



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

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

Building name/number 26 - 28 Bedford Row

Street

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.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 1	^d 9	^m 0	^m 3	^y 2	^y 0	^y 2	^y 0
To date	^d 1	^d 8	^m 0	^m 9	^y 2	^y 0	^y 2	^y 0

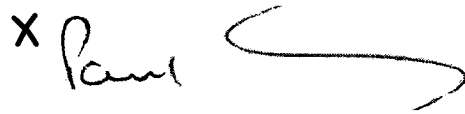
7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X 

X

Signature date	^d 1	^d 5	^m 1	^m 0	^y 2	^y 0	^y 2	^y 0
----------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

**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 Yin Lee

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 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

IN THE HIGH COURT OF JUSTICE

NO: CR-2020-MAN-000324

IN THE MATTER OF

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION

AND

THE INSOLVENCY ACT 1986

THE JOINT ADMINISTRATORS' FIRST PROGRESS REPORT

PURSUANT TO

PART 18 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016

FOR THE PERIOD 19 MARCH 2020 TO 18 SEPTEMBER 2020

CONTENTS

- a. Introduction
- b. Statutory information
- c. Joint Administrators' names and addresses
- d. Any Change in the Office Holder
- e. Details of progress during the period and summary account of receipts and payments
- f. Administrators' remuneration and expenses
- g. Creditors and distributions
- h. Details of what remains to be done
- i. Other information of relevance to creditors
- j. Next report

APPENDICES

- A. Joint Administrators' Remuneration and Expenses
- B. Receipts and Payments Account from 19 March 2020 to 18 September 2020
- C. Time Analysis for the period 19 March 2020 to 18 September 2020

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION
Sixth Months Progress Report pursuant to part 18 of the Insolvency (England and Wales) Rules 2016

(a) Introduction

I refer to the appointment of David Rubin and myself as Joint Administrators of Infinity Developments Liverpool Limited pursuant to an appointment made by Equity Group Limited and filed at the High Court of Justice, Business and Property Courts in Manchester. As the first six months' anniversary has recently passed, I am pleased to provide creditors with my first progress report as required by Rule 18.2 of the Insolvency (England and Wales) Rules 2016. This report should be read in conjunction with our earlier report to creditors which outlined our Proposals for the Administration.

Rule 18.3: Progress Report

(b) Statutory information

- | | | |
|------|--------------------|---|
| (i) | Court: | High Court of Justice, Business and Property Courts in Manchester |
| | Reference Number: | CR-2020-MAN-000324 |
| (ii) | Company name: | Infinity Developments Liverpool Limited |
| | Company number: | 10665533 |
| | Registered office: | C/o David Rubin & Partners, 26 - 28 Bedford Row, London, WC1R 4HE |
| | Trading Name: | Infinity |
| | Site Address: | Lanyork Road, Liverpool, L3 6JB |

(c) **Joint Administrator's name and address:**

Paul Cooper and David Rubin, both of David Rubin & Partners, 26-28 Bedford Row, London, WC1R 4HE were appointed Joint Administrators of the Company on 19 March 2020. This appointment was made by the holder of a qualifying floating charge, Equity Group Limited pursuant to paragraph 14 of Schedule B1 to the Insolvency Act 1986.

The Joint Administrators act jointly and severally in the exercise of any and all functions exercisable by an administrator appointed under the provisions of Schedule B1 of the Insolvency Act 1986.

(d) Any changes in the Office Holders

The Joint Administrators were appointed on 19 March 2020. There has not been a change in the Office Holder since the original appointment date or an extension to the initial period of appointment.

(e) Details of progress during the period and summary account of Receipts and Payments under review and cumulatively

You may recall that the statutory objective being pursued in the Administration was Purpose B, achieving a better result than would be likely if the Company were wound up. In addition to the pursuance of this statutory objective, the Administrator has duties imposed by

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION
Sixth Months Progress Report pursuant to part 18 of the Insolvency (England and Wales) Rules 2016

insolvency and other legislation, some of which may not provide any financial benefit to creditors.

This section of the report provides creditors with an update on the progress made in the period, both in terms of the achievement of the statutory objective, but also work which is required of the Administrator under other related legislation.

