



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

### 1 Company details

Company number 06190786

Company name in full Waterfront Hotels (Southport) Limited (formerly known as  
Bliss Hotels (Southport) Limited)

#### → Filling in this form

Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Paul Michael

Surname Davies

### 3 Administrator's address

Building name/number The White Building

Street 1-4 Cumberland Place

Post town Southampton

County/Region

Postcode SO15 2NP

Country

### 4 Administrator's name ①

Full forename(s) Sandra Lillian

Surname Mundy

#### ① Other administrator

Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number The White Building

Street 1-4 Cumberland Place

Post town Southampton

County/Region

Postcode SO15 2NP

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	<sup>d</sup> 2	<sup>d</sup> 8	<sup>m</sup> 0	<sup>m</sup> 9	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
To date	<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3

### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X

P. Jamm

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
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**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 **Carly Barrington**

Company name **James Cowper Kreston**

Address **The White Building  
1-4 Cumberland Place**

Post town **Southampton**

County/Region

Postcode **S O 1 5 2 N P**

Country

DX

Telephone **023 8022 1222**

**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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)**

Waterfront Hotel (Southport) Limited  
(Formerly known as Bliss Hotels (Southport) Limited)

Trading as Waterfront Southport Hotel  
(Formerly trading as Bliss Hotel Southport)

**(the “Company”)**

In Administration

Six Month Progress Report

27 April 2023



Waterfront Hotels (Southport) Limited - in Administration  
Sixth Month Progress Report dated 26 April 2023

Statutory Information

The Company	Waterfront Hotels (Southport) Limited
Trading Name	Waterfront Southport Hotel
Trading Address	Waterfront, Promenade, Southport, PR9 0DX
Former Company Name	Bliss Hotels (Southport) Limited
Former Trading Name	Bliss Hotel Southport
Registered Number	06190786
Date of Incorporation	29 March 2007
Court / Reference Number	731 of 2022 in the High Court
Registered Address	c/o The White Building 1-4 Cumberland Place Southampton SO15 2NP
Former Registered Office	Bliss Blakeney, Morston Road, Blakeney, Norfolk, NR25 7BG
Former Trading Address	N/A
Activity of the Company	Hotels and similar accommodation
Appointed By	Charge Holder
<b>Joint Administrators' Details</b>	Paul Michael Davies and Sandra Lillian Mundy James Cowper Kreston The White Building 1-4 Cumberland Place Southampton SO15 2NP
IP Numbers	16510 and 9441 (respectively)
Management	The affairs, business and property of the Company are being managed by the Joint Administrators
<b>Date of Administrators' Appointment</b>	28 September 2022
Changes to Office Holders	None
Purpose of the Administration	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)
Date of Approval of Proposals	1 December 2022
Functions of the Joint Administrators	The Joint Administrators for the purpose of para 100 (2) of Schedule B1 of the Insolvency Act 1986 ("the Act") will act and exercise any of the powers conferred on them in the Act jointly or individually
EC Regulations on Insolvency Proceedings	Centre of Main Interest (COMI) proceedings
Expected outcome for creditors	Based on current information it is expected that the secured creditor will receive a distribution under its security.  HMRC as secondary preferential creditor will likely receive a dividend for any preferential element of its claim.  It is not expected that unsecured creditors will receive a dividend by way of the Prescribed Part or otherwise.  Further details can be found on page 5.

## Introduction

This progress report has been prepared to provide an update for the work undertaken by the Joint Administrators in the Reporting Period; 28 September 2022 to 27 March 2023 ("Reporting Period"). This report should be read in conjunction with our Proposals dated 21 November 2022.

The following appendices accompany this report:

Appendix A	Joint Administrators' Receipts and Payments Account incorporating a Trading Account
Appendix B	Joint Administrators' Statement of Expenses
Appendix C	Glossary of Terms

## Joint Administrators' Actions Since Appointment

We set out in our Proposals the purpose of achieving the Administration which was achieving a better result for the Company creditors as a whole than would be likely if the Company were wound up (without first being in administration). The proposals were deemed approved on 1 December 2022.

The following actions have been undertaken since our appointment as Joint Administrators:

### Appointment matters

- Attended to initial statutory requirements following appointment including filing our statutory notifications.

