have been incurred and finalised and therefore is not reflected in the table above.

Please note that there is a difference between the payments made during the period of £2.9 million (per the receipts and payments account) and the expenses incurred and paid in the period of £0.5 million (per the schedule of expenses). This is due to the fact that some of the payments made in the period relate to expenses incurred in a prior period.

Requests for further information and right to challenge our remuneration and expenses

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

Applications by unsecured creditors must be made with concurrence of at least 10% in value of unsecured creditors (including the unsecured creditor making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by emailing us at intu@interpathadvisory.com or by writing to the Joint Administrators of Intu Properties plc, c/o Interpath Advisory, 319 St Vincent Street, Glasgow G2 5AS.

Appendix 4 Joint Administrators' revised expenses estimate

	Notes	Previous estimate for Intu Properties plc - in Administration (£)	Revised estimate for Intu Properties plc - in Administration (£)
Employee costs		(42,256)	(132,423)
IT costs		819,824	821,578
Other costs		1,068,419	1,068,419
Advertising / PR		124,741	124,741
Legal fees	1	2,130,781	2,322,199
Other property expenses		629,389	628,986
Insurance		643,378	643,378
External advisor fees		1,911,247	1,839,984
Interpath pre-administration fees		107,763	107,763
Pre-appointment legal fees		14,602	14,602
KPMG fees (post May 2021)		398,440	398,440
Service charge costs directly relating to PropCos		1,207	1,207
PropCo direct costs		-	-
Contingency (assumed recharged under TSA)		251,763	249,559
Total costs of realisation		8,059,299	8,088,433
Less: Costs recharged under TSAs		(4,112,473)	(4,028,470)
Net total expenses		**3,946,826**	**4,059,964**

Overview

Detailed work on our strategy for this engagement, which explains how and why the above costs are expected to be incurred is set out in section 2.1. The estimates in the table above for Properties reflect an estimate of the costs that are contractually borne by the Company and will be subject to change as the engagement is progressed.

Note 1 - Legal fees

Legal fees expected to be incurred by our lawyers, primarily Linklaters, have increased since our previous estimate (albeit this revised estimate is lower than our estimated legal costs reported in our January 2021 report of £2.6 million) and relates to various workstreams including statutory reporting matters, creditor meetings, sales to PropCos and intercompany settlements. As reported previously, we anticipate a partial recovery of legal fees from Cribbs and Arndale.

Appendix 5 Joint Administrators' charging and expenses policy

Joint Administrators' charging policy

The time charged to the administration is by reference to the time properly given by us and our staff in attending to matters arising in the administration. This includes work undertaken in respect of in-house KPMG (until 3 May 2021) and Interpath Advisory (from 4 May 2021) tax, VAT, employee, forensics, IT, TSA True Up and F-Tech specialists. Until 4 May 2021, time charged to the administration by these specialists included time charged by specialists from the same organisation as the officeholders and their staff. However, on 4 May 2021 KPMG sold its UK Restructuring business to Interpath Ltd ('Interpath'). From 4 May 2021, the majority of this work will be undertaken by Interpath, with other aspects provided by KPMG Specialists. Please see section 5.2 for further information on future payments to KPMG.

Our policy is to delegate tasks in the administration to appropriate members of staff considering their level of experience and requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or us.

A copy of "A Creditors' Guide to Joint Administrators Fees" from Statement of Insolvency Practice 9 ('SIP 9') produced by the Association of Business Recovery Professionals is available at:

https://www.r3.org.uk/technical-library/england-wales/technical-guidance/fees/more/29113/page/1/guide-to-administrators-fees/

If you are unable to access this guide and would like a copy, please contact us at intu@interpathadvisory.com.

Hourly rates

Set out below are the relevant hourly charge-out rates for the grades of our staff actually or likely to be involved on this administration. Time is charged by reference to actual work carried out on the administration, using a minimum time unit of six minutes.

All staff who have worked on the administration, including cashiers and secretarial staff, have charged time directly to the administration and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the administration but is reflected in the general level of charge-out rates.