Attached at Appendix C, is a time analysis outlining the time spent by the Administrators and their staff during this period. Further details explaining the work undertaken during this period have been set out in Appendix A.

As required by Schedule B1 to the Insolvency Act 1986, notice of our appointment has been filed with the Registrar of Companies, and formal notice has been served on the Company. Our appointment has been advertised in the London Gazette and national newspaper, The Times.

A large number of the creditors were based internationally therefore, a dedicated email address was set up to receive and log contact from investors and interested parties. Our staff liaised closely with the Company and its legal advisors in order to obtain a full list of creditors and investors. Creditors and investors were formally notified of the Administration on 9 April 2020 by post and on 8 April by email. 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 information has been sought.

The primary focus of the Joint Administrators was to secure the part built Infinity site and to instruct agents to value and market the development in its current state for sale. Specialist property agents, Lambert Smith Hampton (“LSH”) and Pantera Property Ltd (“Pantera”) (collectively known as “the agents”) were instructed to conduct a valuation and to seek a purchaser. The Joint Administrators attended the development together with the agents to evaluate the current status of the build and to assess the necessary systems to put in place.

Infinity was, until recently, an active construction site, which remains to be completed. From the commencement of the Joint Administrators appointment, it was imperative to engage with the building contractors, Vermont Construction (“Vermont”). In particular, the ongoing security requirements needed to be urgently assessed and the Joint Administrators were contacted upon their appointment by various sub-contractors who required their equipment and materials to be returned.

The main objective of the Administration is to preserve the value of the site to allow it to be sold as a viable construction project thereby maximising realisations. By preserving such value, it was the Agents’ opinion that a buyer would be sought to complete the build infrastructure in place. Therefore, the Joint Administrators engaged with all ‘essential service providers’ with a view to agree hire costs and to preserve the value on site. This has required a high level of involvement from the case team to ensure all essential supplies are maintained at a sufficient level and dealing with payment of the supplies with the funding available in the estate.

In May 2020, there was a fatality at a site that was being developed by a company connected to the Company, Aura Developments Limited. The site was in Liverpool. Following this incident, the Health and Safety Executive (“HSE”) investigated the activities of the associated Company. To assist, the Joint Administrators, undertook with HSE that stricter management systems would be implemented on the site. This ultimately meant that no third parties would be allowed to remove equipment from site without an appointed representative supervising.

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION
Sixth Months Progress Report pursuant to part 18 of the Insolvency (England and Wales) Rules 2016

The Joint Administrators subsequently appointed a representative from LSH to liaise with all essential ongoing issues at the site that required attention. Monthly reports have also been undertaken and following such recommendations, actions have been taken to ensure that the site is kept safe and secure.

Our instructed agents commenced the marketing of the development for sale, which included obtaining the relevant information to be provided to interested parties. A significant amount of interest was generated in the site and the first round of bidding on the development concluded at the end of May, resulting in six formal bids being submitted to the agents for consideration. Two of these were for the 'group', which comprised of purchasing two sites in the ownership of connected companies, also in administration. The sites are known as 'The Aura' and 'The Residence' developments.

Together with our agents, the Joint Administrators analysed the bids received, including associated parties such as the Elliot Group ("EG") and the known intentions of the Investors who had formed a steering committee ("SC") to protect their interests, to submit a credit bid on the development. A shortlist of four preferred bids was generated and they were duly requested to submit their final and best bids by 15 June 2020. However, following a meeting of creditors, which was held on 3 June 2020 which was attended by representatives of the SC, a 3 month extension to the sales process, was requested by the SC.

As the SC represented over 75% investors, the largest proportion of creditors, it was considered to be in the interest of all parties to agree with the extension to the second round of bidding, as it was highly likely that closure of the sale process at that juncture would be challenged by the SC, which would increase costs and the Joint Administrators would prefer to avoid additional costs. As such, the SC has been awarded preferred bidder status.

