

AM03

Notice of administrator's proposals



Companies House

TUESDAY



A14 *A94F50HN* 05/05/2020 #216
COMPANIES HOUSE

1 Company details

Company number 1 0 6 6 5 5 3 3
Company name in full Infinity Developments Liverpool Limited

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

2 Administrator's name

Full forename(s) Paul
Surname Cooper

3 Administrator's address

Building name/number
Street 26 - 28 Bedford Row
Post town London
County/Region
Postcode W C 1 R 4 H E
Country

4 Administrator's name ①

Full forename(s) David
Surname Rubin

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

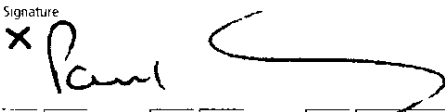
5 Administrator's address ②

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Post town London
County/Region
Postcode W C 1 R 4 H E
Country

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

AM03
Notice of Administrator's Proposals

6	Statement of proposals	
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7	Sign and date																	
Administrator's Signature	Signature x  x																	
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AM03 Notice of Administrator's Proposals



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 **Robert Cook**

Company name **David Rubin & Partners**

Address

26 - 28 Bedford Row

Post town **London**

County/Region

Postcode **W C 1 R 4 H E**

Country

DX **London/Chancery Lane**

Telephone **020 7400 7900**



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 and dated the form.



Important information

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The Registrar of Companies, Companies House,
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DX 33050 Cardiff.



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IN THE HIGH COURT OF JUSTICE

NO: CR-2020-000324

IN THE MATTER OF

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION

AND

THE INSOLVENCY ACT 1986

**THE JOINT ADMINISTRATORS' REPORT AND
STATEMENT OF FORMAL PROPOSALS AS REQUIRED BY
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986
AND RULE 3.35 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

INFINITY DEVELOPMENTS LIVERPOOL LIMITED – IN ADMINISTRATION

JOINT ADMINISTRATORS' REPORT AND PROPOSALS - PARA 49

CONTENTS

1. Introduction
2. Statutory information
3. Brief Trading history and results
4. Background to the appointment of Administrators
5. Purpose of the Administration Order
6. Conduct of the Administration
7. Receipts and Payments Account.
8. Statement of Affairs
9. Creditors, Prescribed Part, and dividend prospects
10. Investigation by the Joint Administrators
11. Creditors' Decisions by correspondence
12. Ending of Administration
13. Joint Administrators' Remuneration
14. Pre-Appointment time costs
15. EC Regulation on insolvency proceedings
16. Joint Administrators' Formal Proposals

APPENDICES

1. Statutory information
2. Receipts and payments account
3. Joint Administrators' fee and expenses estimates explanations
- 3A. Estimate of time costs matrix
4. Joint Administrators' time costs and expenses explanations.
- 4A. Joint Administrators' Pre and Post Appointment time matrices
5. Statement of Affairs and List of Creditors

INFINITY DEVELOPMENTS LIVERPOOL LIMITED – IN ADMINISTRATION

STATEMENT OF FORMAL PROPOSALS AND REPORT OF THE JOINT ADMINISTRATORS AS REQUIRED BY PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986

1. INTRODUCTION

- 1.1 David Rubin and I, Paul Cooper, both of David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE were appointed Joint Administrators of Infinity Developments Liverpool Limited ("the Company") on 19 March 2020. The appointment was made by Equity Group Limited, pursuant to Paragraph 14 of Schedule B1 to the Insolvency Act 1986 ("the Act").
- 1.2 The Joint Administrators act jointly and severally in the exercising of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 of the Act.
- 1.3 For the reasons set out below in paragraph 11, no decision is sought of creditors in relation to the Joint Administrators' Proposal.

2. STATUTORY INFORMATION

The Company's statutory information is set out in Appendix 1 of this report.

3. BRIEF TRADING HISTORY AND RESULTS

- 3.1 The Company was incorporated on 13 March 2017 as a specialist purchase vehicle for 'Infinity' development on the junction of Lanyork Road and Leeds Street, Liverpool. The Company is part of the Elliot Group, ("EG") which is a well known property developer of residential and hotel developments in the North of England. EG is controlled by the sole Director, Elliot Lawless ("EL").
- 3.2 Planning permission was obtained for three blocks of 39, 33 and 27 storeys, respectively. Infinity would provide approximately 1,000 residential units with associated off street parking, together with communal facilities and commercial / office space. Infinity is situated in a prime location in 'business district and historic waterfront of Liverpool and within walking distance of the city centre.
- 3.3 The Company engaged with sales agents, who would market Infinity to sophisticated individual Investors ("Investors") who would purchase specified individual flats 'off plan' within the planned development. Marketing of Infinity commenced in 2017 to primarily 'buy to let' Investors and incentives were offered, such as assured rental income of net 6.5% per annum for three years following completion.
- 3.4 Each individual investor would then enter a conveyancing transaction with the Company and they would be represented by their appointed solicitors. The Company was represented by Excello Law ("Excello"). On exchange of contract, the deposit monies would pass from their solicitors' client account to Excello's client account in the usual manner. Investors Contracts typically provide for the Company's solicitors to hold the deposit monies, and further staged payments as agent for the Company. The deposits received were subsequently released to the Company towards the build costs. The Joint Administrators understand that the invested monies would only be released from Excello's client account on receipt of the sign off from the

retained architect or agent at varying stages of the construction. The exact workings of this account will be investigated in due course.

- 3.5 The Company entered into a construction contract with Vermont Construction (“Vermont”) and the build commenced in May 2018.
- 3.6 Extracts from the Company’s Financial Statements are as detailed below:

	Period ended 30-09-19 (Draft) £	Period ended 31-03-18 (Statutory) £
Turnover	NIL	NIL
Gross profit	NIL	NIL
Operating profit/ (loss) after taxation	(1,036)	(33)
Dividends	NIL	Nil
Retained (loss)/profit for year	(1,036)	(33)
Shareholders’ funds	(1,069)	(33)

4. BACKGROUND TO THE APPOINTMENT OF ADMINISTRATORS

- 4.1 In late 2019 the Company started the process of raising development finance to fund the balance of the monies required to complete the build. The process was well advanced with completion of that funding facility due to complete in Quarter 1 of 2020, subject to completion of the lenders due diligence.
- 4.2 However, in December 2019, bribery and corruption allegations were made against EL and a Liverpool council official. Such allegations resulted in the arrest of EL. All allegations have been strenuously denied by the parties involved. Although the investigation did not relate to this property and no charges have been brought against EL, the lender who had provisionally agreed to advance the development funding to the Company, withdrew its offer because of the investigation.
- 4.3 The Company required short term funding to continue to meet its ongoing construction costs and entered into a short term loan facility with Equity Group Limited (“EGL”) a Seychelles registered Company wholly owned by EL in December 2019. A requirement of the loan facility was that the Company grant to EGL a fixed and floating charge over the assets of the Company.
- 4.4 The additional funding received from EGL proved to be insufficient and the Company subsequently entered into talks with the Investors to raise funding to restart the development. However, this still required the ongoing support of the Investors to enable Infinity to be completed. It was proposed that with the additional funding Vermont would complete the build whilst EL would be able to focus on challenging the police execution warrants and the basis of their case, which the Joint Administrators understand to be subject to Judicial review.
- 4.5 Despite EL’s attempts to restore the Investors confidence in the project, it was clear that the damage caused by the police investigation was irreversible as it was not possible to secure the further funding that was required. A proportion of Investors rejected the conditions attached to the development facility that was offered to the Company by EGL. Without a fresh injection of

capital, this has resulted in a severe strain on cash flow and contractor's credit terms being exceeded and various creditors of the Company were pressing. Eventually, a winding up petition was presented against the Company by an Investor.