Table of charge-out rates

Partner / Managing Director	920	985
Director	810	910
Senior Manager / Associate Director	710	810
Manager	565	650
Senior Administrator	415	475
Administrator	315	350
Support	157	345

The charge-out rates used by us might periodically rise over the period of the administration. In our next statutory report, we will inform creditors of any material amendments to these rates.

Policy for the recovery of expenses

Where funds permit the officeholders will seek to recover both Category 1 and Category 2 expenses from the estate. For the avoidance of doubt, such expenses are defined within SIP 9 as follows:

Expenses: These are any payments which are neither an office holder's remuneration nor a distribution to a creditor or a member. Expenses also includes disbursements which are payments first met by the office holder, and then reimbursed to the office holder from the estate.

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. These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the officeholder or his or her staff.

Category 2 expenses: These are payments to associates or which have an element of shared costs. They may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis, for example, business mileage.

Associates: are defined in the insolvency legislation but also extends to parties where a reasonable and informed third party might consider there would be an association between the third party and the office holder or their firm. Included in the summary of expenses table below are the costs incurred by KPMG Specialists (including tax, forensics, TSA True Up and F-Tech specialists) for the period from 26 June 2021 to 25 December 2021. As noted above, until 4 May 2021 these KPMG Specialists were part of the same firm as the office holders. On 4 May 2021, KPMG LLP sold its Restructuring business in the UK to Interpath. Whilst we do not consider KPMG are an associate of Interpath, for transparency, we requested approval to pay KPMG Specialists up to the amounts provided in our second progress report, from the unsecured creditors.

Category 2 expenses charged by Interpath include mileage. This is calculated as follows:

Mileage claims fall into three categories:

Use of privately-owned vehicle or car cash alternative – 45p per mile.

Use of company car – 60p per mile.

Use of managing director's car – 60p per mile.

For all of the above car types, when carrying Interpath passengers an additional 5p per mile per passenger will also be charged where appropriate.

We have incurred the following expenses (excluding VAT) during the period 26 June 2021 to 25 December 2021.

KPMG Specialists	NIL	NIL	87,049.52	26,054.73	**113,104.25**
Accommodation	NIL	707.65	NIL	NIL	**707.65**
Meals	NIL	13.95	NIL	NIL	**13.95**
Professional and legal fees	NIL	32.00	NIL	NIL	**32.00**
Sundry	NIL	39.82	NIL	NIL	**39.82**
Travel	NIL	1,358.77	NIL	NIL	**1,358.77**
Subsistence	NIL	94.79	NIL	NIL	**94.79**
Total	**NIL**	**2,246.98**	**87,049.52**	**26,054.73**	**115,351.23**

Please note that this table includes expenses incurred by Interpath and is therefore unlikely to reconcile with the expenses shown in the Schedule of Expenses.

We have the authority to pay Category 1 expenses without the need for any prior approval from the creditors of the Company.

Category 2 expenses, including KPMG Specialists, are to be approved in the same manner as our remuneration.

Narrative of work carried out for the period 26 June 2021 to 25 December 2021

The key areas of work have been:

Trading and support under the terms of the TSAs	preparing cash flow statements to monitor the cash position; attending to supplier and customer queries and correspondence; raising, approving and monitoring purchase orders and setting up control systems for trading; negotiating and making direct contact with various suppliers as necessary to provide additional information and undertakings, including agreeing terms and conditions, in order to ensure continued support; preparation of supporting materials for PropCos / stakeholder discussions; providing cost updates in respect of TSAs; working with PropCos on migration activities discussions with PropCos regarding settlement of TSA arrangements.
Statutory and	posting information on a dedicated web page; preparing statutory receipts and payments accounts;