However, the preservation of the development requires significant ongoing costs which are approximately £10,000 per week. Creditors should note that the secured creditor, Equity Group Limited ("EGL") stopped funding in June 2020. Accordingly, the Joint Administrators will be unable to delay the sale indefinitely and it will be necessary for a sale to be agreed urgently. The Joint Administrators are working with the SC to finalise a deal as soon as possible, but have reserved the right to approach other parties to conclude a sale, should it be deemed necessary.

In addition to finding a buyer for the Infinity development, the Joint Administrators had started their initial investigations and review of the Company's affairs. A long term lease within the site had been granted by the Company to a connected company, Infinity Development Holdings Liverpool Limited ("IDHL"). The lease had been granted over the land where Towers B and C were to be built. The Company is only the owner of Tower A.

Clearly the lease of this nature to a connected party is of concern to the Joint Administrators and enquiries were made with the former director and their legal representative regarding the reasoning for the issuing of this lease in May 2019.

Following requests for information and copy records, the Joint Administrators reviewed this information with their instructed solicitors Edwin Coe LLP ("EC") and Counsel for their legal opinion on the validity of the lease. The SC has made a number of demands that the lease be voided and returned to the Company and this possibility has been thoroughly considered with EC.

Whilst all options remain available to the Joint Administrators, and any subsequent Liquidators, the grounds to challenge the lease were considered to be prohibitive after

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION
Sixth Months Progress Report pursuant to part 18 of the Insolvency (England and Wales) Rules 2016

considering the information available, the arguments for and against and the costs involved. The advice received by the Joint Administrators must remain legally privileged at this juncture in order to not prejudice any future actions, should it be taken by the Office Holders.

However, the lease to IDHL required a premium to be paid in the sum of £1.25million. Accordingly, formal demand was made to IDHL for payment of this premium and this money was duly paid into the Administration estate.

A receipts and payments account is attached, which is further explained below.

1. Receipts

1.1 Bank interest gross

Interest earned on the funds in hand amounts to £129.27.

1.2 Leasehold property - IDHL

Prior to Administration the Company issued a lease on 1 May 2019 to a connected company, IDHL. It was agreed that a premium would be payable in the sum of £1.25million. Following our appointment, the Joint Administrators made formal demand upon IDHL for payment of this premium and although IDHL contested that payment was not immediately due for payment, they subsequently agreed and the premium was received in full in this reporting period.

1.3 Third party funds

The sum of £86,958.71 has been received from the secured creditor, EGL. These funds were loaned to the Company to pay for essential expenses including: security, CCTV, scaffolding and disbursements.

A further £3,600 was received from The Elliot Group specifically for the payment of the accountant, Cobham Murphy PHD Ltd's ("Cobham Murphy") invoice for their assistance in updating the Company's Accounts and assisting with the documentation required for the Statement of Affairs.

2. Payments

2.1 Security Costs

The sum of £68,832 plus VAT has been paid to Nationwide Facilities Management Limited ("Nationwide") for the provision of two security guards. This is charged at a rate of £4,105.20 plus VAT per week with double time charged on bank holidays. The amount paid to date is for the provision of two security guards 24 hours a day in the period ended 13 September 2020.

2.2 CCTV Costs

The sum of £7,688.57 plus VAT has been paid to Nationwide for the provision of CCTV. This is recharged at a rate of £299 plus VAT per week. The amount paid to date is for CCTV utilised in the period ended 6 September 2020.

2.3 Scaffolding Costs

The sum of £37,928.57 plus VAT has been paid to Summit Scaffolding for the continued use of the scaffolding erected on site. This represents the charge for use in the period 19 March 2020 to 13 September 2020.

2.4 Agents fees

The amount of £2,500 has been paid to each of Pantera and LSH in respect of the agreed marketing costs for The Infinity development.

Pantera and LSH were selected as agents on the basis of their experience and expertise in dealing with valuations and sale of assets in insolvency situations and taking into account their presence in the North of England. The agreed basis of the agents fees are to be a percentage of the sale agreed and the agreement of these fees will be finalised upon the sale for the development being agreed. However, it was agreed that a fixed marketing budget of £5,000 plus VAT be paid to cover all marketing costs.