- 4.6 In view of the Company's financial difficulties my firm was approached by the Qualifying Floating Charge holder, EGL for insolvency advice. David Rubin and Paul Cooper met with EGL and their advisors in order to carry out a thorough review of the Company's financial affairs. Following the review, it became apparent that the Company had substantial liabilities, and when viewed with its inability to pay its debts as and when they fell due, it was clear that the Company was insolvent both on a cash flow basis and on a balance sheet test.
- 4.7 It was determined that in view of the size of the Company's liabilities and absence of injection of fresh capital, rescuing the company by means of a Company Voluntary Arrangement was not a viable proposition. As the Company was subject to winding up proceedings brought by an Investor, Creditors Voluntary Liquidation would not provide the immediate protection to the Company and its assets, which are subject to the security of EGL, being a holder of a Qualifying Floating Charge. It was considered that an Administration would permit the operations to continue under the control of an Administrator and achieve a sale as a going concern for the build out of the Infinity, hence maximising asset realisations.

5. PURPOSE OF THE ADMINISTRATION ORDER

- 5.1 Paragraph 3(1) of Schedule B1 of the Act states that Administrators must perform their functions with the objective of:
- (a) rescuing the company as a going concern, or
 - (b) achieving a better result for the company's creditors as a whole than would be likely if the company were wound up (without first being in Administration), or
 - (c) realising property in order to make a distribution to one or more secured or preferential creditors.
- 5.2 It was clear from the outset that purpose (a) would not be achievable as the Company was insolvent; continuing to trade at a loss and attempts at raising fresh capital had failed.
- 5.3 It was apparent prior to our appointment that the Company had a viable business on a going concern basis. However, with the loss of investor confidence, it is now more likely that the business is no longer viable. Accordingly, it is unlikely that the business could be sold as a going concern. Notwithstanding this, the Joint Administrators will endeavour to sell the entire project as a going concern, which would achieve a better return for creditors as a whole than in a liquidation and thus achieving objective B.

6. CONDUCT OF THE ADMINISTRATION

- 6.1 As required by Schedule B1 to the Insolvency Act 1986, we have filed notice of our appointment with the Registrar of Companies, served formal notice on the Company and advertised our appointment in the London Gazette and national newspaper, The Times.
- 6.2 We were required as soon as reasonably practicable after our appointment to write to all creditors of the Company, notifying them of our appointment. Therefore steps were taken to set up a dedicated email address to receive and log contact from a large number of Investors and interested parties, whilst our staff liaised closely with the Company and its legal advisors in

order to obtain a full list of creditors / Investors. Once we obtained these details, creditors and Investors were formally notified of the Administration on 9 April 2020 by post and on 8 April by email.

- 6.3 Creditors should note that part of the delay in notifying all creditors immediately can be ascribed to the Covid-19 pandemic, which has reduced operations of the parties from which we have sought information. This, unfortunately, resulted in a delay with the information flow to the Joint Administrators. However, prior to the formal notification on 6 April, all Investors who contacted us by email were sent an acknowledgement and that their enquiry would be dealt with as soon as we could reasonably practicably do so. The Joint Administrators and their staff have also undertaken an extensive information gathering exercise in order to develop their strategy for conducting the Administration.
- 6.4 The primary focus of the Joint Administrators was to secure the Infinity site and to instruct agents to value and market the development for sale. Upon appointment, the Joint Administrators instructed specialist property agents, Lambert Smith Hampton ("LSH") and Pantera Property Ltd ("Pantera") (collectively known as "the agents") to conduct a valuation of the development and to seek a purchaser. The Joint Administrators attended the development together with the agents to evaluate the current status of the build and the necessary systems to put in place.
- 6.5 From the commencement of the Joint Administrators appointment, it was imperative to engage with the contractor, Vermont to establish the position on site. In particular, the ongoing security requirements needed to be urgently assessed. The Joint Administrators were contacted upon their appointment by various contractors who stressed that their equipment and materials remained on site.
- 6.6 The main objective of the Administration is to preserve the value of the site to allow it to be sold as a going concern thereby maximising realisations. By preserving such value, it was the Agents opinion that a buyer would be sought with the build infrastructure in place.
- 6.7 The Joint Administrators therefore engaged with all 'essential service providers' with a view to agree hire costs and to preserve the value on site.
- 6.8 Creditors will be aware that this Administration has arisen against the backdrop of the Covid-19 pandemic. Development activity has been hindered to an extent, in accordance with Government guidelines. However, the Joint Administrators will continue to liaise with these parties and oversee the removal of third parties items as deemed appropriate or agree ongoing hire costs which will be an expense of the Administration. The Joint Administrators intend that their actions will enhance the value of the development for the benefit of creditors.
- 6.9 To assist the Joint Administrators in determining the 'essential' supplies, a Health & Safety Inspector from LSH were instructed to attend the Infinity site to provide a report.
- 6.10 In addition to the work of developing the strategy for the Administration, including liaising with the Director, evaluating the business, obtaining information, securing the development, agreeing ongoing hire costs and liaising with Investors as explained above, the Joint Administrators and their staff have undertaken the following tasks:-
 - a) Liaising with the Director and the Company's solicitors and accountants to ensure that all of the necessary information is obtained to run the Administration efficiently;
 - b) Liaising with the Agents in devising a strategy on how to maximize the asset realisations in preserving the value of the site;

- c) Conducting Land Registry searches to confirm the title and ownership of the land being developed;
- d) Creating an investor database of circa 350 Investors, comprising of full contact details and the amounts invested;
- e) Undertaking an initial review of the restrictions and charges placed on the title, including a significant number of Unilateral Notices ('UNI');
- f) Instructing solicitors to advise on the legal position of the Investors' agreements, the rights created by those agreements (if any) and the UNIs registered by Investors against the land;
- g) Attending the site to carry out initial health and safety checks, compiling a list of key holders, ensuring that the site is secure;
- h) Instructing a Health & Safety executive to report on the issue of safety;
- i) Corresponding with the Company's bank to freeze all accounts to ensure that no payments are made;
- j) Opening a designated bank account and dealing with the movement of funds;
- k) Applying for the Joint Administrators' bonds, as required by the Insolvency Practitioners Regulations 2005;
- l) Publishing the necessary statutory advertisement in respect of the Administration proceedings in the London Gazette and The Times;
- m) Completing various searches at Companies House to obtain statutory information regarding the Company;
- n) Submitting a VAT 769 notifying HMRC that the Company is now in Administration;
- o) Acknowledging and liaising with approximately 350 investor claims, including answering telephone enquiries, holding conference calls and communicating therewith;
- p) Dealing with media enquiries and instructing a public relations specialist to manage ongoing media coverage.

7. RECEIPTS AND PAYMENTS ACCOUNT

- 7.1 A copy of the Joint Administrators' receipts and payments account for the period from 19 March 2020 to 27 April 2020 is attached at Appendix 2. I would comment on the account as follows:-

7.2 RECEIPTS

7.2.1 Third Party Funds

The qualified floating chargeholder, EGL deposited £57,371.93 into the designated account in order to assist with the payments of external costs and disbursements. This is to be reimbursed to EGL out of the asset realisations.

7.3 PAYMENTS

7.3.1 Security Costs

The amount of £8,030.40 plus VAT was paid to Nationwide Facilities Management Limited ('Nationwide') in respect of their fees for securing the site.

Nationwide were selected on the basis of their experience and having worked on the site previously. They therefore have a full working knowledge of the layout of the Infinity development. The agreed basis of Nationwide's fees was agreed at £11.95 per hour. To date, we have paid £8,030.40 for 672 hours security in the period 19 March 2020 to 12 April 2020, with two security guards contracted to work alternate 12 hour shifts. This ensures that the site has a 24/7 security presence.

7.3.2 CCTV Costs

Nationwide have further arranged for continuous CCTV of the site. We have paid £1,409.57 plus VAT for 33 days CCTV for the period 19 March 2020 to 20 April 2020.

7.3.3 Agents Fees

The amount of £2,500 plus VAT was paid to Pantera Property ('Pantera') in respect of their fees for assisting with the drafting of the valuation of the Company's assets alongside Lambert Smith Hampton ('LSH').

Pantera were selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the Company. The agreed basis of Pantera's fees was an agreed fixed fee.

7.3.4 Scaffolding Costs

The amount of £6,000 plus VAT was paid to Summit Marine Scaffolding Limited ('SMS') in respect of their fees for the continued provision of scaffolding on site.

SMS were in charge of maintaining the scaffolding before the Company went into Administration. The agreed basis of SMS's fees was agreed at £1,500 per week. To date, we have paid £6,000 for the period 19 March 2020 to 15 April 2020.