compliance	ensuring compliance with all statutory obligations within the relevant timescales.
Strategy documents, Checklist and reviews	monitoring and reviewing the administration strategy, including the decision to trade and meetings with internal and external parties to agree the same; briefing of our staff and KPMG staff on the administration strategy and matters in relation to various work-streams; regular case management and reviewing of progress, including regular team update meetings and calls; reviewing and authorising junior staff correspondence and other work; reviewing matters affecting the outcome of the administration; allocating and managing staff/case resourcing and budgeting exercises and reviews; liaising with legal advisors regarding the various instructions; complying with internal filing and information recording practices, including documenting strategy decisions; Ongoing review of the large number of subsidiary entities owned by the Company to identify any that require strike off or liquidation.
Cashiering	preparing and processing vouchers for the payment of post-appointment invoices; creating remittances and sending payments to settle post-appointment invoices; reconciling post-appointment bank accounts to internal systems; ensuring compliance with appropriate risk management procedures in respect of receipts and payments.
Tax	analysing and considering the tax effects of various sale options, tax planning for efficient use of tax assets and to maximise realisations; working initially on tax returns relating to the periods affected by the administration; analysing VAT related transactions; dealing with post appointment tax compliance.
Shareholders	responding to enquiries from shareholders regarding the administration.
General	reviewing time costs data and producing analysis of time incurred which is compliant with Statement of Insolvency Practice 9; drawing remuneration in accordance with the basis which has been approved by the Creditors' Committee initially and latterly the unsecured creditors; dealing with the ongoing storage of the Company books and records.
Asset realisations	liaising with agents regarding the sale of assets; reviewing outstanding third party debtors and management of debt collection strategy; communicating with debtors; reviewing and reconciling the inter-company debtor position between the Company and other group companies. reconciling and negotiating with PropCos to recover pre-administration receiveables and dealing with queries and challenges to approach adopted.
Health and safety	liaising with the Health and Safety Executive and the competent authority regarding the administration and ongoing health and safety compliance.
Open cover insurance	renewing and maintaining open insurance cover for the Company's business and assets; liaising with the post-appointment insurance brokers to assess risks, ensure appropriate cover is in place and to manage and allocate insured claims; renewal of Group D&O arrangements including reassessment of the scope of cover and negotiation of premium.
Creditors and claims	updating the list of unsecured creditors; responding to enquiries from creditors regarding the administration and submission of their claims; reviewing completed forms submitted by creditors, recording claim amounts and maintaining claim records; drafting our progress report; reviewing material claims against the estate and seeking legal advice on validity where appropriate; updating an entity priority model to map the flows of funds from any distribution; review and validation of inter-company transactions, managing a central matrix and updating the same, documenting support for inter-company creditor claims.
Committees	concluding the formal establishment of the Creditors' Committee by notifying Companies House; arranging and chairing the meeting of the informal creditors' committee.

Time costs

SIP 9 –Time costs analysis (26/06/2021 - 25/12/2021)	Hours	Time Cost (£)	Average Hourly Rate (£)
Trading			
Cashiering			
General (Cashiering)	**23.30**	8,660.80	371.71
Tax			
Post appointment corporation tax	**150.25**	104,220.25	693.65
Post appointment VAT	**16.45**	10,992.75	668.25
Trading			
Trading Management	**2.70**	2,138.00	791.85
Legal entity simplification	**226.60**	129,451.50	571.28
TSA - wind-down activities	**16.60**	11,786.00	710.00
Fees and WIP	**53.70**	23,177.00	431.60
Statutory and compliance			
Extension related formalities	**7.10**	6,511.00	917.04
Budgets & Estimated outcome statements	**97.00**	61,166.25	630.58
Checklist & reviews	**2.35**	1,230.25	523.51
Strategy	**17.80**	12,394.00	696.29
Creditors			
Committees			
Formation and reports	**64.25**	48,394.25	753.22
Creditors and claims			
General correspondence	**73.80**	34,165.00	462.94
Agreement of claims	**107.35**	55,689.25	518.76
Creditors’ meetings	**63.10**	44,482.00	704.94
Intercompany creditor agreement	**98.20**	67,828.88	690.72
Statutory reports	**230.50**	161,266.25	699.64
General analysis			
Asset Realisation			
Investments in India and PropCo subsidiaries	**41.30**	25,943.50	628.17
PropCo liaison/disposal	**27.40**	23,943.00	873.83
Statutory and compliance			
Engagement management and workstream oversight	**183.20**	162,040.00	884.50
Realisation of assets			
Asset Realisation			
Cash and investments	**20.10**	14,334.00	713.13
Insurance			644.77