### Sale of business and assets

- We continued to trade whilst simultaneously undertaking a marketing process to find a buyer for the business and assets. You will recall from the proposals that the long-leasehold for the premises is held by an associated company, Waterfront Southport Properties Limited ("Properties"). The long-leasehold has been marketed for sale and we are in discussions with a number of parties as well as Sefton Council, the owner of the freehold. Whilst we have a preferred buyer in place, we remain at an early stage in the sale process.
- One of the Company's assets is the leasehold improvements with a book value of £2.4m. On the sale of the hotel a sum will be attributed to these improvements. This will be a fixed charge realisation.
- The chattel assets continue to be utilised for trading purposes. The assets have been valued by Hilco Valuation Services ("Hilco"). Assets with a book value of £563k are anticipated to realise in the region of £245k. It is expected that these assets will be sold along with the long-leasehold property and the realisation will be attributable to the floating charge and therefore available to preferential and floating charge creditors in the first instance.

### Employee matters

- Immediately on our appointment we notified staff of the Administration, and that the hotel would continue to operate under our control. Our managing agent, Michels & Taylor (London) Limited ("M&T"), continue to deal with day-to-day issues relating to the employees. M&T are a hotel management company with expertise in that area and on the basis that it is beneficial for M&T to supervise the employees in the trading process utilising their specialist expertise.
- We notified the pension authorities and the pension scheme provider and addressed our statutory requirements in respect of the Company's pension scheme. We have engaged the services of ERA Solutions Limited ("ERA") to assist with making a claim on the governmental department, the Redundancy Payments Service, for outstanding pension contributions at the date of the Administration.

#### Supervision of trading

- We have, with the assistance of M&T, continued to monitor trading. We have acquired additional funding of £200,000 from the secured lender to support cashflow for trading and in particular to meet the initial payroll costs due within 2 days of our appointment.
- Monitoring and comply with health and safety and regulatory requirements (including but not limited to, equipment checks, insurance requirements, alcohol, wedding and music licences, and GDPR requirements).
- We have arranged insurance cover for the trading operations.
- We have agreed terms with suppliers and made regular payments to them.
- Liaised with hire purchase creditors, and we continue to utilise and pay for these assets as part of the trading operation.
- Reviewed monthly cashflow forecasts prepared by management.
- We responded to press enquires as they arose.
- Stocks of food and beverages held at the date of our appointment have been utilised in trading activities. We have continued to order supplies for ongoing trading. A stock take is undertaken regularly. The most recent stock take was carried out on 30 March 2023 details of which are shown at Appendix A.

#### Branding matters

- As reported in the Proposals, the Company had traded under the 'Bliss' brand under licence, the licence being attributable to the former directors/shareholders. The licence was terminated on the appointment of administrators. We considered that the offer from the former director to allow us to use the 'Bliss' brand at a cost of £20,000 per month was unsustainable and therefore took the decision to rebrand. The Company is now trading under the brand Waterfront Southport Hotel.
- We arranged for all the signage to be replaced following the rebrand. At the time of our proposals, we were considering whether to collaborate with a major hotel brand operator. However, on reflection and consultation with a specialist, we decided that the benefit did not warrant the associated cost.

#### Banking matters

- Liaised with and wrote to the Company's pre-appointment bankers, Santander PLC ("Santander") to provide notice of our appointment, recover Company funds held by them and request certain information required for our investigation.
- We liaised with our bankers, Santander in respect of opening new Administration bank accounts.
- On our appointment there were funds due from several debtors. These funds were subsequently received into the Company's old bank account. We have now recovered these funds.
- Despite our notification to Santander on the date of our appointment, it took some time for them to freeze the bank account to outgoing payments. We have identified that payments of some £23,750 were defrayed before the account was frozen. We have requested repayment of these sums and Santander's legal department are reviewing this request.
- Santander initially retained £30,000 in relation to cash handling services and an AirPlus corporate card service. We requested that these funds were remitted to us which has now happened. Santander has however, off-set the balance of £37,000 on the Covid loan that it extended to the Company against funds which it held at the date of Administration.

#### Creditor liaison

- Kept the secured creditor, ICG-Longbow Senior Secured UK Property Debt Investments Limited ("ICG") apprised of progress.
- Communicated with unsecured creditors regarding claims and enquires.
- We have communicated with deposit booking customers regarding the ongoing trading and fulfilment of those orders, this included wedding parties.

#### Statutory matters and compliance

- We liaised with the directors in relation to the submission of the Statement of Affairs and their directors questionnaires, including seeking clarification as to various entries in the management accounts.

It should be noted that to date, we have not yet received a completed Statement of Affairs from the Company's directors. We have only recently received the full 12 month's pre-appointment bank statements requested by the directors to be able to complete the statement of affairs. These have been provided to the directors along with read only access to the cloud-based accounting system. We expect to receive a completed Statement of Affairs shortly which will be filed at Companies House.

