



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

### 1 Company details

Company number	0	6	1	9	0	7	8	6
Company name in full	Waterfront 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	c/o James Cowper Kreston
Street	The White Building
	1-4 Cumberland Place
Post town	Southampton
County/Region	
Postcode	S O 1 5 2 N P
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	c/o James Cowper Kreston
Street	The White Building
	1-4 Cumberland Place
Post town	Southampton
County/Region	
Postcode	S O 1 5 2 N P
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> 3	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 3
To date	<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 9	<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. Jann

X

Signature date

<sup>d</sup> 2	<sup>d</sup> 7	<sup>m</sup> 0	<sup>m</sup> 9	<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 **Sydney May**

Company name **c/o 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 October 2023**



**Waterfront Hotels (Southport) Limited - in Administration**  
**Sixth Month Progress Report dated 27 September 2023**

**Statutory Information**

<b>The Company</b>	Waterfront Hotels (Southport) Limited
<b>Trading Name</b>	Waterfront Southport Hotel
<b>Trading Address</b>	Waterfront, Promenade, Southport, PR9 0DX
<b>Former Company Name</b>	Bliss Hotels (Southport) Limited
<b>Former Trading Name</b>	Bliss Hotel Southport
<b>Registered Number</b>	06190786
<b>Date of Incorporation</b>	29 March 2007
<b>Court / Reference Number</b>	731 of 2022 in the High Court
<b>Registered Address</b>	c/o The White Building 1-4 Cumberland Place Southampton SO15 2NP
<b>Former Registered Office</b>	Bliss Blakeney, Morston Road, Blakeney, Norfolk, NR25 7BG
<b>Former Trading Address</b>	N/A
<b>Activity of the Company</b>	Hotels and similar accommodation
<b>Appointed By</b>	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
<b>IP Numbers</b>	16510 and 9441 (respectively)
<b>Management</b>	The affairs, business and property of the Company are being managed by the Joint Administrators
<b>Date of Administrators' Appointment</b>	28 September 2022
<b>Changes to Office Holders</b>	None
<b>Purpose of the Administration</b>	Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
<b>Date of Approval of Proposals</b>	1 December 2022
<b>Functions of the Joint Administrators</b>	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
<b>EC Regulations on Insolvency Proceedings</b>	Centre of Main Interest (COMI) proceedings
<b>Expected outcome for creditors</b>	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 6.

## **Introduction**

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

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	Joint Administrator's Summary of Time Costs
Appendix D	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. We have accepted offers from two different parties within the last 12 months but neither have moved forward. The hotel has been fully remarketed as of the end of September 2023.
- 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 to the governmental department, the Redundancy Payments Service ("RPS"), 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 4 October 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 identified that payments of some £23,750 were defrayed before the account was frozen. Further details can be found further along in this report.
- 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”) appraised 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**

- 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.

### **The following further actions have been undertaken since the last sixth month progress report:**

- Working with the Hotel’s finance team, we have streamlined the process of supplier payments to improve efficiency.
- Prepared and circulated the first six-month progress report to members, creditors and Companies House.
- We have realised funds of c.£140K from Global Payments, one of the Company’s merchant service providers that had been held since our appointment.
- Confirmed with the Company’s pre-appointment bankers, Santander that the funds defrayed from the bank account following our appointment would not be recovered. Following communications with Santander’s legal team, they concluded that the matter was outside of their control. The cost of pursuing a claim would outweigh any potential realisation.
- Established the position with regards to the Company’s pension provider, NOW Pensions and continue to deal with our ongoing obligations to NOW Pensions.
- Received a completed and signed Statement of Affairs from the Company’s directors and filed at Companies House.
- Instructed our internal tax colleagues to assist with completion of the post appointment VAT returns.
- Received consent from the preferential creditors and ICG, as the secured creditor to extend the period of Administration by a further one year. A Notice of Extension to the Period of Administration has been filed at Companies House. The Administration will now automatically end on 27 September 2024.

### **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. A cumulative receipts and payments account covering the period since the start of Administration to the end of the Reporting Period is also provided.