	168.90	108,901.50	
Other assets	**26.55**	15,763.25	593.72
Spanish assets – realisable via intercompany debtors	**127.08**	84,137.08	662.11
Total in period	**1,859.58**	**1,227,961.25**	**660.35**
Brought forward time as previously reported (appointment date to SIP 9 period start date)	7,652.71	4,739,589.20	
Adjustments made following further reconciliation and analysis	96.08	68,247.95	
Adjusted brought forward time (appointment date to SIP 9 period start date)	7,748.79	4,807,837.15	
SIP 9 period time (SIP 9 period start date to SIP 9 period end date)	1,859.58	1,227,961.25	
Carry forward time (appointment date to SIP 9 period end date)	9,608.36	6,035,798.40	

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.

All time shown in the above analysis is charged in units of six minutes.

Appendix 6 Intercompany receivables

We include below a full list of the intercompany balances that was prepared by the Directors for the Statement of Affairs of the Company dated 12 August 2020 (Book Value). As a result of the detailed review of intercompany accounts we have identified adjustments to certain of the balances. Further adjustments may be required if additional information comes to light or is received during the claims adjudication process.

Debtor entity	Book value	Indicative book value as at 25 June 2021	Indicative book value as at 25 December 2021	Movement from June to December
Liberty International Group Treasury Limited	806,682,656	727,154,776	727,153,015	(1,761)
Nailsfield Limited	51,097,187	51,097,187	51,137,187	40,000
Intu Holding SARL - GBP	36,928,805	36,928,805	36,928,805	-
Intu Shopping Centres plc	5,204,977	5,204,977	7,634,486	2,429,509
Libint (Proprietary) Limited	2,814	2,814	2,814	-
The Chapelfield Partnership	692	23,931	23,931	-
Broadway Retail Leisure Limited	596	596	596	-
The Trafford Centre Limited	390	180,800	180,800	-
Braehead Glasgow Limited	120	81,783	-	(81,783)
The Metrocentre Partnership	93	89,820	89,727	(93)
Intu Lakeside Limited	88	84,517	-	(84,517)
Metropolitan Retail JV (Jersey) Unit Trust	29	5,760	-	(5,760)
The Wilmslow (No. 3) Limited Partnership	28	79,396	28	(79,368)
Intudigital Limited	15	15	15	-
Victoria Centre Partnership	9	63,293	-	(63,293)
The Broadmarsh Retail Limited Partnership	4	20,292	4	(20,288)
Intu Investments Limited	(763,629)	-	2,306,455	2,306,455
MH (No. 1) Limited Partnership	-	-	86,735	86,735
Intu Payments Limited	-	-	74,548	74,548
Intu Eldon Square Limited	-	-	67,766	67,766
THE POTTERIES SHOPPING CENTRE LIMITED PARTNERSHIP	-	-	40,534	40,534
Intu Milton Keynes Limited	-	-	27,289	27,289
Braehead Leisure Partnership	-	-	17,559	17,559
Intu Bridlesmith Gate Limited	-	-	1,440	1,440
Total	899,154,874	821,018,762	825,773,734	4,754,972
Note: a negative number indicates that this is now a payable				

Appendix 7 Intercompany liabilities

We include below a full list of the intercompany balances that was prepared by the Directors for the Statement of Affairs of the Company dated 12 August 2020 (Book Value). As a result of the detailed review of intercompany accounts we have identified adjustments to certain of the balances. Further adjustments may be required if additional information is received during the claims adjudication process.