- Completed our investigation into the affairs of the Company as required by Statement of Insolvency Practice 2 and sought to establish whether there are any viable actions that can be taken to recover funds for the benefit of creditors (see comments below).
- Drafted the Joint Administrators' Proposals which were deemed to be approved.

#### **Joint Administrators' Receipts and Payments**

Receipts and payments accounts for the Reporting Period (incorporating a trading account), which we have reconciled to the financial records that we are required to maintain, is attached at Appendix A.

We consider that the information provided in the Receipts and Payments account including the notes, gives a clear and informative explanation of the nature and amounts of the receipts and payments in the Reporting Period. The level of detail provided is appropriate to the circumstances of this appointment. However, if creditors have any queries, we will be happy to provide proportionate additional information.

We consider that the payments made in the Reporting Period are fair and reasonable and proportionate to the insolvency appointment. Details of significant expenditure and why this expenditure was incurred are explained in the report and in the notes to Appendix A.

#### Creditors

##### Secured Creditors

As advised in our Proposals, the Company's primary source of funding was provided by ICG, which was secured by way of a fixed and floating charge dated 22 February 2019.

The Company and its parent company, Properties gave cross guarantees to ICG and are therefore jointly liable for any balance owed to them. The Company records show that the amount jointly owed is £16,211,470. It should be noted that Waterfront Southport Properties Limited is also in Administration and we are the Joint Administrators.

ICG will receive a distribution on its security when the sale of the hotel has been completed, however the quantum and timing of such distribution is yet to be determined.

##### Prescribed Part

The charge to ICG was registered on 22 February 2019 and therefore the provisions of Section 176A of the Insolvency Act 1986 will apply, however, the estimated net property available to floating charge creditors is below the prescribed limit of £10,000 and no dividend to unsecured creditors is expected to be made under the Prescribed Part.



#### Preferential Creditors

Employees are preferential creditors for outstanding holiday and arrears of wages to a cap of £800.

We detailed in the Proposals that to facilitate continuity of trading, the Company's 90 staff as at our appointment date were paid their arrears of wages. The first £800 per employee was the payment of a preferential entitlement. Most employees also had a preferential holiday entitlement accrued at the date of Administration and those holiday entitlements are being honoured in the Administration period.

When there is a sale of the Company's assets, we expect that the Company's staff will be transferred to the purchaser under TUPE.

With the assistance of ERA Solutions, we are investigating the position as regards to any outstanding preferential pension contribution and will update creditors in future reports.

#### Secondary Preferential Creditor

As of 1 December 2020, HMRC regained its status as secondary preferential creditor in relation to certain amounts due including PAYE / Employee NIC, CIS and VAT.

The Estimated Financial Position, based on the information taken from the management accounts prepared up to the date preceding the Administration indicated that HMRC's preferential claim was estimated at £649,118 in respect of PAYE, NIC and VAT. However, due to the challenges in identifying the true financial position, we cannot comment whether the above figure is accurate. We await the directors' Statement of Affairs.

We wrote to HMRC on appointment but have not yet received a claim from them. We continue to seek to ascertain the position regards to any HMRC liability which may rank preferentially.

On the sale of the chattel assets, we anticipate that there may be a distribution available to the secondary preferential creditors, however, the timing and quantum is to be determined.

#### Unsecured Creditors

As advised earlier in this report, we have not yet received the directors' Statement of Affairs and so do not have an accurate picture of the unsecured creditors position.

The Company's management accounts were prepared to 27 September 2022 (the day before Administration) these indicated that there were unsecured creditors of approximately £1.4m, however, as per our commentary in the Proposal there appear to be a number of inaccuracies in these accounts.

To the end of the Reporting Period, we have received 25 claims totalling £299,017. Based on current information, we do not expect a dividend to be paid to unsecured creditors.

#### Compliance

We have, during the period since our appointment complied with the requirement to notify creditors and other interested parties of our appointment and filed the necessary documents with the Registrar of Companies and advertised our appointment in the London Gazette. We have also notified HMRC. In addition, we have attended to case maintenance including set-up, statutory bonding, banking (including payments and receipts), record collection and periodic file and statutory bond reviews.

#### Investigation

We have a statutory duty to consider and report to the Department for Business, Energy and Industrial Strategy on the conduct of any person who had been, or acted as, a director of the Company in the three years proceeding our appointment. We are also obliged to consider whether any civil proceedings should be taken against the directors or others for the recovery of Company assets or contributions to its estate.