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



## **Waterfront Hotels (Southport) Limited - in Administration Sixth Month Progress Report dated 27 September 2023**

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 previously, 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.

As reported previously, 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.

In the Reporting Period, ERA ascertained that there was a balance due in respect of preferential pension contributions. The RPS subsequently paid the amount to the pension provider and the RPS now stands as a preferential creditor with regards to the outstanding contribution totalling £2,398.

#### **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.

We previously advised that 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. During the Reporting Period we received the directors Statement of Affairs which indicated that HMRC had a potential claim totalling £831,094.

To date we have received an interim claim from HMRC of £474,705 which ranks preferentially and will seek to request a final claim shortly.

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**

## Waterfront Hotels (Southport) Limited - in Administration Sixth Month Progress Report dated 27 September 2023

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The Company's Statement of Affairs indicated that the Company had unsecured creditors of approximately £1.4m.

To the end of the Reporting Period, we have received 32 claims totalling £786,556. Based on current information, we do not expect a dividend to be paid to unsecured creditors.

### Compliance

We have, since our appointment complied with the requirement to notify creditors and other interested parties of our appointment including HMRC and filed the necessary documents with the Registrar of Companies, including Notice of Appointment and the Company's Statement of Affairs. We have also advertised our appointment in the London Gazette as required by statute. 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.

As advised in our first progress report, we can report that we have complied with our obligations under the Company Directors Disqualification Act 1986 and Statement of Insolvency Practice 2.

We have not identified any claims which could be brought against directors or others to recover monies for the estate.

### 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).

We have now sought approval from preferential creditors and consent from ICG as the secured creditor on 31 July 2023. The following resolutions were approved:

1. That a creditors' committee be established if sufficient votes are received.  
*Insufficient votes were received and a creditors' committee was not formed.*
2. That the Administration period of the Company and the Joint Administrators' term of office be extended by one year by the consent of the secured creditor, and by a decision of the preferential creditors, to 27 September 2024.
3. The basis of the Joint Administrators' remuneration be agreed by reference to time costs, capped at 70% as set out in our fee request document dated 13 July 2023.
4. The Joint Administrators be authorised to draw Category 2 expenses as incurred.

Our time costs incurred for the whole period of Administration amount to £609,946, representing 2,187 hours of work at an average hourly rate of £279 per hour.

Our time costs incurred during the Reporting Period amount to £271,025 representing 997 hours of work at an average hourly rate of £272 per hour.

To date, we have drawn fees of £396,767 plus VAT.

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.

We charge our time on specific time recording software in 6-minute increments.

### **Pre-Administration Costs**

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**

Detailed at Appendix B and below are the professional advisors engaged and utilised since our appointment.

The professional advisors were engaged for the following reasons:

- Hilco Appraisal were instructed to assist with a valuation of the chattel assets and site inspection shortly after appointment.
- ERA were instructed to assist with submission of forms to the Redundancy Payments Service to enable a preferential claim for outstanding pension contributions.
- Phillips Levene, a specialist PR agency is 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 to Administration legal matters including licencing, branding and other ad-hoc matters.
- 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.

**Waterfront Hotels (Southport) Limited - in Administration**  
**Sixth Month Progress Report dated 27 September 2023**

Category 1	Billed £	Accrued £	Total £
Accounting Services - Xero	28 00	42 00	70 00
Mail Services - Mailchimp	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><u>2,297.13</u></u>	<u><u>2,010.18</u></u>	<u><u>4,307.31</u></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.
- When funds permit, refund, the advance made by ICG to funding trading operations.
- On the sale and cessation of the Joint Administrators' trading period discharge all remaining trading liabilities.
- The declaration of distributions to secured and preferential creditors as appropriate.
- Discharge our Joint 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.

## Waterfront Hotels (Southport) Limited - in Administration Sixth Month Progress Report dated 27 September 2023

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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 Sydney May or me.