7.4 EXPENSES INCURRED BUT NOT YET RECHARGED

7.4.1 Statutory Advertising

This represents the costs of publishing statutory notices of the Joint Administrators' Appointment in newspapers and the London Gazette and the Times. The sum of £334.80 plus VAT has been incurred and is due to be recharged.

7.4.2 Specific Bond

The specific bond is the cost of insurance in respect of realisations by the Joint Administrators as required by the Insolvency Practitioners Regulations 2005. An initial bond of £64.80 has been incurred but has yet to be recharged.

7.4.3 Legal Fees

The amount of £5,445 plus VAT is due to be paid to Edwin Coe LLP ("EC") in respect of their fees for considering the floating charge and security position prior to accepting our appointment as Joint Administrators.

EC have also incurred fees to date of £10,290.50 for assisting the Joint Administrators with their initial enquiries into the affairs of the Company, including the charges registered against the Company's property.

EC were selected on the basis of their experience and expertise in reviewing the validity of floating charges in insolvency situations, taking into account the locality and size of the company. The agreed basis of EC's fees was on a time costs basis.

7.4.4 Agents Costs

The amount of £2,500 plus VAT is due to be paid to our instructed agents, LSH in respect of their fees for assisting with the drafting of the valuation of the Company's assets alongside Pantera.

LSH were selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations, taking into account the locality and size of the company. The agreed basis of LSH's fees was an agreed fixed fee.

7.4.5 Postage and Stationery Costs

Postage and stationery costs totalling £994.39 have been incurred circulating all post appointment documentation to all associated parties.

7.4.6 Scaffolding Costs

The amount of £1,500 plus VAT is also due to be paid SMS for the period 16 April 2020 to 23 April 2020.

7.4.7 Security Costs

Further to paragraph 7.3.1 above, Nationwide are due a further £4,015.20 plus VAT for 336 hours security provided in the period 13 April 2020 to 26 April 2020.

7.4.8 CCTV Costs

Further to paragraph 7.3.2, Nationwide are owed £1,110.57 plus VAT for 6 days CCTV coverage in the period 21 April 2020 to 26 April 2020.

7.4.9 Accountancy fees

The amount of £3,000 plus VAT is due to be paid to Cobham Murphy Ltd ("CM") in respect of their fees for bringing the Company's Accounts up to date and assisting the Director with his preparation of the Statement of Affairs by providing the required information.

CM completed this work on the basis of their experience and knowledge working for the Company. The agreed basis of CM's fees was fixed.

7.4.10 Health & Safety Inspector

A charge of £1,000 plus VAT is due to be paid to LSH for undertaking a Health and Safety inspection of the Infinity site and subsequently reporting on the development.

LSH were selected as agents on the basis of their experience and expertise in dealing with Health and Safety assessments on construction sites and, taking into account the locality and size of the company. The agreed basis of LSH's fees was an agreed fixed fee.

8. STATEMENT OF AFFAIRS

8.1 The Director was requested to prepare a Statement of Affairs pursuant to Paragraph 47 of the Schedule. The Director's Estimated Statement of Affairs as at the date of Administration is attached at Appendix 5.

8.2 The creditors' claims are based on the last known position from the Company's records. Creditors, if they have not already done so, are requested to submit a formal proof of debt in order that the final position may be ascertained, although it is not the responsibility of the Joint Administrators to formally agree claims.

9. CREDITORS, PRESCRIBED PART AND DIVIDEND PROSPECTS

9.1 Secured Creditors

As security for the repayment of the monies advanced further to the facility, EGL holds a fixed charge created on 4 November 2019 and registered at Company House on 21 November 2019, together with a debenture of 27 December 2019 that was registered at Companies House on 17 January 2020. The Joint Administrators have been advised that the debenture allowed for their appointment as Administrators. Equity Group Ltd has advised the Joint Administrators that the outstanding balance is £1,279,714 which is consistent with the Company's records, and interest continues to accrue on the amount outstanding.

The Joint Administrators have noted that the Company's investment model involved the execution of agreements to lease. The Joint Administrators have received preliminary advice in relation to the interest that an agreement to lease can create in and over land. Typically, an investor notified the rights granted to them by the Company at HM Land Registry by registering a unilateral notices ("UN1"). The extent to which the estate contract provides an interest in the site is a matter of fact and law, and the Joint Administrators will take further advice from solicitors and counsel given the effect that the estate contracts will have on the potential for a distribution to other classes of creditors.

9.2 Preferential Creditors

As the Company did not have any employees there are no preferential creditors.

9.3 Prescribed Part

Pursuant to section 176A of the Act where a floating charge is created after 14 September 2003 a prescribed part of the Company's net property shall be made available to unsecured non-preferential creditors.

As the charge registered against the company was created after 15 September 2003, the provisions of section 176A of the Act will apply in this administration. However it is currently

uncertain as to the value of the company's net property and further information on this will be provided to creditors in subsequent progress report.

9.4 Non-Preferential Unsecured Creditors

In addition to the company's liabilities to the secured creditors, there are also investor, trade & expense creditors, and crown liabilities as set out in the attached list of creditors at Appendix 5.

9.5 Dividend Prospects

It is too early at this stage to provide a meaningful estimate of the likely level of distributions to the secured and unsecured creditors as the Joint Administrators, together with our agents are developing a suitable strategy to find a buyer for the development that will maximise the recoveries for creditors. Further updates will be provided to creditors and Investors in my next progress report.

10. INVESTIGATION BY THE JOINT ADMINISTRATORS

The Joint Administrators will investigate and, if appropriate, pursue any claims that the company may have under the Companies Acts 1985 and 2006 or the Act. The Joint Administrators are required, within three months of their appointment, to submit a return on the conduct of all persons who have acted as either Directors or shadow directors of the Company during the period of three years ending on the date of the Joint Administrators' appointment. To facilitate the preparation of that return and our enquiries into the Company's affairs, the Joint Administrators have already invited creditors to provide them with information on any matters of concern to the creditors.

11. CREDITORS' DECISION

- 11.1 Under Paragraph 51(1) of Schedule B1 to the Act, the Administrators are required to seek a decision of creditors on the approval of the Administrators' proposals. However, paragraph 52(1) of Schedule B1 to the Act provides that where Administrators make a statement in the Proposal that they think that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part, referred to above, paragraph 51(1) shall not apply.
- 11.2 Based on current information and legal opinion, the Joint Administrators consider that the provisions of paragraph 52(1) of Schedule B1 apply in this case; the Joint Administrators think that the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of the prescribed part. The Investors' rights have a material impact on the priority of distribution, and the prospect for a distribution to unsecured creditors. As detailed in section 9.1 above, the Joint Administrators are seeking further legal advice in relation to the rights created in favour of the Investors.
- 11.3 Creditors of the company, whose debts amount to at least 10% of the total debts of the company may request that the Joint Administrators seek a decision on the approval of the Joint Administrators' Proposals from creditors. This requirement is set out at paragraph 52(2) of Schedule B1. Any such request must be delivered within 8 business days of the date on which this report is delivered to creditors. If the request is by a group of creditors, the following must be provided along with the request as set out under Rule 15.18(3)

(a) A statement of the purpose of the proposed decision and either:

- (1) a statement of the requesting creditor's claim or contributory's value, together with

- (i) a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
 - (ii) confirmation of concurrence from each creditor or contributory concurring; or
 - (2) a statement of the requesting creditor's debt or contributory's value and that that alone is from each creditor concurring, written confirmation of his concurrence.
- 11.4 The costs of a requisitioned decision procedure are to be paid by those creditors requesting it and the Administrators are not empowered to engage a decision procedure until the creditors have lodged sufficient funds with the Administrators as a deposit for the costs to be incurred. Such costs may be ordered to be paid as an expense of the Administration on the appropriate resolution being made.
- 11.5 Creditors should note that the provisions relating to a requisitioned decision procedure only apply to the approval of the Joint Administrators' Proposals and not the basis of their remuneration. Accordingly, the Joint Administrators will give notice separately that in order to approve the basis of the Joint Administrators' remuneration the Joint Administrators will seek a decision by correspondence for the formation of a creditors' committee. This is detailed further in section 13 below.
- 11.6 The creditors committee has a number of responsibilities but the principal function is to assist the Joint Administrators in discharging their own functions, The creditors committee is responsible for approving the basis of the Joint Administration remuneration, and is to represent creditors' interests in this matter.