To enable us to do this we have obtained and reviewed the Company's bank statements along with accounting and other records. We also made enquiries of, and reviewed responses from creditors and responses to our directors' questionnaires. We reviewed statutory records including Articles of Association and board minutes.

We can report that we have complied with our obligations under the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2.

We will provide further details of the outcome of our investigation in subsequent reports.

## Joint Administrators' Remuneration

Pursuant to Rule 18.16 of the Insolvency (England and Wales) Rules 2016, the basis of our remuneration must be agreed with creditors (or a creditors' committee if one has been formed) as one or a combination of the following:

- A set amount;
- A percentage of the value of assets realised and percentage of the value of assets distributed; and/or
- By reference to time properly given by the Joint Administrators' and the Joint Administrators' staff in attending to matters arising in the Administration (time cost basis).

A creditors' committee has not been formed. To the end of the Reporting Period, we have not sought approval from the secured and preferential creditors, the authorising body, for our post-appointment fees.

We intended to seek approval from the secured and preferential creditors in respect of our post-appointment fees in due course.

Our time costs incurred to the end of the Reporting Period amount to £338,921, representing 1,189 hours of work at an average hourly rate of £285 per hour. We charge our time on specific time recording software in 6-minute increments.

The Joint Administrators' have reviewed the work undertaken and reported here and consider this level of costs to be appropriate bearing in mind the nature and complexity of the case.

As advised in our Proposals, our pre-Administration costs of £1,210 will be written off.

For more information on the Joint Administrators' charging policy please visit;  
<https://www.jamescowperkreston.co.uk/downloads/information-to-creditors-with-regards-to-office-holders-remuneration-and-expenses-may22.pdf>

Further details about creditors' rights can be found in Statement of Insolvency Practice 9 which can be found at the following web address. The relevant version is April 2021.  
<https://www.icaew.com/regulation/insolvency/sips-regulations-and-guidance/statements-of-insolvency-practice/statements-of-insolvency-practice-sips-england>

## Professional Fees and Expenses

### Professional Fees

In the Reporting Period, we instructed the professional advisors as detailed at Appendix B.

The professional advisors were engaged for the following reasons:

- Hilco Appraisal were instructed to assist a valuation of the chattel assets and site inspection shortly after appointment.
- ERA were instructed to assist with forms to enable a preferential claim for outstanding pension contributions.
- Phillips Levene, a specialist PR agency are instructed to provide guidance and commentary in respect of press enquires.
- Freeths LLP have been engaged as our legal advisors to provide advice in relation Administration legal matters including licencing, branding and other matters.

Waterfront Hotels (Southport) Limited - in Administration  
Sixth Month Progress Report dated 26 April 2023

- Marsh Limited have been appointed as our insurance brokers to arrange insurance over in respect of assets and continued trading.

The choice of professionals was based on our perception of their experience and ability to perform the type of work assigned to them, the complexity and nature of the assignment and the basis of our fee arrangement with them. The fees charged have been reviewed and we are satisfied that they are reasonable in the circumstances of this case.

#### Joint Administrators' Expenses

In the Reporting Period we have incurred expenses totalling £4,307 of which £3,218 are classed as category 1 and £1,089 as category 2. A summary of these expenses is set out below.

Category 1	Billed £	Accrued £	Total £
Accounting Services - Xero	28 00	42 00	70 00
Mail Services - Mailchip	1 057 04	185 71	1 242 75
Internet Services - AdWords	1 212 09	693 37	1 905 46
	<u>2 297 13</u>	<u>921 08</u>	<u>3 218 21</u>
Category 2	Billed £	Accrued £	Total £
Travel	-	941 18	941 18
Accommodation and Subsistence	-	147 92	147 92
	<u>-</u>	<u>1 089 10</u>	<u>1 089 10</u>
Total Expenses	<u>2,297.13</u>	<u>2,010.18</u>	<u>4,307.31</u>

All costs above are net of VAT where applicable.

We have drawn £2,297 of the category 1 expenses relating to mail services, accounting services and Google AdWords as per the attached Receipts and Payments Account at Appendix A. £921 of category 1 expenses remain to be drawn.

We have not yet drawn category 2 expenses totalling £1,089 relating to travel costs (mileage charged at 45p per mile and reimbursed to staff in full) and accommodation as category 2 expenses require creditor approval. We intend to seek approval from creditors to draw these costs in due course.