2.5 Legal fees

EC have been paid fees to date of £26,350.50 for assisting the Joint Administrators with their initial enquiries into the affairs of the Company, including the charges registered against the Company's property, the rights of investors with Unilateral Notices registered against the title of the Infinity development, advice in relation the requisitioned Creditors Meeting and constitution of the Creditors Committee, advising in relation to queries received from the SC and advising in relation to the lease held by IDHL as detailed above.

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. EC have a specialist Insolvency department and they were chosen on that basis after taking into account the size and complexity of the legal issues. EC charge their fees on a time costs basis and they have provided me with an analysis of the time they have spent.

2.6 Professional fees

The amount of £3,000 plus VAT has been paid to the Company's accountants, Cobham Murphy for their assistance in updating the Company's Accounts and assisting with the documentation required for the Statement of Affairs.

A further £3,000 plus VAT has been paid to Macca Media ("MM") in respect of their services in the provision of media management services, media strategy and communications policy and to liaise with associated media on behalf of the Joint Administrators. There are no invoices outstanding.

2.7 Pre-Administration Time Costs: Rule 18.5

In my earlier report to creditors, I set out the costs my firm incurred between our first being consulted and the date of our appointment, and I provided details as required

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION
Sixth Months Progress Report pursuant to part 18 of the Insolvency (England and Wales) Rules 2016

by Rule 3.36. Creditors may recall that I reported that my firm's time costs were £27,110 plus VAT for a total of 66 hours and 36 minutes.

Shortly after the first meeting of the Creditors' Committee, I sought and obtained the Committee's approval by correspondence for these costs to be paid in accordance with Rule 3.52 of the Insolvency (England and Wales) Rules 2016.

2.8 Specific bond

The specific bond is the cost of insurance, based on the level of realisations by the Joint Administrators, as required by the Insolvency Practitioners Regulations 2005. A total premium of £1,920 has been drawn.

2.9 Stationery and postage

The services of a postal service, Postworks have been engaged to circulate correspondence. Postage costs totalling £2,192.33 have been drawn.

2.10 Statutory advertising

An invoice for £94.50 plus VAT has been paid for the publishing of a statutory advert in the London Gazette in respect of the Virtual Meeting held on 3 June 2020.

3. Expenses incurred but not yet paid

3.1 Security Costs

The sum of £2,868 plus VAT is due to Nationwide for the provision of two security guards 24 hours a day in the period 14 September 2020 to 18 September 2020.

3.2 CCTV Costs

The sum of £213.57 plus VAT is due to Nationwide for the provision of CCTV in the period 14 September 2020 to 18 September 2020.

3.3 Scaffolding Costs

The sum of £1,071.43 plus VAT is due to Summit Scaffolding for the continued use of the scaffolding erected on site for the period 14 September 2020 to 18 September 2020.

3.4 Statutory Advertising

An invoice for £334.80 plus VAT remains outstanding for publishing the statutory adverts in the London Gazette and The Times in respect of the Joint Administrators' appointment.

3.5 Insurance

Material damage, Property and Terrorism Insurance in the first six months from 19 March 2020 to 18 September 2020 is £27,445.87.

3.6 Health and Safety Costs

The services of Safety Smart (“SS”) have been utilised for the completion of Audits and a Construction phase plan up to 30 June 2020. SS have invoiced the Company £1,510.70 plus VAT.

3.7 Legal fees

In addition to 2.5 above, the amount of £5,445 plus VAT is due to EC in respect of their fees for considering the floating charge and security position prior to accepting our appointment as Joint Administrators.

A further £22,140 plus VAT is also due to EC in respect of the fees for advising the Joint Administrators in respect of post appointment matters as mentioned in 2.5 above together with Counsels fee of £2,471 plus VAT.

3.8 Conference Call Charges

The amount of £15.49 has been incurred in respect of conference call charges.

3.9 Statutory Costs

The sum of £6 has been incurred but not recharged completing Land Registry searches against the two title numbers.