12. ENDING OF ADMINISTRATION

- 12.1 The options available to the Joint Administrators for the exit from the Administration are as follows:
- Compulsory Winding Up
 - Creditors' Voluntary Liquidation
 - Company Voluntary Arrangement
 - Return of control to the Director
 - Dissolution of Company (i.e. striking off the Companies House register)
- 12.2 As based on current information, it is unlikely that there will be sufficient realisations to permit a distribution to the unsecured creditors, other than from the Prescribed Part, the Joint Administrators recommend that the Company be dissolved once all outstanding matters have been satisfactorily completed by giving notice to the Registrar of Companies under paragraph 84 of the Insolvency Act 1986 to the effect that the Company has no further property to realise which might permit a distribution to the unsecured creditors at which time the Administration will cease.
- 12.3 In the unlikely event that sufficient funds are available for distribution to unsecured creditors, the Joint Administrators recommend that the Company should move from Administration to creditors voluntary liquidation in accordance with the provisions of paragraph 83 of the Act so that the Liquidators may adjudicate creditors' claims and pay a dividend to the unsecured creditors.

13. JOINT ADMINISTRATORS' REMUNERATION

- 13.1 As Joint Administrator, under the provisions of R18.16 of the Rules, I am required to provide creditors with details of the work we propose to undertake in the Administration and the

expenses we consider will be, or are likely to be, incurred in dealing with the Company's affairs, prior to determining the basis upon which my remuneration is to be fixed.

- 13.2 In addition to this, where an Administrator seeks to pass a resolution to agree the basis of his remuneration by reference to the time properly spent by him and his staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 13.3 In this case, the Joint Administrator is seeking to agree that their remuneration be based on two bases, Firstly, in respect of the time properly spent by their staff in dealing with the affairs of the Company, specifically excluding asset realisations, it is proposed that their fees will be charged on a time costs basis.
- 13.4 Secondly, it is proposed that their fees in dealing with the realisation of the Company's assets, namely the Infinity development will be 5% of the total proceeds, which is in line with section 109(6) Law of Property Act 1925.
- 13.5 A fees estimate and details of the work that is proposed can be found in Appendix 3 to this report. Please note that where appropriate, the fees estimate may be to a particular stage of the case only and if it is considered that the estimate will be exceeded during the Administration, the Joint Administrators are obliged to seek further approval for any increase in their remuneration.
- 13.6 The Joint Administrators will provide updates on the expenses that will be, or are likely to be, incurred during this case with future progress reports in due course.
- 13.7 The time costs for the period prior to the Joint Administrators appointment and for the period in Administration from 16 March 2020 to 27 April 2020 have been reviewed. A detailed report of their time costs is attached at Appendix 4.
- 13.8 Based on current information the Company has insufficient property to enable a distribution to be made to unsecured creditors, other than by means of the Prescribed Part. In these circumstances, and unless a Creditors' Committee is formed, Rule 18.18(4) requires the Joint Administrators to seek the consent of each of the secured creditors for fixing the basis of their remuneration. Should this step be necessary, the Joint Administrators may seek a prior direction from the court.

14. PRE-APPOINTMENT COSTS

As stated in Appendix 4, unpaid pre-appointment costs are not part of the above proposals subject to approval under paragraph 53. However, in accordance with R3.52 of the Rules, the Joint Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and in Appendix 4 from secured creditors or the creditors committee, should one be formed.

15. EC REGULATION ON INSOLVENCY PROCEEDINGS

It is considered that the EC regulation applies and that these proceedings are main proceedings as defined in Article 3 of the EC Regulation as the Company was incorporated in England and the centre of main interest of the Company is in England and Wales.


16. JOINT ADMINISTRATORS' FORMAL PROPOSALS

The Joint Administrators hereby make the following proposals, in accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986, for the achievement of the purpose of the administration:-

- i) The Joint Administrators will continue to manage the Company's affairs in accordance with the statutory purpose until such time as the Administration ceases to have effect.
- ii) As funds will become available for unsecured creditors, the Joint Administrators may at their discretion establish in principle the claims of unsecured creditors for subsequent adjudication by a subsequent liquidator and that the costs of so doing be met as a cost of the administration as part of the Joint Administrators' remuneration.
- iii) A creditors' committee may be formed if a creditors' meeting resolves to do so provided that three or more creditors are willing to serve on it. If the administration moves to creditors' voluntary liquidation, any creditors' committee which is in existence immediately before the Company ceases to be in administration shall continue in existence after that time as if appointed as a liquidation committee under Section 101. If a committee is formed, the Administrators and the Joint Liquidators (when appointed), will consult with it from time to time on the conduct of the administration and liquidation proceedings. Where it is considered appropriate, the committee's sanction will be sought to proposed action instead of convening a meeting of all the creditors.
- iv) Should a creditors' committee be formed and the Joint Administrators consider that an extension beyond an administration's statutory duration of one year would be advantageous, the Joint Administrators will consult with the committee prior to taking the necessary steps. If a creditors' committee is not appointed, the Joint Administrators shall either apply to the court or seek a Decision of the appropriate classes of creditors for the consent to an extension.
- v) That the basis of the Joint Administrators' fees will be fixed and their Category 2 disbursements will be agreed by the creditors' committee. If no creditors committee is formed, it is proposed that under Rule 18.16 (2)(b) of the Rules, the remuneration of the Joint Administrators shall be fixed by reference to the time given by the Joint Administrators and the various grades of their staff according to their firm's usual charge out rates in attending to matters arising in the administration and that the Joint Administrators be authorised to draw category 2 disbursements in accordance with their firm's published tariff and they be entitled to draw sums on account of their remuneration and disbursements as and when funds permit.
- vi) That without prejudice to the provisions of Paragraphs 59 to 72 of Schedule B1 of the Act, the Joint Administrators may carry out all other acts that they consider to be incidental to the proposals above to assist in their achievement of the overriding purpose of the administration.
- vii) The Joint Administrators take whatever other actions they deem appropriate in the interest of creditors. This includes placing the Company into liquidation if it appears that this would be in the best interests of the general body of creditors. In these circumstances it is proposed that the Joint Administrators shall become the Joint Liquidators and any act required or authorised under any enactment to be done by the Joint Liquidators may be done by either or both persons from time to time holding office. Creditors are advised that, pursuant to Paragraph 83(7)(a) and Rule 3.60(6), they may

appoint different persons as the proposed Joint Liquidators, provided the nomination is made after the receipt of these proposals and before these proposals are approved.

- viii) That the Joint Administrators' liability, in respect of any action of theirs as Joint Administrators, shall be discharged in accordance with Paragraph 98 of Schedule B1, immediately upon the appointment ceasing to have effect.

A handwritten signature in black ink, appearing to read 'Paul', followed by a long horizontal flourish that extends to the right. The signature is positioned above a dotted line.