**Paul Davies**  
**Joint Administrator**

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

**27 October 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 27 September 2023

### Appendix A

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

Receipts and Payments account from 28 September 2022 to 27 September 2023

Appendix A

	Notes	Statement of financial position £	28 March 2023 to 27 September 2023 Fixed £	28 March 2023 to 27 September 2023 Floating charge £	Cumulative Total £
<b>Receipts</b>					
Net trading cash position	1	-	-	265,232.26	610,900.81
Cash advanced by Charge holder to fund initial trading	2	-	-	-	206,000.00
Cash at bank		209,027.00	-	-	209,027.46
Less: set off applied to Covid loan by Santander against the Company's bank account	3	-	-	-	(37,000.00)
Debtors	4	-	-	-	28,390.13
Sundry receipt		-	-	71.23	71.23
VAT non-trading (for trading VAT see the Trading Receipts and Payments)		-	-	-	-
<b>Total receipts</b>		<b>209,027.00</b>	<b>-</b>	<b>265,303.49</b>	<b>1,011,389.63</b>
<b>Payments</b>					
Non trading payments					
Joint administrators' expenses	5	-	-	3,144.75	5,441.88
Joint administrators' specific penalty bond		-	-	450.00	450.00
Statement of affairs fee		-	-	1,750.00	1,750.00
Agent's fees - Hilco Valuation Services		-	-	-	4,250.00
Agent's disbursements - Hilco Valuation Services		-	-	-	186.10
ERA Solutions - pension matters	6	-	-	-	585.00
Printing and postage		-	-	28.00	56.00
PR agency fees - Phillips Levene	6	-	-	100.00	1,050.00
Statutory advertising		-	-	-	190.00
Bank charges		-	-	0.40	3.20
Payments allowed by Santander post freezing of the Company's old bank account	4	-	-	-	23,749.59
Preferential dividend to employees in respect of wages (now included in trading account)	7	-	-	-	-
VAT non-trading (for trading VAT see the trading receipts and payments overleaf)		-	-	1,004.55	2,901.80
<b>Total payments</b>		<b>-</b>	<b>-</b>	<b>6,477.70</b>	<b>40,613.57</b>
<b>Net position</b>		<b>209,027.00</b>	<b>-</b>	<b>258,825.79</b>	<b>970,776.06</b>
<b>Represented by</b>					
Funds held by credit card companies	8			37,102.55	37,102.55
Trading cash secured at site awaiting banking and in transit from credit card companies			-	-	-
Balance on pre-paid debit card				915.47	915.47
Estate non-interest bearing current account			-	159,875.25	159,875.25
Estate non-interest bearing trading current account			-	772,882.79	772,882.79
Estate non-interest bearing customer deposit account			-	-	-
				<b>970,776.06</b>	<b>970,776.06</b>

#### Notes

- Full details of the trading account are exhibited in the continuation to this sheet.
- The Charge holder advanced funds to facilitate trading. These funds will be repaid once funds permit.
- 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).
- 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. Santander's legal team have refuted that these monies should be repaid.
- Administrators' expenses and also administrators' remuneration (see trading account overleaf for details) have been paid in the period.
- 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.
- 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. See the trading account overleaf for more details. The payment represented 100p in £ on the preferential wages of employees and was paid on 30 September 2022.
- The balance is made up of transactions in transit at 27 September 2023 and also some historic funds held by one of two credit card providers where we are seeking to get this released. The historic balance that we are trying to recover is c£27k.
- 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.
- No payments have been made to associates of the officeholders or associates of their firm.

# Waterfront Hotels (Southport) Limited - in Administration

## Sixth Month Progress Report dated 27 September 2023

### Appendix A cont.

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

Trading receipts and payments to 27 September 2023

Appendix A cont...