Creditor entity	Statement of Affairs	Indicative claim as at 25 June 2021	Indicative claim as at 25 December 2021	Movement from June to December
Intu (Jersey) 2 Limited	376,649,590	376,649,590	376,649,590	-
Intu Spain Limited	13,677,622	14,951,232	14,951,232	-
Intu Investments Limited	763,629	763,629	(2,306,455)	(3,070,083)
Sprucefield No. 2 Limited Partnership	10,752	-	-	-
Intu (Jersey) Limited	1,761	1,761	-	(1,761)
Intu (SGS) Topco Limited	100	100	-	(100)
Liberty Capital plc	2	2	2	-
Liberty International Construction and Development	1	1	1	-
Intu London plc	1	1	1	-
Intu Metrocentre Topco Limited	1	1	1	-
Total	391,103,459	392,366,317	389,294,372	(3,071,944)
Add back: credit balances			(2,306,455)	
Revised intercompany creditor total			391,600,827	
Note: a negative number indicates that this is now a receivable				

Appendix 8 Glossary

Administration Companies	Intu Properties plc, Intu Shopping Centres plc, Liberty International Holdings Limited, Liberty International Group Treasury Limited, Intu Management Services Limited, Intu Retail Services Limited, Intu RS Limited and Intu Energy Limited (all in administration)
Centres	The Group's interest in the following shopping centres: Intu Braehead & Soar at Braehead, Intu Broadmarsh, Intu Eldon Square, Intu Lakeside, Intu Merry Hill, Intu Milton Keynes, Intu Potteries, Intu Trafford Centre, Intu Victoria Centre, Intu Watford, Intu Chapelfield, Intu Derby, Intu Metrocentre, Intu Uxbridge, Intu St Davids (Cardiff)
Company/Properties	Intu Properties plc - in Administration
Convertible Bonds	£375,000,000 2.875 percent. Guaranteed Convertible Bonds due 2022 issued by Intu (Jersey) 2 Limited
Creditors' Committee	A creditors' committee under rule 17 of the Insolvency (England and Wales) Rules 2016 (SI 2016/1024)
CSP	Corporate Services Provider
Entity Priority Model	The entity priority model prepared by the Joint Administrators
Group/Intu	The Company, together with the Administration Companies and some 251 subsidiaries in the Intu Group
Interpath/Interpath Advisory	Interpath Ltd

Intra-Group Agreement	The intra-group agreement in relation to the TSA
Intu Energy	Intu Energy Limited – in Administration
Intu Jersey	Intu (Jersey) 2 Limited (now in liquidation)
Intu RS	Intu RS Limited – in Administration
Joint Administrators/Administrators/we/our/us	Jim Tucker, David Pike and Mike Pink
JV	Joint Venture
KPMG	KPMG LLP
KPMG Specialists	Tax, forensics, IT, TSA True Up and F-Tech specialists from KPMG
LIGT	Liberty International Group Treasury Limited – in Administration
LIHL	Liberty International Holdings Limited – in Administration
Linklaters	Linklaters LLP
Management Services	Intu Management Services Limited – in Administration
Nailsfield	Nailsfield Limited
PropCos	Property owning companies within the Intu Group

RCF	Revolving credit facility dated 25 February 2009 as amended from time to time, under which Properties is the borrower
RCF Lenders	The lenders under the RCF
Retail Services	Intu Retail Services Limited – in Administration
SIP9	Statement of Insolvency Practice 9 – Payments to insolvency office holders and their associates from an estate (effective from 1 April 2021).
Shopping Centres	Intu Shopping Centres plc – in Administration
TopCo	A company within the Group which is not a PropCo and which includes the Administration Companies
TSA	Transitional Services Agreement

Any references in this progress report to sections, paragraphs and rules are to Sections, Paragraphs and Rules in the Insolvency Act 1986, Schedule B1 of the Insolvency Act 1986 and the Insolvency Rules (England and Wales) 2016 respectively.

Appendix 9 Notice: About this report

This report has been prepared by Jim Tucker, David Pike and Mike Pink, the Joint Administrators of Intu Properties plc – in Administration (the 'Company'), solely to comply with their statutory duty to report to creditors under the Insolvency Rules (England and Wales) 2016 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other 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 any other company in the Group.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency Rules (England and Wales) 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.

James Robert Tucker and David John Pike and Michael Robert Pink are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England & Wales.

We are bound by the Insolvency Code of Ethics.

The Officeholders are Data Controllers of personal data as defined by the Data Protection Act 2018. Personal data will be kept secure and processed only for matters relating to the appointment. For further information, please see our Privacy policy at – www.interpathadvisory.com/privacy-insolvency.

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

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