#### What remains to be done

- We will continue to supervise trading operations whilst sale negotiations are concluded.
- Santander will be pursued for the return of monies defrayed from the Company's bank account after notification was made to them of the appointment of administrators.
- When funds permit refund, the advance made by ICG to funding trading operations.
- On the sale and cessation of the administrators' trading period discharge all remaining trading liabilities.
- The declaration of distributions to secured and preferential creditors as appropriate.
- If necessary, seek the approval of the secured and preferential creditor to extend the period of Administration.
- Discharge our administrators' obligations including but not limited to statutory reporting, filing with tax authorities and attending to other matters as they arise.

- To finalise other matters as detailed in the rest of this report.

## Statutory Rights

Rule 18.9 of the Insolvency (England and Wales) Rules entitles 5% in value of the unsecured creditors or any unsecured creditor with the permission of the court to make a written request to the Joint Administrators for further information about remuneration or expenses. In response to such a request the Joint Administrators' must respond within 14 days:-

- a) Providing all of the information requested;
- b) Providing some of the information requested; or
- c) Declining to provide the information requested.

The Joint Administrators' may provide only some of the information or decline the request if:

- a) The time or cost of preparing the information would be excessive;
- b) Disclosure of the information would be prejudicial to the conduct of the case;
- c) Disclosure might reasonably be expected to lead to violence against any person; or
- d) The Joint Administrators are subject to an obligation of confidentiality in relation to the information.

If the Joint Administrators do not provide all of the information or decline to provide any of the information, they must inform the person or persons making the request of their reasons for so doing. A creditor, who need not be the same creditor(s) who requested the information may then apply to Court within 21 days of the following.

- a) The Joint Administrators giving reasons for not providing all of the information requested; or
- b) The expiry of the 14 days in which the Joint Administrators must respond.

The court may then make such order as it thinks just.

Rule 18.34 provides that an unsecured creditor with the concurrence of at least 10% of the total value of the unsecured creditors of the Company (or any unsecured creditor with the permission of the court) may apply to the court on the grounds that Joint Administrators' remuneration or expenses are excessive or the basis fixed for the remuneration is inappropriate. Such application must be made no later than eight weeks after receipt by the applicant creditor(s) of this progress report.

Further information for creditors is available at <http://www.creditorinsolvencyguide.co.uk/>

A hard copy of this report or the linked documents referred to in this report can be provided free of charge on request.

## Privacy Policy

The office holders and James Cowper Kreston respect your right to privacy. As a requirement of the insolvency procedure, we may, in the course of our work, control or process personal data. Our privacy policy can be found at our website <https://www.jamescowperkreston.co.uk/privacy-policy/> and this details how we collect, use, share, protect, and retain personal information, what happens if we transfer information overseas, and your rights in relation to GDPR and the Data Protection Act 2018. If you wish to receive a hard copy of this privacy policy, please let us know.

We are required to inform you that insolvency practitioners are bound by the Insolvency Code of Ethics.

### Next Report and Enquiries

Should any creditor have a query regarding this report, please do not hesitate to contact my assistant Govind Menon or me.

We expect that we will need to extend the Administration by a further 12 months and will be requesting creditors approval to do so in due course.



Paul Davies  
Joint Administrator

Licensed to act as an insolvency practitioner in the UK by the ICAEW

27 April 2023

The affairs, business and property of the Company are being managed by the Joint Administrators. The Joint Administrators act as agents of the Company and without personal liability.

Waterfront Hotels (Southport) Limited - in Administration  
Sixth Month Progress Report dated 26 April 2023