(f) Joint Administrators’ Remuneration and Expenses

- i) The Joint Administrators’ remuneration is yet to be agreed by the appointed Creditors Committee. However, a statement of time costs incurred to date and description of work undertaken are provided at Appendix A.
- ii) Expenses incurred in the Administration are explained at (e) above in my comments on the Receipts and Payments Accounts

(g) Creditors and Distributions

(i) (a) 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. EGL have 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 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 notice (“UN1”). The extent to which the estate contract provides an interest in the site is a matter of fact and law, and the Joint

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION
Sixth Months Progress Report pursuant to part 18 of the Insolvency (England and Wales) Rules 2016

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.

(b) Prescribed Part

Section 176A of the Insolvency Act 1986 provides for a prescribed part of the Company's net property to be retained from distribution to the floating charge holder, where the debenture was created on or after 15 September 2003 and made available for the satisfaction of unsecured debts.

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 as no sale of the development has been agreed and further information on this will be provided to creditors in subsequent progress reports.

(ii) Preferential creditors

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

(iii) Unsecured creditors

The claims of the unsecured creditors have been noted when received. Based on current information, it is currently uncertain that there will be sufficient funds to enable a dividend payable to the unsecured non-preferential creditors. This will be reviewed once a sale of the Infinity development has been agreed and further updated will be provided to creditors in my next progress report.

(h) Details of what remains to be done

As detailed in section (e) above, a sale of the Infinity development has yet to be agreed. It is the priority of the Joint Administrators to conclude a sale urgently as there is no funding available in the Administration to cover the costs of maintaining the site. It will become increasingly difficult to ensure the current infrastructure remains on site without payment for services and equipment continuing. The Joint Administrators will continue to monitor the situation and take any action deemed necessary to preserve the asset.

Once a sale has been agreed, it would then be most likely necessary to make an application to court to obtain authority of the court for the sale, as the legal title of the development is subject to a significant number of UN1 and legal charges. This will require a substantial amount of work by the Joint Administrators, their staff and instructed solicitors in preparing an application of this nature. In addition to this a suitable sale contract will need to be agreed amongst all parties and this will involve further significant time.

At the requisitioned virtual meeting of Creditors, held on 3 June 2020, the Joint Administrators Proposals were approved with modifications, being that firstly the sale process be extended for a further three months and secondly, that following a sale of the development, that the Company be placed into compulsory liquidation and that third party liquidator(s) be appointed in addition to the Joint Administrators to complete the investigatory work on the liquidation.

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION
Sixth Months Progress Report pursuant to part 18 of the Insolvency (England and Wales) Rules 2016

(i) Other information of relevance to creditors:

Investigations

Some of the work the Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that the Administrators can pursue for the benefit of creditors.

In accordance with the Company Directors Disqualification Act 1986 a report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy (BEIS) has been submitted. As this is a confidential report, the contents of the report cannot be disclosed.

Shortly after our appointment, an initial assessment was made to ascertain whether there were 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. Our examinations have revealed a number of issues requiring further investigation. However, in order to avoid unnecessary duplication of work and costs, it will be for the appointed third party liquidators, which are to be chosen by the creditors committee, to undertake all further investigations in this regard.

(j) Next report

A Progress Report is required within one month of the end of the next six months of the Administration or earlier if the Administration has been finalised.

We trust you will find this report adequate for your purposes but should you require any further information, please do not hesitate to contact our team at: infinity@drpartners.com and the team will use their best endeavours to revert as quickly as possible.



PAUL COOPER - JOINT ADMINISTRATOR

DATE: 15 OCTOBER 2020

APPENDIX A

JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

1. **Joint Administrators' Remuneration**

I have now reviewed my firm's time costs, and would advise that from the date of appointment to 18 September 2020, the total time costs amount to £341,442 for 1,015.18 hours, which equates to an average cost of £336.30 per hour. A breakdown of these time charges is set out in Appendix C.

To date, the Joint Administrators have not been paid on account of these time costs.

1.1 Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case. The constitution of the case team will usually comprise of a Partner, Manager, Senior Administrator and two Administrators. 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.

We have not utilised the services of any subcontractors in this case.

1.2 ***Basis of Joint Administrators' Remuneration***

An Administrator is not only required to deal with correspondence and claims from unsecured creditors (which may include retention of title claims), but also those of any secured and preferential creditors of the Company. This may involve separate reporting to any secured creditor and dealing with distributions from asset realisations caught under their security, most typically a debenture.