PAUL COOPER – JOINT ADMINISTRATOR

DATE: 30 APRIL 2020

APPENDIX 1

STATUTORY INFORMATION

Date of incorporation:	13 March 2017
Registered number:	10665533
Registered Office:	116 Duke Street Liverpool L1 5JW
Site Address:	Infinity Lanyork Road, Liverpool, L3 6JB
Trading Name:	Infinity
Authorised Share Capital:	100 ordinary shares of £1 each
Issued Share Capital:	100 ordinary shares of £1 each fully paid
Shareholders:	Infinity Developments Holdings Limited
Directors:	Elliot Lawless
Secretary:	N/A

Infinity Developments Liverpool Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Appendix 2

Statement of Affairs		From 19/03/2020 To 27/04/2020
£		£
	SECURED ASSETS	
7,500,000.00	Freehold Land & Property	NIL
		NIL
	SECURED CREDITORS	
(1,279,714.00)	Chargeholder (1) - Equity Group Ltd	NIL
		NIL
	ASSET REALISATIONS	
Uncertain	Aura Liverpool Ltd	NIL
5,883.00	Cash at Bank	NIL
15,419.00	Cash held in Solicitors client account	NIL
1,250,000.00	Infinity Developments Holdings Ltd	NIL
	Third Party Funds	57,371.93
41,453.00	VAT Refund	NIL
		57,371.93
	COST OF REALISATIONS	
	Security Costs	8,030.40
	CCTV Costs	1,409.57
	Scaffolding Costs	6,000.00
	Agents Fees	2,500.00
		(17,939.97)
	UNSECURED CREDITORS	
(28,603,000.00)	Investor Deposits	NIL
(328,910.00)	S106 Accruals - Liverpool City Council	NIL
(774,598.00)	Trade & Expense Creditors	NIL
		NIL
	DISTRIBUTIONS	
(100.00)	Ordinary Shareholders	NIL
		NIL
(22,173,567.00)		39,431.96
	REPRESENTED BY	
	Current Account	35,843.97
	Vat Receivable	3,587.99
		39,431.96

APPENDIX 3

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' ESTIMATE OF THE COSTS FOR THE ADMINISTRATION

Creditors should be aware all Insolvency Practitioners in the UK have to comply with Statutory Regulations and best practice directives issued by the Joint Insolvency Committee and they are monitored by the Office Holders' Regulatory Body. The best practice directives are mostly set out in a series of *Statements of Insolvency Practice*, better known as SIPs and also in the Insolvency Code of Ethics which is detailed at www.icaew.com/membershandbook. You will find copies of all the SIPs on R3's website:

<https://www.r3.org.uk/what-we-do/publications/professional/statements-of-insolvency-practice>

R3 (also known as the Association of Business Recovery Professionals) is the trade body for the UK insolvency profession. You may also like to visit the following site launched by R3 specifically to guide creditors through the insolvency process: <http://www.creditorinsolvencyguide.co.uk>

Proposed Fee Basis

1. Summary

Rule 18.16(4) of the Insolvency (England and Wales) Rules 2016 requires that prior to an Insolvency Practitioner agreeing the basis of their remuneration as Joint Administrators, details of the work proposed to be done and the expenses it considers will be, or are likely to be, incurred in dealing with a company's affairs must be provided to creditors.

Rule 18.16(2) set out the various bases an Office Holder is entitled to receive remuneration for their services as follows:

- (a) as a percentage of the value of:
 - (i) the property with which the administrator has to deal, or
 - (ii) the assets which are realised, distributed or both realised and distributed by the liquidator or trustee;
- (b) by reference to the time properly given by the office-holder and the office-holder's staff in attending to matters arising in the administration, winding up or bankruptcy; or
- (c) as a set amount.

The basis of remuneration may be one or a combination of the bases set out above at (a) to (c) and different bases or percentages may be fixed in respect of different things done by the officeholder.

In addition, where the Joint Administrators proposes to take all or any part of this remuneration based on the time he and his staff will spend dealing with the affairs of the insolvent company, a *fees estimate* must also be provided. The estimate will outline the anticipated cost of that work, how long it is anticipated the work will take and whether any further approvals may be needed from creditors in due course.

In view of the complexities of this case, where most of the time will be substantially devoted to asset realisation, including managing the Infinity construction site, with many issues to attend to with various sub contractors, security personnel, and investors queries and concerns, I trust that creditors will appreciate that in a case such as this, it is an extremely difficult task to provide definitive estimate.

Also at this early stage of the Administration, I have not yet had an opportunity to fully assess the complexities of the case, with reference to the legal title of the Infinity development and the Unilateral Notices ("UN1") registered in favour of a significant number of investors. Therefore it is not possible to provide a definitive estimate of the time to be spent dealing with these legal complexities including seeking legal advice.

In view of the above, we are seeking to agree the basis of our remuneration in respect of this case on two bases.

Firstly, in respect of our the time properly spent by us and our staff in dealing with the statutory administration compliance together with affairs of the Company, specifically excluding asset realisations, it is proposed that our fees will charged on time costs. We set out below in section 2 our estimated time costs for dealing with this assignment.

Secondly, we propose that our fees for dealing with the realisation of the Company's assets, namely The Infinity development will be 5% plus VAT of the total proceeds recovered (akin to S109(6) of the Law of Property Act 1925) and the reason for this will be explained further below at section 4.

2. Time costs & Fee Estimate

I have set out in Appendix 4 our firm's time cost in respect of pre-appointment work and also the work carried out from appointment to 27 April 2020. I attach at Appendix 3A an estimate of the total work which we consider will be necessary in the conduct of the administration, specifically excluding asset realisations, which we have proposed a percentage fee basis. This estimate is provided to creditors in accordance with the requirements set out in Rule 18.16(4) of the Rules. However, please note that the Administrators' actual fees will be charged by reference to time properly spent by the Administrators and their staff in managing the Administration. If the actual time taken is less than the estimate, then only the time actually incurred will be billed and drawn.

In Appendix 3A, I have set out against each task the time I estimate to be necessary to complete each particular task properly, analysed by different grades of staff. The estimate is intended to be viewed on a total basis and not on the basis of the individual tasks which have been provided as a guide only. It is inevitable that provisions for some tasks will be overestimated whilst others will be underestimated and, therefore, the guide should be taken as a whole. In addition, the estimate is a ceiling that is initially binding on us as Joint Administrators, but we have the right to refer back to creditors in circumstances where we consider that the time cost fees estimate will be exceeded.

If I consider that the estimate of £85,710.50 plus VAT is likely to be exceeded and doing so would result in better prospects of recovery for the creditors, I will seek sanction from creditors for a revised estimate and explain why I perceive there to be a benefit to the creditors of approving any increase in fees.

My firm's general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the task and case. The constitution of the case team will usually consist of a Senior Partner, Partner, Senior Manager, Assistant Manager, Senior Administrator and an Administrator. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and additional staff may be allocated to meet the demands of the case.

My firm's current hourly charge-out rates applicable to this appointment, which are charged in units of 6 minutes exclusive of VAT, are as follows:

	£
Senior / Managing Partners	550
Partners / Office holders	495
Managers / Senior Managers	350 - 395
Senior Administrators	220 - 295
Administrators	160 - 200
Cashiers and Assistants	150 - 295

Charge-out rates are normally reviewed annually in November, when rates are adjusted to reflect such matters as inflation, increases in direct wage costs, and changes to indirect costs such as Professional Indemnity Insurance.

3. Explanations of the Estimates

The majority of the tasks listed in Appendix 3A are self-explanatory and I do not therefore propose to elaborate on these. Creditors who require further details should feel free to contact my office. However, creditors may get a better understanding of the work and cost involved if I list out, in broad term, the various tasks which Administrators are required to complete in order to comply with statutory requirements and Best Practice protocols as set out in Statements of Insolvency Practice ("SIPs") issued by the Joint Insolvency Committee, as follows:-

Administration (including statutory compliance & reporting)

Under insolvency legislation the Administrator must comply with certain statutory compliance requirements which may not bring any direct financial benefit to the creditors of the Company. These tasks, as applicable, consist of:

- Notifying creditors of the Joint Administrators' appointment and other associated formalities, including statutory advertising and filing relevant statutory notices at Companies House.
- Opening, maintaining and managing the Administration estate cashbook, bank account(s).
- IPS set-up - Creation and update of case files on the firm's insolvency software which include company information, creditors, debtors and employees details.
- Securing the Company's books and records.
- Complying with statutory duties in respect of the Administrator's specific penalty bond.
- Trading as appropriate.
- Instructing valuers and agents and overseeing the sale of the business.
- Completion and filing of the notice of the Company's insolvency to HMRC.
- Dealing with all post-appointment VAT and corporation tax compliance.
- Liaison with secured creditors, obtaining charge documents and validating the security.
- Initial assessment required by Statement of Insolvency Practice 2 and the Company Directors Disqualification Act 1986 (CDDA) including the review of the Company's books and records and the identification of potential further asset realisations which may be pursued in the Administration.
- Filing a statutory return to the Department for Business, Energy & Industrial Strategy under the CDDA.
- Preparing a paragraph 49 Report and formulating the Joint Administrators' Proposals.
- Preparing and issuing half yearly progress reports to members and creditors.
- Lodging periodic returns with the Registrar of Companies for the Administration.
- Establishing and holding periodic meetings of the Creditors' Committee and associated filing formalities (if a committee is appointed).