Appendix A

**Joint Administrators' Receipts and Payments Account**  
From 28 September 2022 to 27 March 2023

	Notes	Statement of financial position £	Fixed charge £	Floating charge £	Total £
<b>Receipts</b>					
Net trading cash position	1	-	-	345,668.23	345,668.23
Cash advanced by Charge holder to fund initial trading	2	-	-	200,000.00	200,000.00
Cash at bank		209,027.00	-	209,027.46	209,027.46
Less: set off applied to Covid loan by Santander against the Company's bank acco	3			(37,000.00)	(37,000.00)
Debtors	4	-	-	28,390.13	28,390.13
VAT non-trading (for trading VAT see the Trading Receipts and Payments)			-	-	-
<b>Total receipts</b>		<u>209,027.00</u>	<u>-</u>	<u>746,085.82</u>	<u>746,085.82</u>
<b>Payments</b>					
Non trading payments					
Joint administrators' expenses	5	-	-	2,297.13	2,297.13
Agent's fees - Hilco Valuation Services		-	-	4,250.00	4,250.00
Agent's disbursements - Hilco Valuation Services		-	-	186.10	186.10
ERA Solutions - pension matters	6	-	-	585.00	585.00
Printing and postage		-	-	28.00	28.00
PR agency fees - Phillips Levene	6	-	-	950.00	950.00
Statutory advertising		-	-	190.00	190.00
Bank charges		-	-	2.40	2.40
Payments allowed by Santander post freezing of the Company's old bank account	4	-	-	23,749.59	23,749.59
Preferential dividend to employees in respect of wages	7	-	-	56,283.94	56,283.94
VAT non-trading		-	-	1,897.25	1,897.25
<b>Total payments (for trading VAT see the Trading Receipts and Payments)</b>		<u>-</u>	<u>-</u>	<u>90,419.41</u>	<u>90,419.41</u>
<b>Net position</b>		<u>209,027.00</u>	<u>-</u>	<u>655,666.41</u>	<u>655,666.41</u>
<b>Represented by</b>					
Funds held by credit card companies	8			164,556.08	164,556.08
Trading cash secured at site awaiting banking and in transit from credit card compa	9		-	22,403.28	22,403.28
Estate non-interest bearing current account			-	109,997.78	109,997.78
Estate non-interest bearing trading current account	10		-	342,231.77	342,231.77
Estate non-interest bearing customer deposit account			-	16,477.50	16,477.50
			-	<u>655,666.41</u>	<u>655,666.41</u>

Notes

1. Full details of the trading account are exhibited in following pages
2. The Charge holder advanced funds to facilitate trading, these funds will be repaid once funds permit.
3. Since our proposals Santander have refunded monies that they were holding in relation to a cash handling service and an AirPlus card scheme. This has reduced the amount shown above as being set off by the Bank in relation to the Covid loan (i.e. in our previous report the amount shown as being set off by Santander in relation to a Covid loan was overstated. We should have also shown amounts being retained by Santander for the cash handling service and Air Plus cards schemes).
4. On appointment we recovered funds which were held with the Company's bankers, Santander. It took Santander some time to freeze the account and during that time there were receipts and payments into the account. We have requested that Santander refund the sums defrayed from the account during this period. The request is with Santander's legal team.
5. No payments have been made to the officeholders during the period other than for expenses as detailed above.
6. We subcontracted work in relation to the Company's pension and press enquiries. Whilst we could have undertaken this work ourselves it was more cost effective to engage a specialist.
7. Employees were paid their wages for September 2022 in full. Included in this sum was a preferential dividend of £56,284, the balance of £37,530 being a necessary expense of trading. The payment represented 100p in £ on the preferential wages of employees and was paid on 30 September 2022.
8. Two of the credit card providers have retained funds collected from credit card transactions during the administration trading period. Since the 27 March 2023 we have received c£147k from one of the two providers. We are still in discussions with the other provider to remit funds to us.
9. There was a certain amount of cash at site awaiting collection as well as credit card transactions awaiting processing.
10. The Company also maintains both till floats and change floats amounting to £2,400. These amounts are constant and were the same on appointment and at 27 March 2023.
11. No payments have been made to associates of the officeholders or associates of their firm.

Appendix A

Joint Administrators' Trading Receipts and Payments  
From 28 September 2022 to 27 March 2023

Receipts	Notes	£
Accommodation		703,246
Food and beverage (including events)		446,909
Deposit income	1	135,568
Other		58,108
Sundry income		6,882
VAT		241,717
Total income		<u>1,592,429</u>
Payments		
Commission on room bookings		97,350
Event costs		22,994
Food and beverage	2	161,799
Chef hire and hired in equipment		65,741
IT costs		17,878
Bank and credit card charges		40,803
Marketing and data analytics		9,221
Management charges	3	44,533
Equipment leasing costs		7,661
Laundry and cleaning		34,538
Licences for trading		2,261
Maintenance - interior and exterior		49,177
Printing and postage		570
Refunds		2,130
Utilities		93,421
Wages and salaries		398,284
Staff expenses and training		3,359
Refuse collection		8,302
Exceptional items		
- Duress payments to suppliers to facilitate continued trading		13,600
- Brand licence payment	4	29,589
- Back payments for September 2022 wages	5	37,530
- Rebranding costs	4	20,419
VAT		85,600
		<u>1,246,761</u>
Net cash position		<u>345,668</u>

# Waterfront Hotels (Southport) Limited - in Administration

## Sixth Month Progress Report dated 26 April 2023

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Notes:

1. Future liabilities to deposit customers are estimated as follows

	£
Pre appointment being currently being honoured during trading	84,962
Trading deposit receipts	135,568
	<u>220,530</u>

2. As previously reported, the assets in existence upon appointment that have been used in trading principally comprised of stocks of food and drink. A stock count was undertaken on 30 September 2022, being the first opportunity after appointment. The value of food was £6,337 and the value of liquor was £20,271. A combined total of £26,608. The most recent stock take being 30 March 2023 indicates the value of food of £12,189 and liquor of £18,254. A total value of stock held of £30,443.