The above work will not necessarily bring any financial benefit to creditors generally, however, an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

Creditors may recall that at a Decision by Correspondence of creditors was originally requested by the Joint Administrators for the approval of their remuneration, which was proposed that the basis of their remuneration in respect of this case on two bases.

Firstly, in respect of their time properly spent by them and their staff in dealing with the statutory administration compliance together with affairs of the Company, specifically excluding asset realisations. It was proposed that their fees will be charged on time costs. The estimated time costs for dealing with this assignment was £85,710.50.

Secondly, it is proposed that their 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).

The reasoning for this proposed method of remuneration is detailed in the Joint Administrations Report and Statement of Proposals dated 30 April 2020.

However, creditors required for the formation of a creditors committee ("CC") and accordingly it is now the responsibility off the CC to approve the basis of Joint Administrators remuneration. Meetings have been held with the CC and to date no agreement of the basis of the Joint Administrators remuneration has been made. If the remuneration cannot be agreed, the Joint Administrators will have no alternative than to apply to court for the basis of their remuneration to be set. This will increase, costs in this matter and it is hoped that this can be avoided.

2. Chargeout rates

In accordance with the provisions of Statement of Insolvency Practice 9 ("SIP 9"), I would advise that my firm's current hourly chargeout 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
Support Staff	120 – 150

Chargeout 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. Time is charged in minimum units of 6 minutes.

3. Case overview

The immediate priority of this Administration was to secure the construction site of The Infinity development and evaluate as quickly as possible the ongoing costs necessary to preserve the value of the development. These costs include 24 hour security and preservation of the scaffolding. Removal would incur additional costs and delay the resurrection of construction, when a purchaser is found. Therefore, an agreement was made with the secured creditor to fund the essential costs to preserve the value of the site, which will be repaid from the eventual sale proceeds. On 3 June 2020, at the virtual creditors meeting, the creditors requested an extension of the sale process on the basis that they wanted to put a credit bid together. The SC agreed that that they would pay for the essential running costs of the site. Schedules of the costs incurred have been forwarded to the SC's legal representatives and to the SC, however to date no payment has been received.

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 development, including various planning and title queries, the

Company liabilities and also details on the investments received. This information is being used by the Administrators and their agents in conducting its strategy for maximising the return to the Company's creditors.

Following the commencement of the marketing process for The Infinity development, the Joint Administrators and their staff have been in regular contact with the agents review details of the offers received in order to consider the best offers received and the proposed purchase that may provide the best outcome to creditors.

It is clear that a potential sale which includes the existing investors, as part of a 'credit bid' will provide the best possible outcome and the extension of the sale process has been agreed in order to provide as much time as possible to try and achieve this outcome. However, it can not be an indefinite process, with significant costs incurring every day to maintain the development in its current state of which there is limited funding in the Administration estate to cover these costs. Furthermore, it is increasingly possible that the contractor may vacate the site, removing its infrastructure and as such will impact the value of the development as the reinstatement costs may prove prohibitive.

As such the Joint Administrators are monitoring the situation closely and liaising with the SC to agree a sale. However, the Joint Administrators may have to seek alternative buyers should it be considered necessary.

4. Other 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 300 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 the SC, being a significant number of the investors, to enable communications and discussions to flow freely via a number of video conferences.

Legal Title & Leases

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 Edwin Coe ("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.

Furthermore, the Company was party to a lease in May 2019 with a connected company Infinity Development Holdings Liverpool Limited ("IDHL") for a section of land within the development which provided for separate towers, namely, B and C to be built. This lease is of concern to the Joint Administrators and also the investors. Accordingly, together with EC, the Joint Administrators conducted enquires into the validity of the lease and whether it was at fair value.

Whilst the Joint Administrators and any subsequently appointed Liquidators, rights remain reserved, it was the opinion of EC and Counsel that a claim to void the lease was not straightforward and if any action taken to overturn the lease was commenced, it would be defended by IDHL and require significant amount of time and costs to be spent.

Unfortunately, the Joint Administrators are unable to provide specific details of the Advice received as this remains subject to legal privilege and the Joint Administrators do not want to prejudice any potential future actions.