- Periodic case progression reviews (typically at the end of Month 1 and every 6 months thereafter). Although these reviews are not a legal requirement, Regulatory Bodies who monitor the work of the Administrator see this task as a best practice requirement with which the Office Holders are required to comply.

Investigations

As Administrators, we are required by the Company Directors Disqualification Act 1986 to review the conduct of the Director(s) of the Company and transactions entered into prior to the Company's insolvency. The time estimated for this work is the minimum that is considered necessary in order to carry out any meaningful investigation.

SIP2 also requires that I review the Company's financial affairs in order to make an initial assessment of whether there could be any matters that might lead to recoveries for the estate and what further investigations may be appropriate. This assessment took into account information provided by creditors either at the initial meeting or as a response to my request to complete an investigation questionnaire

This work may not necessarily lead to any financial benefit to creditors yet is work I am required to undertake in order to be satisfied that all assets belonging to the Company have been accounted for. My initial investigations may reveal that further recoveries could be available for the insolvent estate and if this proves to be the case and I consider that further work will be required to pursue these assets, I will refer back to creditors about the likely costs involved in pursuing such recoveries.

Creditors (claims and distributions)

The Administrators have been dealing with all secured, and unsecured creditors' correspondence and claims as received.

Based on current information, It is not possible at this stage to provide a meaningful estimate of the likely level of distributions to the secured and unsecured creditors. The Joint Administrators, together with our agents are developing a suitable strategy to find a buyer for the development that will maximise the recoveries for creditors.

As I the position surrounding the UN1 registered in favour of a large number of investors is yet to be fully established, it is not possible to provide any meaningful estimates at this juncture and further updated will be provided to creditors in my next progress report. Accordingly, I have provided an estimate for dealing with creditors / investor queries and acknowledging creditors' claims. Should we need to revise this estimate we will notify creditors accordingly with a full explanation as to why this is required.

4. Fees for Realisation of assets

As detailed above, it is difficult to provide a meaningful estimate of the time to be spent by the Joint Administrators and their staff in dealing with asset realisation on this matter. The Company's only significant asset is The Infinity development, which is a part completed construction site.

A significant amount of time will need to be spent in managing the on-site requirements such as security and access for third parties. Therefore it is not possible to estimate the number of attendances required by the Joint Administrators and their staff to deal with any matters as they arise. However it is known that a number of sub contractors will require access to remove equipment and materials. Time will also be spent in negotiating ongoing supplies and hire for items such scaffolding hire and security.

Furthermore time will be spent liaising with our appointed agents, Lambert Smith Hampton and Pantera Property (collectively known as "the agents") in developing the sales and marketing strategy for the

Infinity development. Further time will also be spent in collating technical information in relation to the Infinity development for our agents to consider and produce the sales pack to interested parties.

The initial marketing process for the Infinity development is expected to last approximately 4 weeks, and further significant time will be spent in dealing with the sales process once a buyer has been found. This will include instruction of lawyers to deal with the conveyancing matters related to the sale and dealing with queries as and when they arise.

The legal position in respect of the UN1's will need to be established. Our experience on similar cases with UN1's registered, has shown that reaching a decision that is agreeable to all parties is a difficult process, as understandably each party will seek to secure their interests in this matter. In view of this, it is anticipated that a significant amount of time will be spent in obtaining legal advice from our instructed solicitors, Edwin Coe ("EC") whilst we seek to ensure the appropriate treatment of the secured and investor creditors.

For the reasons set out above, the proposed fee for dealing with the asset realisation (and related enquires into the legal title) of 5% of the total proceeds recovered, will produce a fair and reasonable reflection of the work that the Joint Administrators anticipate will be undertaken. A success based fee basis, affords a much fairer basis to both Creditors and the Office Holders. This is also in line with the fees that would be charged by a Law of Property Act Receiver ("LPA Receiver") who would have been instructed by a fixed charge holder specifically to deal with the sale of the asset for the benefit of the secured creditor. In accordance with Section 109(6) of the Law of Property Act 1925, it prescribes that an LPA Receiver's fees be 5% plus VAT of all monies received.

On a percentage basis, the Joint Administrators are equally taking a risk that their time and efforts may not be fully covered.

It should also be noted that since the reformed fee basis introduced by the Insolvency Proceedings (Fees) Order 2016, the Official Receiver acting as Liquidator in Compulsory Liquidations charge a General Fee of £6,000 plus a Company Administration fee of £5,000 and a 15% charge for all assets realised by the Official Receiver acting as Liquidator, without any limitation.

As can be seen, the rates that have been proposed by the Joint Administrators' compare very favourably with the fees charged by the Official Receiver at the Insolvency Service, a government department.

EXPENSES AND DISBURSEMENTS

Direct expenses ("Category 1 disbursements")

Category 1 disbursements as defined by SIP 9, which can be specifically identified as relating to the administration of the case, will be charged to the estate at cost, with no uplift. These include, but are not limited to, such items as case advertising, bonding and other insurance premiums and properly reimbursed expenses incurred by personnel in connection with the case.

Below is a table which outlines the expenses that I consider at this stage will be, or are likely to be incurred in dealing with the Company's affairs. I will provide update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	Estimated Costs
Taxation services – review of taxation affairs of the Company following the sale of assets	Berg Kaprow Lewis LLP	At cost	Estimated £5,000 to £10,000
Agent's costs in dealing with property/chattel asset sales	Lambert Smith Hampton & Pantera Property	3.5% commission of sale proceeds to include Fixed Valuation Fee of £5,000 on account	£5,000 valuation fee. Commission is 3.5% of sale proceeds Marketing costs of circa £2,500
Solicitor's costs in dealing with sale of property, providing advice and all conveyancing related matters	Ingram Winter Green LLP	Time costs	Estimated £20,000-£40,000
Solicitor's costs for reviewing the legal title and affect of the UN1 registrations and providing advice to the Joint Administrators	Edwin Coe LLP	Time costs	Estimated £25,000-£35,000
Statutory advertising	Enter name of advertising agency used	At cost	Estimated £500- £1,000
Administrator's bond	Enter name of bond provider	At cost	£64.80
Staff related travel expenses	Direct cost of Administrator & his staff	At cost	Estimated £500 to £1,500
Joint Administrators Public relations	Macca Media	At cost	Estimated £6,000
Accountants fees for updating the Company's account, assisting in the preparation of the Statement of Affairs	Cobham Murphy PHD Limited	At Cost	Estimated £3,000
Postal service, including the production sending of case related correspondence	Postworks	At cost	£1,000-£2,000
Security Costs	Nationwide Facilities Management Limited	At cost	£12,000 - £24,000
CCTV Costs	Nationwide Facilities Management Limited	At cost	£1,200 - £2,000

Scaffolding Costs	Summit Marine Scaffolding Limited	At cost	£15,000 - £20,000
Utility Costs	TBA	At cost	£5,000 to £10,000
Insurance of property	AON Insurance	At cost	£25,000 (3 months) to £100,000(12 months)
Health & Safety Assessment	Lambert Smith Hampton	Fixed Fee	£1,000

Indirect expenses (“Category 2 disbursements”)

It is our normal practice to also charge the following indirect disbursements (“Category 2 disbursements” as defined by SIP 9) to the case, where appropriate:

Headed paper	25p per sheet
Photocopying	6p per sheet
Envelopes	25p each
Postage	Actual cost
Meeting room facility	£150

Storage and Archiving Charges

We use a commercial archiving company for storage facilities for companies' records and papers. This is recharged to the estate at the rate of £10 per box per quarter, and includes a small charge to cover the administration costs of maintaining the archiving database and retrieval of documents. We also use our own personnel and vehicle for collection of books and records for which we charge £60 per hour.

Travel

Mileage incurred as a result of any necessary travelling is charged to the estate at HM Revenue & Customs approved rate, currently 45p per mile.