3. We have continued the Company's relationship with Michels & Taylor (London) Limited. They provide day-to-day supervision of the trading operation.

4. Following the withdrawal of the licence agreement to use the brand 'Bliss Hotel' on our appointment, on advice we rebranded the hotel to Waterfront Hotels (Southport). There were costs associated with this as shown above.

5. Employees were paid their wages for September 2022 in full. Included in this sum was a preferential dividend of £56,284, the balance of £37,530 being a necessary expense of trading. This has been amended since our proposals to reflect the preferential element paid.

6. Unpaid liabilities and unfilled bookings where deposit has been taken in respect of trading can be summarised as follows:

	£
Commission on room bookings	4,421
Event costs	7,259
Food and beverage	18,530
Chef hire and hired in equipment	5,235
IT costs	3,118
Bank and credit card charges	9,822
Marketing and data analytics	4,338
Equipment leasing costs	1,054
Laundry and cleaning	5,293
Maintenance - interior and exterior	17,939
Rates	33,802
Utilities	31,034
Wages and salaries	65,807
PAYE / NI	90,204
Pension	10,504
Staff expenses and training	1,239
VAT	173,038
	<u>482,637</u>



## Appendix B

### Joint Administrators' Statement of Remuneration and Expenses From 28 September 2022 to 27 March 2023

	Notes	Incurring in Reporting Period £	Accrued in Reporting Period £	Total in Reporting Period £
Joint administrators' fees	1	-	338,921.00	338,921.00
Joint administrators' expenses		2,297.13	2,010.18	4,307.31
Agent's fees - Hilco Valuation Services		4,250.00	-	4,250.00
Agent's disbursements - Hilco Valuation Services		186.10	-	186.10
ERA Solutions - pension matters		585.00	-	585.00
Printing and postage		28.00	-	28.00
PR agency fees - Phillips Levene		950.00	-	950.00
Statutory advertising		190.00	-	190.00
Bank charges		2.40	-	2.40
Trading expenses - see Appendix A continued for details		1,161,160.80	482,637.34	1,643,798.14
Statutory bonding	2	-	450.00	450.00
Insurance - Marsh Limited	3	-	-	-
Legal fees - Freeths LLP		-	21,973.90	21,973.90
Legal disbursements - Freeths LLP		-	79.50	79.50
Repayment of funding - ICG		-	200,000.00	200,000.00
HMRC - VAT		-	154,219.53	154,219.53
		<u>1,169,649.43</u>	<u>1,200,291.45</u>	<u>2,369,940.88</u>

#### Notes

1. Joint administrators' fees are shown above on a time cost basis. This is subject to agreement with the authorising body (the secured and preferential creditors). It is anticipated that a percentage of the costs shown above will be charged. Creditors will be updated in future reports on the percentage agreed with the authorising body.
2. Whilst the bond report has been submitted to the bond provider we await their invoice.
3. We have requested details of the insurance premium and at the date of this report we await confirmation from Marsh Limited. We will update creditors in future reports.
4. You will note from Appendix A that we have continued to take deposits from customers during the trading period. Whilst this is not an expense it is a liability to these customers for a service yet to be provided. The value of these deposits is £135,568.
5. Expenses above are shown net of VAT (where applicable).
6. Currently, there is no profit on trading and therefore no provision has been made for any corporation tax liability.

## Appendix C

### Glossary of Terms Administration

Most clients, quite naturally, will not have heard of many of the terms associated with business restructuring and insolvency. Our glossary seeks to explain many common technical and financial terms.

#### Administration

Is a formal insolvency procedure available to a company or a partnership and is instigated with the objective of either, rescuing the company, achieving a better result than on a winding up or to realising funds to pay preferential or secured creditors.

#### Administrator

Is a licensed insolvency practitioner (IP) who is an officer of the court and acts as an agent to deal with the affairs of a company in administration. An administrator can be appointed by the court, directors, shareholders or a qualifying floating charge holder (normally a bank).

#### Charge

Security taken over property by a creditor to protect against non-payment of a debt (such as a mortgage).

#### Company Directors Disqualification Act 1986 (CDDA 1986)

Sets out the grounds under which the disqualification of a director might be sought

#### Creditor

Someone who is owed money by an insolvent company or individual.