In accordance with the terms of the lease, the Joint Administrators made formal demand upon IDHL for the premium payable under the terms of the lease to be paid, which has been received in full.

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

Virtual Meeting of Creditors

Following the issuing of the Joint Administrators Statement of Proposals dated 30 April 2020, it was originally proposed that no decision procedure was required for the approval of the Proposals, albeit a decision by correspondence was initiated for creditors to consider our request for approval on the basis of the Joint Administrators remuneration and whether a Creditors Committee should be formed.

Accordingly, a sufficient number of creditors requested that a meeting be convened to discuss and agree the proposals with or without modifications. Following this request, time was spent in firstly ensuring that the request complied with the Insolvency legislation and then the process of convening a Virtual Meeting of Creditors on 3 June 2020.

The Joint Administrators received a significant response from over 140 investors who submitted their proxy forms submit their voting instructions for the virtual meeting. This subsequently required a substantial amount of time spent in logging all requests and providing attendance details.

Creditors Committee ("CC")

As referred to above, the Joint Administrators initiated a Decision by Correspondence to creditors requesting a decision on the approval on the Joint Administrators remuneration and whether creditors required for a CC to be formed.

Over 180 responses were received from creditors and the overwhelming majority, requested that a CC be formed. This required a large amount of time being spent by the Joint Administrators staff in registering all votes received.

A CC is formed of a maximum of five creditors. A total of seven nominations were received for the five CC positions and as such time was spent liaising with all nominated parties to

agree on the final five members of the CC which fairly represented the proportion of creditors and their interests. Entering into correspondence with these parties and reaching a sensible conclusion of the CC membership has saved a significant amount of time. If no conclusion was sought, the Joint Administrators would have needed to issue a further decision by correspondence to all creditors to then vote on their 5 members of the CC. This would have incurred extensive time costs in recording and monitoring votes.

Once the CC had been formally constituted, time has been spent by the Joint Administrators and their staff in attending the two CC meetings to date.

Three Month Extension to the Sale Process

As detailed above in section 3, the Joint Administrators agreed to a three month extension to the sales process to enable the investors' further time to prepare a credit bid for The Infinity development. It is considered that this would provide the best outcome for all investors and the Joint Administrators have welcomed the engagement of the SC in this regard.

However, maintaining the site for an extended period has resulted in increased costs, as time is spent by the Joint Administrators and their staff in dealing with the continuing maintenance of the site and security. Furthermore essential supplier costs continue to accrue as detailed in the body of this report. As such, it is of great importance that a sale is concluded as soon as possible.

In addition to the above functions, other work undertaken to date are the following:-

- 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 over 300 investors, comprising of full contact details and the amounts invested based on the data available;
- e) Undertaking an initial review of the restrictions and charges placed on the title, including a significant number of Unilateral Notices ('UN1');
- f) Instructing solicitors to advise on the legal position of the investors' agreements, the rights created by those agreements (if any) and the UN1s registered by Investors against the land;
- g) Attending the site to carry out initial health and safety checks, compiling a list of key holders, ensure that the site is secure;
- h) Instructing Health & Safety experts from Safety Smart Limited to report on the issues of safety on site.
- i) Corresponding with the Company's banks to freeze all accounts in order 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 over 300 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 due to the nature of public interest in this development.
- q) Preparation and submission of the Joint Administrators' report on the conduct of the directors pursuant to the requirements of the Company Directors Disqualification Act 1986.

To view an explanatory note concerning Administrators' remuneration issued 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: 0981y!*!

Alternatively, please contact this office to arrange for a copy to be sent to you.

5. Creditors' rights

Within 21 days of the receipt of this report, in accordance with Rule 18.9, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors) may request in writing that the Administrator provide further information about his remuneration or expenses (other than pre-administration costs) which have been itemised in this progress report.

Under Rule 18.34, any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors) may within 8 weeks of receipt of this progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the Administrator's remuneration is inappropriate and/or the remuneration charged or the expenses incurred by the Administrator, as set out in this progress report, are excessive.