APPENDIX 3A

INFINITY DEVELOPMENTS LIVERPOOL LIMITED							
JOINT ADMINISTRATORS' ESTIMATE OF TIME COSTS							
FROM DATE OF ADMINISTRATION ONWARDS							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	00:00	00:18	00:00	00:18	88.50	295.00
Statutory filings,circulars, notices, etc.	05:00	20:00	13:00	00:00	38:00	13,040.00	343.16
Case planning, strategy & control	03:48	02:48	05:00	00:00	11:36	3,751.00	323.36
Taxation: PAYE, C/Tax & VAT	00:00	00:36	00:48	00:00	01:24	365.00	260.71
Accounting & Cashiering	00:00	00:00	01:24	03:36	05:00	1,104.00	220.80
Case reviews & Diary maintenance	02:06	03:36	04:00	00:00	09:42	3,142.00	323.92
Statutory reporting and compliance	13:18	49:48	10:54	00:00	74:00	28,534.00	385.59
Investigations							
CDDA preparation & reporting	00:24	01:36	01:48	00:00	03:48	1,208.00	317.89
SIP2 assessment and financial review	06:36	09:24	15:24	00:00	31:24	10,281.00	327.42
Creditors & distributions							
Secured creditors	04:00	00:36	00:00	00:00	04:36	2,037.00	442.83
Unsec'd Creditors: correspondence & claims	00:36	34:36	39:00	00:00	74:12	21,797.00	293.76
Total hours and costs	35:48	123:00	91:36	03:36	254:00	85,347.50	336.01

APPENDIX 4

JOINT ADMINISTRATORS' TIME COSTS AND EXPENSES

PRE-APPOINTMENT COSTS:

Statement under Rule 3.35(10) of the Insolvency (England and Wales) Rules 2016

Unpaid pre-appointment costs as an expense of the administration is:-

- (i) Subject to approval under Rule 3.52, and
- (ii) Not part of the proposals subject to approval under paragraph 53(a) of Schedule B1.

Statement of Pre-Appointment Time Costs – Rule 3.36

The time costs we incurred between our first being consulted and the date of our appointment were £27,110 plus VAT for a total of 66.36 hours. This represents an average hourly charge out rate of £407.06 per hour and remains outstanding. An analysis of the time spent is provided at Appendix 4A.

Overview

Our firm, David Rubin & Partners, was first consulted in February 2020 by the secured creditor, Equity Group Limited (“EGL”) and its advisors. A number of meetings took place to determine the financial position of the Company and to consider what options might be available to EGL being the holder of a Qualifying Floating Charge (“QFC”) over the Company’s assets. .

As an Administration was clearly going to be the best way of preserving maximum value for all creditors, we advised on the steps required to appoint Administrators. EGL engaged the services of its solicitors, to prepare the necessary documentation and file for the appointment of Administrators in Court.

Prior to accepting the appointment, the proposed Joint Administrators instructed solicitors, Edwin Coe LLP (“EC”) who were both competent enough to handle the complexities of the case and also who had no prior professional relationship with the Company or its management, to validate the security of EGL over the Company.

Once the Joint Administrators received confirmation that the QFC was valid security to enable the appointment of Administrators, we proceeded with the appointment, Under Paragraph 14 of Schedule B1 of the Insolvency Act 1986 and EGL’s solicitors filled the necessary forms at Court.

The appointment of Paul Cooper and David Rubin as Joint Administrators was confirmed on 19 March 2020.

Issues impacting on the level of costs

As the Company had a QFC’s registered in the name of EGL, time was spent by the Joint Administrators liaising with EC to obtain all relevant information to ensure that the security of EGL could be validated prior to accepting the appointment.

Pre-appointment expenses

As detailed above, EC have been providing legal advice in the period leading up to the Administration in relation to the charges registered against the Company and the validity of their security. Their time costs for this work, none of which has not been paid amounts to £5,445 plus VAT.

Seeking Approval for Payments

In accordance with Rule 3.52 of the Rules, we shall be seeking the approval of the Creditors Committee, if one is appointed, to our drawing the unpaid balance of our pre-appointment time costs and the disbursement of the pre-appointment expenses as reported at 7.4.3 of this Report and in this Appendix If no Committee is appointed, the Joint Administrators are required to seek the consent of each of the secured creditors for fixing the basis of their remuneration. Should this step be necessary, the Joint Administrators may seek a prior direction from the Court.

POST-APPOINTMENT

The time costs we have incurred from the date of our appointment to 27 April 2020 amount to £86,652 plus VAT for a total of 239.48 hours. This represents an average hourly charge out rate of £361.35 per hour. We have not drawn any fees on account and this entire sum is outstanding. An analysis of the time spent is also provided at Appendix 4A.

Case overview

The immediate priority of this Administration was to secure the construction site of The Infinity and evaluate as quickly as possible the ongoing costs that were necessary to preserve the value of the development. These costs include weekly hire of the scaffolding, as removal would incur additional costs and delay the resumption of construction, when a purchaser is found. Therefore, an agreement was made with the EGL to fund the essential costs to preserve the value of the site, which will be repaid from the eventual sale proceeds.

Immediately upon appointment, the Joint Administration instructed specialist property agents, Lambert Smith Hampton and Pantera Property Ltd (collectively known as “the agents”) to value the Infinity development and market it for sale. The Joint Administrator and the agents undertook a site visit at The Infinity shortly after appointment to evaluate the ongoing requirements for the site.

The Joint Administrators and their staff have been closely liaising with the Company and its former management in order to obtain a vast amount of information regarding the construction of the Infinity including various planning and title queries, the Company liabilities and also details on the investments received. This information will be used by the Administrators and their agents in conducting its strategy for maximising the return to the Company’s creditors.

Issues affecting costs

Covid-19

It is unavoidable that the current Covid-19 pandemic has had an impact on costs as the Joint Administrators and their staff have adhered to Government guidelines regarding social distancing and worked remotely since the lockdown on 23 March 2020. However, technology has been fully utilised to ensure sufficient systems are in place to enable communication with stakeholders and investors to continue and general administration of the case to be fully operational during the pandemic.

Investors

There are approximately 350 investors and a significant number of communications have been received regarding the Administration. Therefore time has been spent recording details of investor contact and where possible acknowledging or responding to queries. Furthermore, the Joint Administrators have actively engaged with representatives of a significant number of investors to enable communications and discussions to flow freely.

Legal Title

Given the complex nature surrounding the legal title of the property, including various planning complexities, the Joint Administrators and their agents have liaised with the former management, and their legal representative in compiling extensive amount of technical information. This information is vital for the sales pack being compiled by our agents and will be necessary when finding a buyer for the Infinity development.

It should also be noted that a large number of investors have registered Unilateral Notices (UN1's) on the title of The Infinity development. The Joint Administrators have instructed EC to advise on the position of the UN1's. Accordingly time has been spent liaising with EC providing initial information regarding the UN1's.

Due to the crucial nature of this assignment a high level of partners and senior manager involvement has been required

Joint Administrators' Remuneration

To view an explanatory note concerning Administrators' remuneration approved by the Joint Insolvency Committee, please visit the Publications folder on our website www.drpartners.com/cases, using the following log-on details:

USERNAME: I890@drco.co.uk

PASSWORD: 098lyl*!

Alternatively, please email infinity@drpartners.com to arrange for a copy to be sent to you.

Provision of further information

Within 21 days of receipt of this progress report, creditors may request the Administrators to provide further information about the remuneration and expenses (other than pre-administration costs) set out in the report. Further details are set out at paragraph 9.2 and 9.3 of the Creditors' Guide to Administrators' Fees by following the URL link provided above.