#### Debenture

A document in writing, usually under seal, issued as evidence of a debt or the granting of security for a loan of a fixed sum and interest. The term is often used in relation to loans (usually from banks) secured by charges, including floating charges, over a company's assets.

#### Dividend

Any sum distributed to unsecured creditors in an insolvency.

#### Fixed charge

Is a charge held over specific assets. The company cannot sell the assets without the consent of the secured creditor or repaying the amount secured by the charge.

#### Floating charge

Is a charge held over general assets of a company. The assets may change (such as stock) and the company can use the assets without the consent of the secured creditor until the charge 'crystallises' (becomes fixed).

#### GDPR

The General Data Protection Regulation.

#### Guarantee

Is an agreement to pay a debt owed by a third party. It must be evidenced in writing for it to be enforceable.

#### Insolvency

Is defined as having greater liabilities than assets or being unable to pay debts when they fall due or both.

#### Insolvency Act 1986

Legislation introduced to consolidate insolvency law and procedures. Other major legislation in this area is contained in the Enterprise Act.

#### Insolvency (England and Wales) Rules 2016

The Insolvency (England and Wales) Rules 2016, set out the detailed procedures for the conduct of all company and personal proceedings in England and Wales under the Insolvency Act.

#### Insolvency Practitioner

An authorised person who specialises in insolvency, usually an accountant or solicitor. They are authorised either by the Secretary of State or by one of a number of recognised professional bodies.

#### Liquidation (winding up)

Applies to companies or partnerships. It involves the realisation and distribution of the assets and usually the closing down of the business. There are three types of liquidation - compulsory, creditors voluntary and members voluntary.

#### Liquidator

The Official Receiver or an Insolvency Practitioner appointed to administer the liquidation of a company or partnership.

#### London Gazette

Official publication of the Government, which contains legal notices.

#### Member (of a company)

A person who has agreed to be, and is registered as, a member, such as a shareholder of a limited company.

#### Officer (of a company)

A director or secretary of a company.

#### Preferential Creditor

A creditor in insolvency proceedings who is entitled to receive certain payments in priority to other unsecured creditors. These creditors include occupational pension schemes and certain employee claims.

#### Secondary Preferential Creditor

On 1 December 2020, HMRC regained its status as a preferential creditor. HMRC are ranked as secondary preferential creditor in respect of VAT, PAYE, NIC and CIS deductions and are paid after certain employee claims and pensions schemes but ahead of unsecured creditors.

#### Proof of Debt

Statutory form completed by a creditor in an insolvency procedure to state how much is claimed. The form is supplied by the Administrator.

#### Proxy

Instead of attending a meeting, a person can appoint someone to go and vote in their place.

#### Proxy Form

Form which must be completed if a creditor wishes someone else to represent him or her at a creditors meeting and vote on his or her behalf.

#### Release

The process by which the Official Receiver or an Insolvency Practitioner is discharged from the liabilities of office as trustee, liquidator or administrator.

#### Secured Creditor

Creditor who holds security, such as a mortgage, over a person's assets for money owed.

#### Shadow Director

A person who, without being formally appointed, gives instructions on which the directors of a company are accustomed to act.

#### Statement of Insolvency Practice

The purpose of Statements of Insolvency Practice is to promote and maintain high standards by setting out required practice and harmonising the approach of Insolvency Practitioners to particular aspects of insolvency practice. They apply in parallel to the prevailing statutory framework.

#### Statement of Insolvency Practice 2

Deals specifically with the investigations of an office holder in Administration or Insolvent Liquidation.

#### Statement of Insolvency Practice 6

Deals specifically with deemed consent and decision procedures in insolvency proceedings.

#### Statement of Insolvency Practice 9

Deals specifically with the payments to insolvency office holders and their associates from an estate.

#### Statement of Insolvency Practice 13

Deals specifically with the disposal of assets to connected parties in an insolvency process.

#### Statement of Insolvency Practice 16

Deals specifically with pre-packaged sales in company Administrations.

#### Statement of Affairs

Document signed by the company's director stating the assets and giving details of debts and creditors.

#### TUPE – Transfer of Undertakings (Protection of Employment) Regulations

A transfer of an employee or employees to a new company. Terms of original employment transfer and continuity of employment is maintained.

#### Unsecured Creditor

A creditor who does not hold security (such as a mortgage) for money owed. Some unsecured creditors may also be preferential creditors.

#### Voluntary Liquidation

Method of liquidation not involving the courts or the Official Receiver. There are two types of voluntary liquidation - Members' Voluntary Liquidation for solvent companies and Creditors' Voluntary Liquidation for insolvent companies.