6. Policy as regards 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.

Indirect expenses (“Category 2 disbursements”)

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

Postage and stationery: circulars to creditors

Headed paper	25p per sheet	Envelopes	25p each
Photocopying	6p per sheet	Postage	Actual cost

Meeting Costs: Use of Meeting Room is charged at £150 per session

Storage and Archiving

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 £65 per hour

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

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

Statement of Affairs £		From 19/03/2020 To 18/09/2020 £
	SECURED ASSETS	
7,500,000.00	Freehold Land & Property	NIL
		NIL
	COSTS OF REALISATION	
	Agents/Valuers Fees	(5,000.00)
	Security Costs	(68,832.00)
	CCTV Costs	(7,688.57)
	Scaffolding costs	(37,928.57)
		(119,449.14)
	SECURED CREDITORS	
(1,279,714.00)	Chargeholder (1) - Equity Group Ltd	NIL
		NIL
	ASSET REALISATIONS	
Uncertain	Aura Liverpool Ltd	NIL
	Bank Interest Gross	129.27
5,883.00	Cash at Bank	NIL
15,419.00	Cash held in Solicitors client account	NIL
1,250,000.00	Leasehold Property - IDHL	1,250,000.00
	Third Party Funds	90,558.71
41,453.00	VAT Refund	NIL
		1,340,687.98
	COST OF REALISATIONS	
	Legal Fees	(26,350.50)
	Pre-Administration Time Costs: Rule 18.5	(27,110.00)
	Professional Fees	(6,000.00)
	Specific Bond	(1,920.00)
	Stationery & Postage	(2,192.33)
	Statutory Advertising	(94.50)
		(63,667.33)
	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)		1,157,571.51
	REPRESENTED BY	
	Current Account	1,121,319.25
	VAT Recoverable	36,252.26
		1,157,571.51

INFINITY DEVELOPMENTS LIVERPOOL LIMITED - IN ADMINISTRATION

JOINT ADMINISTRATORS' TIME COSTS							
FOR THE PERIOD 19 MARCH 2020 TO 18 SEPTEMBER 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.	00:00	13:18	14:48	00:00	28:06	8,356.50	297.38
Case planning, strategy & control	00:18	29:42	24:12	00:00	54:12	16,038.50	295.91
Taxation: PAYE, C/Tax & VAT	00:00	00:00	02:00	00:00	02:00	549.50	274.75
Accounting & Cashiering	00:00	00:00	07:12	06:30	13:42	3,273.00	238.91
Case reviews & Diary maintenance	00:00	01:00	05:24	00:00	06:24	1,277.00	199.53
Statutory reporting and compliance	23:30	92:48	49:30	00:00	165:48	54,964.50	331.51
Investigations							
CDDA preparation & reporting	00:00	00:00	01:24	00:00	01:24	413.00	295.00
SIP2 assessment and financial review	00:00	03:00	04:42	00:00	07:42	2,243.00	291.30
Antecedant transactions	11:30	07:30	04:42	00:00	23:42	9,389.00	396.16
Proceedings & recoveries	04:24	00:00	00:00	00:00	04:24	2,255.00	512.50
Realisation of assets							
Freehold & leasehold properties	158:30	90:06	47:12	00:00	295:48	127,204.00	430.03
Intangible assets	00:00	03:06	00:00	00:00	03:06	1,224.50	395.00
Book debts collection	00:00	00:24	00:36	00:00	01:00	335.00	335.00
Tangible assets	00:00	01:00	02:18	00:00	03:18	911.50	276.21
Creditors							
Secured creditors	20:00	00:24	00:12	00:00	20:36	10,117.00	491.12
Unsec'd Creditors: correspondence & claims	03:00	72:36	180:12	00:00	255:48	65,598.50	256.44
Creditors' Committee	07:30	28:18	43:36	00:00	79:24	23,595.00	297.17
Trading							
Admin, strategy and planning	00:00	01:54	04:48	00:00	06:42	1,518.50	226.64
Purchases and expenses	00:00	00:00	41:48	00:00	41:48	12,061.00	288.54
Accounting and cashiering	00:00	00:00	00:06	00:00	00:06	29.50	295.00
Total hours and costs	228:42	345:06	435:00	06:30	1015:18	341,442.00	336.30