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' PRE-APPOINTMENT TIME COSTS							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Administration, Strategy and Planning							
IPS set up & maintenance	00:00	00:00	00:12	00:00	00:12	59.00	295.00
Case planning, strategy & control	27:24	21:18	13:18	00:00	62:00	25,115.50	405.09
Accounting & Cashiering	00:00	00:00	00:00	00:12	00:12	44.00	220.00
Review & Valuation of Assets							
Properties	01:30	01:12	00:00	00:00	02:42	1,299.00	481.11
Creditors							
Secured creditors	00:00	01:30	00:00	00:00	01:30	592.50	395.00
Total hours and costs	28:54	24:00	13:30	00:12	66:36	27,110.00	407.06

JOINT ADMINISTRATORS' TIME COSTS							
FOR THE PERIOD 19 MARCH 2020 TO 27 APRIL 2020							
Classification of work function	Hours					Total Cost £	Average hourly rate £
	Partners	Manager / Senior Manager	Admin / Senior Admin	Cashiers	Total hours		
Statutory compliance, admin and planning							
IPS set up & maintenance	00:00	00:00	00:18	00:00	00:18	88.50	295.00
Statutory filings, circulars, notices, etc.	04:30	18:48	10:24	00:00	33:42	11,691.00	346.91
Case planning, strategy & control	03:30	02:36	03:42	00:00	09:48	3,485.50	355.66
Accounting & Cashiering	00:00	00:00	01:06	01:36	02:42	649.50	240.56
Case reviews & Diary maintenance	00:00	00:30	00:00	00:00	00:30	175.00	350.00
Statutory reporting and compliance	09:00	42:30	03:54	00:00	55:24	21,560.50	389.18
Investigations							
SIP2 assessment and financial review	00:00	00:42	00:00	00:00	00:42	276.50	395.00
Realisation of assets							
Freehold & leasehold properties	32:42	10:36	13:48	00:00	57:06	24,249.50	424.68
Intangible assets	00:00	07:12	00:00	00:00	07:12	2,844.00	395.00
Tangible assets	00:00	00:00	00:12	00:00	00:12	32.00	160.00
Creditors							
Secured creditors	02:00	00:00	00:00	00:00	02:00	990.00	495.00
Unsec'd Creditors: correspondence & claims	00:00	33:18	36:54	00:00	70:12	20,610.00	293.59
Total hours and costs	51:42	116:12	70:18	01:36	239:48	86,652.00	361.35

Statement of affairs

Name of Company

INFINITY DEVELOPMENTS LIVERPOOL LIMITED

Company Number

10665533

In the
HIGH COURT OF JUSTICE BUSINESS AND
PROPERTY COURTS IN MANCHESTER

[full name of court]

Court case number

CR -2020-MAN000324

^(a) Insert name and address of
registered office of the company

Statement as to the affairs of ^(a) INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN
ADMINISTRATION of 116 Duke Street, Liverpool, L1 5JW

^(b) Insert date

on the ^(b) 19 March 2020, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above named company as at ^(b) 19 March 2020 the date
that the company entered administration.

Full name : Elliot Lawless

Signed



Dated

28/4/2020

INFINITY DEVELOPMENTS LIVERPOOL LIMITED ("THE COMPANY")

NOTES TO THE ESTIMATED STATEMENT OF AFFAIRS

Estimated to realise values assigned to the assets are those of the Director, based on an estimation of what those assets would fetch on the open market.

1. *Unsecured creditors*

The claims of trade and expense creditors are based upon the latest information available within the Company's books and records. Any variances between the Company's records and the amounts due as per the creditor's own records are subject to agreement. The amounts disclosed should not be taken as exact or binding upon creditors.

2. *Investor Deposits*

Although investor deposits do not have a fixed or floating charge registered against the Company, a large proportion of investors have registered rights against the Company's property at HM Land Registry, by registering unilateral notices ("UN1"). The treatment of UN1's in this Insolvency situation is currently uncertain and it will be for the Joint Administrators to obtain relevant legal advice regarding the correct treatment of these claims.

In view of the above, the investors claims are currently listed as unsecured creditors but it is acknowledged that this is subject to change.

The figures do not take into account the costs, disbursements and expenses of the Administration.

Infinity Developments Liverpool Limited
Statement Of Affairs as at 19 March 2020
Company Registered Number: 10665533

A - Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge:		
Freehold Land & Property	28,925,915 00	7,500,000.00
Chargeholder (1) - Equity Group Ltd		(1,279,714.00)
Surplus c/d		<u>6,220,286.00</u>
Assets subject to floating charge:		
Deferred consideration- Infinity Developments Holdings Limited	1,250,000.00	1,250,000.00
Aura Liverpool Limited	746,256.00	uncertain
VAT Refund	39,676 00	41,453 00
Cash at Bank	5,883 00	5,883 00
Cash held in Solicitors client account	15,491 00	15,491 00
Uncharged assets:		
Estimated total assets available for preferential creditors		<u>1,312,827 00</u>

Signature



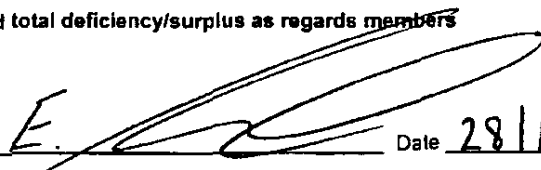
Date

28/4/2020

Infinity Developments Liverpool Limited
Statement Of Affairs as at 19 March 2020
Company Registered Number: 10665533

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors (Carried from Page A)	1,312,827 00
Liabilities	
Preferential Creditors -	NIL
Estimated deficiency/surplus as regards preferential creditors	1,312,827 00
Debts secured by floating charges pre 15 September 2003	
Other Pre 15 September 2003 Floating Charge Creditors	NIL
	1,312,827 00
Estimated prescribed part of net property where applicable (to carry forward)	(265,565 40)
Estimated total assets available for floating charge holders	1,047,261 60
Debts secured by floating charges post 14 September 2003	NIL
Estimated deficiency/surplus of assets after floating charges	1,047,261 60
Estimated prescribed part of net property where applicable (brought down)	265,565 40
Total assets available to unsecured creditors	1,312,827 00
SURPLUS B/D	6,220,286 00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)	
Investor Deposits	(28,603,000.00)
Trade & Expense Creditors	(774,598 00)
	0 00
S106 Accruals - Liverpool City Council	(328,910.00)
	0 00
	(29,706,508 00)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)	(22,173,395 00)
Estimated deficiency/surplus as regards creditors	(22,173,395 00)
Issued and called up capital	
Ordinary Shareholders	1.00
	1.00
Estimated total deficiency/surplus as regards members	(22,173,394 00)

Signature  Date 28/4/2020

INFINITY DEVELOPMENTS LIVERPOOL LIMITED
ESTIMATED STATEMENT OF AFFAIRS AS AT 19 MARCH 2020
COMPANY REGISTERED NUMBER: 10665533

A - SECURED CREDITORS		
NAME	ADDRESS	AMOUNT £
Equity Group Limited	118 Duke Street Liverpool, L1 5JW <i>Created: 4th November 2019 Registered at Companies House 21st November 2019</i>	1,279,714.00
B - UNSECURED CREDITORS		
NAME	ADDRESS	AMOUNT £
<u>Trade and Expense Creditors</u>		
Vermont Construction Infinity Ltd	1 Sefton Street Liverpool L8 5TH	436,920.00
Mosodi Transport Consulting	4 Jordan Street, Manchester, M15 4PY	4,052.00
Experience BG Limited	43 Palace Street, London, SW1E 5HL	245,128.00
Savills Liverpool	8 Princes Parade, Princes Dock L3 1DL	88,500.00
		<hr/>
		774,598.00
<u>S106 Accruals - Liverpool Council</u>		<hr/>
		328,910.00
		<hr/>
		328,910.00
<u>Connected Creditors</u>		<hr/>
		0.00
		<hr/>
		0.00
<u>Crown</u>		<hr/>
		0.00
<u>Directors</u>		<hr/>
		0.00
<u>Investors</u>		<hr/>
		28,603,000.00
		<hr/>
		28,603,000.00
		<hr/>
		29,706,508.00

Signature



Date

28/4/2020

INFINITY DEVELOPMENTS LIVERPOOL LIMITED

ESTIMATED STATEMENT OF AFFAIRS AS AT 19 MARCH 2020

COMPANY REGISTERED NUMBER: 10665533

C - Shareholders

Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
Infinity Developments Holdings Limited	116 Duke Street, Liverpool, Merseyside, L1 5JW	Ordinary	1.00	1	1.00	1.00
1 Ordinary Entries Totalling					1	

Signature  Date 28/4/2020