		Receipts and payments from 28 March 2023 to 27 September 2023	Cumulative receipts and payments 28 September 2022 to 27 September 2023
<b>Receipts</b>	<b>Notes</b>		
Accommodation		1,575,980	2,279,226
Less pre appointment deposits honoured	1	(140,890)	(140,890)
Food and beverage (including events)		804,287	1,251,196
Movement on administration deposits in period	2	(56,689)	78,879
Other		75,048	133,155
Sundry / deferred income		53,778	60,660
Prepayment card balance existing at date of appointment	3	2,846	2,846
VAT		490,977	732,694
<b>Total income</b>		<b>2,805,338</b>	<b>4,397,768</b>
<b>Payments</b>			
Commission on room bookings		183,248	280,599
Event costs		14,021	37,015
Food and beverage	4	276,290	438,089
Chef hire and hired in equipment		86,374	152,115
IT costs		18,738	36,616
Bank and credit card charges		50,403	91,206
Marketing and data analytics		20,228	29,450
Management charges	5	92,142	136,675
Equipment leasing costs		1,408	9,069
Laundry and cleaning		85,239	119,777
Licences for trading		3,975	6,236
Maintenance - interior and exterior		141,973	191,150
Printing and postage		-	570
Refunds		2,966	5,096
Utilities		163,229	256,650
Wages and salaries		730,537	1,128,821
Staff expenses and training		15,274	18,634
Refuse collection		10,049	18,352
Rates		21,166	21,166
Sundry expenditure		2,975	2,975
Joint Administrators' fees	6	353,034	353,034
Exceptional items		-	-
- Duress payments to suppliers to facilitate continued trading		-	13,600
- Brand licence payment	7	-	29,589
- Unsecured back payments for September 2022 wages	8	-	37,530
- Preferential dividend in respect of back payments for September 2022 wages		56,284	56,284
- Rebranding costs	7	-	20,419
VAT		210,551	296,151
		<b>2,540,106</b>	<b>3,786,867</b>
<b>Net cash position</b>		<b>265,232</b>	<b>610,901</b>

#### Notes

1. Deposits were taken by the hotel prior to the date of administration. These deposits have been honoured in the administration trading period. Whilst these are shown as having all been honoured in the current progress report period some of these were actually honoured in the last progress report period. A summary of the deposits honoured is given below:

	£
- Deposits for bookings dated prior to administration - no shows	15,736
- Deposits honoured 28 September 2022 to 27 March 2023	95,159
- Deposits honoured 28 March to 2023 to 27 September 2023	45,731
- Remaining deposits for future dates	24,233
- Remaining deposits for future unknown dates	34,556

Total deposits at the date of administration

215,415

2. The joint administrators have continued to take deposits in during the normal course of trading these liabilities will be honoured during the administration.

3. Prior to the administration the Company issued certain staff with prepaid debit cards. There was a small balance remaining on this account. We have reinstated the use of this facility. We have added additional funds to the account of £9,000 in the period. The balance remaining on the card at the date of the progress report was £915. The expenditure in the period on the card of £10,931 has allocated to the relevant expense category in the payment section of this receipts and payments account.

4. 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 was 30 September 2023 showing food value of £15,003.30 and liquor of £12,989.16, giving a combined total of £27,992.46.

5. We have continued the Company's relationship with Michels & Taylor (London) Limited.

6. During the period we sought and obtained the approval of the secured and preferential creditors to the basis of our fee for the assignment.

7. As previously reported, 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.

8. 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. In the period we have reflected the payment having been made from the trading account rather than the joint administrators' estate account as in the previous period.

9. At the date of the progress report the following liabilities have been accrued

	£
Commission on room bookings	21,176
Event costs	2,971
Food and beverage	18,895
Chef hire and hired in equipment	4,417
IT costs	4,619
Bank and credit card charges	12,394
Marketing and data analytics	4,499
Equipment leasing costs	864
Laundry and cleaning	550
Maintenance - interior and exterior	65,992
Rates	18,895
Utilities	20,662
Sundry items	8
Refund	82
Wages and salaries	83,462
Employers' NIC	8,431
Pension	12,344
Staff expenses and training	75
Customer deposits	78,959
VAT	459,629
	<u>817,124</u>

**Waterfront Hotels (Southport) Limited - in Administration**  
**Sixth Month Progress Report dated 27 September 2023**

**Appendix B**

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

Statement of Expenses

Appendix B

	Notes	Incurring in Reporting Period £	Accrued in Reporting Period £	Total in Reporting Period £
Joint administrators' fees	1	353,034.22	30,195.07	383,229.29
Joint administrators' expenses		3,144.75	7,611.58	10,756.33
Joint administrators' specific penalty bond		450.00	-	450.00
Statement of affairs fee		1,750.00	-	1,750.00
Printing and postage		28.00	-	28.00
PR agency fees - Phillips Levene		100.00	-	100.00
Bank charges		0.40	-	0.40
Trading expenses - see Appendix A continued for details		1,920,236.41	278,535.07	2,198,771.48
Insurance - Marsh Limited	2	-	46,946.73	46,946.73
Legal fees - Freeths LLP		-	20,541.04	20,541.04
Legal disbursements - Freeths LLP		-	-	-
Repayment of funding - ICG		-	200,000.00	200,000.00
HMRC - VAT		-	433,640.96	433,640.96
		<u>2,278,743.78</u>	<u>1,017,470.45</u>	<u>3,296,214.23</u>

Notes

1. Joint administrators' fees are shown above on a time cost basis capped at 70%.
2. At the date of the progress report we were awaiting an invoice from the insurance provider.
3. 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 £78,959.
4. Expenses above are shown net of VAT (where applicable).
5. Currently, there is no profit on trading and therefore no provision has been made for any corporation tax liability.



**Waterfront Hotels (Southport) Limited - in Administration**  
**Sixth Month Progress Report dated 27 September 2023**

**Appendix C**

**Joint Administrators' Summary of Time Costs**  
**From 28 March 2023 to 27 September 2023**

**Waterfront Hotels (Southport) Limited, - 624659**

SIP 9 - Time & Cost Summary

From: 28/03/2023

To: 27/09/2023

**Analysis of time costs:**

Classification of Work Function	Hours					Total	Time	Av hourly
	Partner	Manager	Senior	Assistant	Support	Hours	Cost £	Rate £
<b>Administration and Planning</b>								
Administration and planning	0.20	4.10		0.30		4.60	1,429.50	310.76
File reviews	0.60	2.00				2.60	968.00	372.31
Planning and strategy		7.30		1.50		8.80	2,395.00	272.16
Statement of Affairs		4.00		0.10		4.10	1,249.50	304.76
Appointment notification				0.70		0.70	108.50	155.00
Bonding		0.10		0.30		0.40	77.50	193.75
Statutory reporting	35.80	1.10		1.80		38.70	20,663.00	533.93
Set up	0.20					0.20	102.00	510.00
Taxes Post Appointment	0.30	1.40		3.00	0.60	5.30	1,659.00	281.19
Accounting - Other	1.10	6.00	0.60	6.30	54.80	68.80	11,703.40	170.11
<b>Realisation of Assets</b>								
Assets - Debts	0.10	0.30				0.40	147.50	368.75
Assets - Other	0.70	1.10				1.80	727.50	404.17
Insuring	0.80	0.20				1.00	534.00	534.00
Assets - Property	0.30			0.60		0.90	261.00	290.00
Assets - Sale of business	0.60					0.60	336.00	560.00
Legal correspondence re asset sales	0.10					0.10	59.00	590.00
Assets - Vehicles	0.10			0.50		0.60	136.50	227.50
<b>Trading</b>								
Trading	98.60	26.70		283.30		409.20	107,200.50	261.38
Employee - trading	2.50	12.60		1.70		16.80	5,530.50	329.20
Accounting - trading	35.60	153.70		128.70		318.00	86,652.50	272.49
<b>Creditors</b>								
Creditors - Hire purchase		0.40				0.40	124.00	310.00
Creditors Unsecured	0.50	1.50		7.80		9.80	1,952.50	199.23
Employee		5.50		4.10		9.60	2,319.50	241.61
Creditors - Preferential	0.50	0.50				1.00	450.00	450.00
Dividends - Creditors		0.50				0.50	155.00	310.00
Creditors - secured	10.00					10.00	5,861.00	586.10
Reporting to members and creditors	3.40	24.90	0.30	45.00		73.60	15,412.50	209.41
<b>Case Specific Matters</b>								
Case specific	1.40	5.00		0.80		7.20	2,425.00	336.81
Case specific	0.60			0.20		0.80	385.00	481.25
<b>Total Hours /Costs</b>	<b>194.60</b>	<b>258.90</b>	<b>0.90</b>	<b>487.30</b>	<b>55.40</b>	<b>997.10</b>	<b>271,024.90</b>	<b>271.81</b>
<b>Total Fees Claimed (£)</b>							<b>396,767.20</b>	

**Waterfront Hotels (Southport) Limited - in Administration**  
**Sixth Month Progress Report dated 27 September 2023**

**Appendix C cont.**

**Joint Administrators' Summary of Time Costs**  
**From 28 March 2023 to 27 September 2023**

**Waterfront Hotels (Southport) Limited, - 624659**

SIP 9 - Time & Cost Summary

From: 28/09/2022

To: 27/09/2023

**Analysis of time costs:**

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Manager	Senior	Assistant	Support		£	£
<b>Administration and Planning</b>								
Administration and planning	0.50	4.10		10.80		15.40	2,962.50	192.37
File reviews	3.60	12.00		1.20		16.80	5,731.50	341.16
Records		4.00		9.00		13.00	2,350.00	180.77
Set up	0.70	1.00		1.00		2.70	769.50	285.00
Taxes Post Appointment	1.20	1.80		4.40	0.60	8.00	2,104.50	263.06
Planning and strategy	0.40	10.30		4.50		15.20	3,864.00	254.21
Statement of Affairs	0.50	5.70		0.10		6.30	2,023.50	321.19
Appointment notification	1.40			3.10		4.50	1,204.50	267.67
Statutory reporting	59.60	1.10	0.20	4.40		65.30	34,371.00	526.36
Bonding		0.10		0.30		0.40	77.50	193.75
Accounting - Other	24.00	45.10	1.00	17.10	115.40	202.60	45,360.10	223.89
<b>Investigations</b>								
Directors investigation	3.30	7.20		0.10		10.60	3,985.00	375.94
Directors SIP2 review		0.30				0.30	88.50	295.00
Directors SIP4 CDDA checklist completion	0.50	2.30				2.80	958.50	342.32
<b>Realisation of Assets</b>								
Assets - Debts	0.10	0.70				0.80	265.50	331.87
Assets - IPR	0.20	3.60				3.80	2,944.00	300.41
Assets - Other	7.30	8.70	0.30			16.30	6,728.50	412.79
Assets - Property	0.50	2.70		0.60		3.80	1,169.50	307.76
Assets - Vehicles	0.30	0.40		0.50		1.20	366.50	305.42
Assets - P&M	0.60					0.60	336.00	560.00
Assets - Stock	0.20					0.20	112.00	560.00
Insuring	2.10	3.10				5.20	2,117.50	407.21
Assets - Sale of business	1.10	0.40				1.50	734.00	489.33
Legal correspondence re asset sales	1.10					1.10	619.00	562.73
<b>Trading</b>								
Trading	227.80	156.60		658.90		1,043.30	265,475.50	254.46
Accounting - trading	81.70	259.30		151.20		492.20	146,433.00	297.51
Employee - trading	17.10	34.20		3.20		54.50	20,273.50	371.39
<b>Creditors</b>								
Creditors - Hire purchase	0.40	0.70				1.10	436.50	396.82
Creditors - RDT	0.80	0.70				1.50	654.50	436.33
Dividends - Creditors		0.50				0.50	155.00	310.00
Reporting to members and creditors	6.40	33.70	0.50	45.70		86.30	19,821.50	229.68
Creditors - Preferential	1.30	0.70				2.00	957.00	478.50
Creditors - secured	23.50	0.20				23.70	13,480.00	568.78
Creditors Unsecured	4.50	11.60	1.20	18.40		35.70	8,802.00	246.55
Employee	0.40	17.80		4.10		22.30	6,142.00	275.43
<b>Case Specific Matters</b>								
Case specific	1.40	13.50		0.80		15.70	4,932.50	314.17
	1.60			1.70		3.30	1,140.00	345.45
<b>Total Hours /Costs</b>	<b>476.10</b>	<b>650.10</b>	<b>3.20</b>	<b>941.10</b>	<b>116.00</b>	<b>2,186.50</b>	<b>603,946.10</b>	<b>278.36</b>
<b>Total Fees Claimed (£)</b>							<b>396,767.20</b>	

## **Appendix D**

### **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.