



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

1 Company details

Company number 0 8 1 2 4 2 0 7

Company name in full Signature Living Hotel Limited

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

2 Administrator's name

Full forename(s) Matthew

Surname Ingram

3 Administrator's address

Building name/number 4B Cornerblock

Street 2 Cornwall Street

Post town Birmingham

County/Region

Postcode B 3 2 D X

Country United Kingdom

4 Administrator's name ①

Full forename(s) Michael

Surname Lennon

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

5 Administrator's address ②

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country United Kingdom

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

AM10

Notice of administrator's progress report


6 Period of progress report

From date	^d 1	^d 5	^m 1	^m 0	^y 2	^y 0	^y 2	^y 2	
To date	^d 1	^d 4	^m 0	^m 4	^y 2	^y 0	^y 2	^y 3	

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's signature	Signature X  X								
Signature date	^d 1	^d 2	^m 0	^m 5	^y 2	^y 0	^y 2	^y 3	

AM10

Notice of administrator's progress report



Presenter information

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

Contact name Callum O'Brien

Company name Kroll Advisory Ltd

Address The Chancery

58 Spring Gardens

Post town Manchester

County/Region

Postcode

M 2 1 E W

Country United Kingdom

DX

Telephone +44 (0) 161 827 9000



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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



Further information

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

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



Progress Report to Creditors

12 May 2023

Signature Living Hotel Limited (In Administration)

*Joint Administrators' Progress Report for the period from 15 October 2022
to 14 April 2023.*

Kroll Advisory Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

Contents

1. Introduction	1
2. Creditor summary	2
3. Progress of the Administration	4
4. Outcome for Creditors	17
5. Other matters	22
6. Fees, Expenses and Pre-Administration costs	23
7. Future strategy	26

Appendices

Appendix 1 – Statutory information	28
Appendix 2 – Approved Proposals	30
Appendix 3 – Receipts and Payments account	32
Appendix 4 – Analysis of Expenses Incurred	33
Appendix 5 – Analysis of time charged	40
Appendix 6 – Narrative of work carried out for the Reporting Period	41
Appendix 7 – Statement of Creditors' rights	44
Appendix 8 – Definitions	45
Appendix 9 – Notice about this report	48

1. Introduction

The Joint Administrators were appointed on 15 April 2020 by an order of the High Court of Justice, Business and Property Courts of England and Wales. Court reference 002191 of 2020. The application to the Court was made by the holder of a qualifying floating charge, pursuant to Paragraph 14 of the Act.

This Progress Report provides an update on the Administration of the Company. It should be read in conjunction with the Joint Administrators' previous progress reports and the Statement of Proposals.

The Joint Administrators' have also explained their future strategy for the Administration and how likely it is that they will be able to pay each class of creditor.

The County Court granted an extension on 9 April 2021 for the Administration to be extended for a period of two years to 15 April 2023. A further extension of two years was granted by an Order in the County Court on 30 March 2023. Consequently, the revised end date for the Administration is 15 April 2025.

You will find other important information in this Progress Report such as the costs the Joint Administrators have incurred.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 8. Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 9.

2. Creditor summary

This Progress Report covers Reporting Period.

Summary of Proposals

A summary of the Joint Administrators' Proposals is included at Appendix 2. The full report is also available on the Kroll website at <http://www.kroll.com/ukrestructuring>.

The Joint Administrators set out the following hierarchical objectives in the Statement of Proposals:

- Rescuing the Company as a going concern; or
- Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or
- Realising property in order to make a distribution to one or more secured or preferential creditors.

The Joint Administrators' Proposals for achieving the purpose of the Administration, specifically achieving a better result for the Company's Creditors as a whole than would be likely if the Company were wound up, were approved via deemed consent by Creditors on 24 June 2020 without modifications.

The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

Despite the shareholding and property interests owned by the Company, the total level of secured and unsecured indebtedness significantly outweighs the initial expectations of the value of the Company's direct and indirect assets.

It is expected that the second objective will be achieved as the Administration protects the Company's assets and provides a platform from which a realisation strategy can be executed to maximise the value of the assets, which includes freehold property of the Shankly Hotel in Liverpool, that otherwise may not be available should the Company have been wound up.

Furthermore, it is expected that the third objective will be achieved as the Joint Administrators anticipate that a distribution will be made to one or more of the Secured and Preferential Creditors of the Company via the realisation of certain freehold and leasehold property interest, as well as tangible and intangible assets.

Progress to date

COVID-19 restrictions caused unavoidable delays with several developments in the Group. The Joint Administrators continue to monitor the status of each entity and ongoing property development in the Group to establish whether repayment of loans to retail investors, where the Company acts as the guarantor, will be forthcoming in the future following a sale or refinance of the properties in question.

Extensive analysis and investigations into the Company's various shareholdings, intercompany debtors and related party debtors have identified a number of outstanding loans due to the Company. Letters of demand have been issued to several connected and intercompany debtors and recovery action is ongoing.

During the Reporting Period, the Joint Administrators have received an initial payment of £150,000 from the Directors in respect of the outstanding directors loan account. The Joint Administrators are continuing to pursue the remaining balance outstanding.

Outside of the Reporting Period, the Joint Administrators have entered into a settlement agreement with a third party in respect of a loan and a claim asset transferred at undervalue. Total realisations will be £256,955, which includes a contribution to legal costs.

The Joint Administrators has received loan settlement sums totalling £68,000 in the Reporting Period and £1,449,000 over the course of the Administration in respect of The Coal Exchange Hotel LLP underwriting loan.

The Joint Administrators instructed the Agents to take steps to bring the Hotel to the open market.

As previously reported, the Joint Administrators entered a period of exclusivity with one interested party who put forward the best offer. The interested party has since withdrew its interest.

The Joint Administrators have since engaged AHS as managing agents to assist in the day to day operational and financial aspects of the Hotel, under the instructions of the Joint Administrators.

Prior to bringing the Hotel back to market, the Joint Administrators have been trying to secure the required building control sign off for the development works that have been completed on the Hotel.

The retrospective Fire Risk Assessment was completed in December 2022 and the Joint Administrators are currently working on the program of works and costs schedule, following recommendations made in the report.

The Joint Administrators have engaged with the Council to meet any identified requirements for building control sign off. Further work is therefore currently being completed and should be finished by Q3 2023, subject to funding.

The marketing of the Hotel will recommence once building control sign off has been obtained, although discussions are ongoing with several parties interested in purchasing the Hotel.

During a previous reporting period, the Joint Administrators sold the freehold interest of Daniel House at auction for £355,000.

Outcome for Creditors

It is currently anticipated that there will be sufficient realisations to enable a distribution to one or more of the Secured Creditors.

Based on current position and estimated realisations, it is anticipated there may be sufficient realisations to enable a distribution to the Preferential Creditors.

According to the Company's records, the Unsecured Creditors totalled £4,184,002 at the Appointment Date.

The unsecured retail creditors contingent liability is approximately £40,000,000. Claims received to date from the retail investors are in excess of £38,000,000.

This contingent liability relates to corporate guarantees granted by the Company for unsecured loans advanced by retail investors in the Signature Capital Investments Limited group structure which were lent on via the Company to other entities within the Signature Group.

There are also intercompany and related party creditors of £96,023,017, the balances of which are subject to the Joint Administrators' ongoing extensive investigations.

There will not be sufficient realisations to enable a dividend to Unsecured Creditors other than by virtue of the Prescribed Part, which is yet to be determined.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the period. The Joint Administrators' previous progress reports and the Statement of Proposals issued to the Company's Creditors are available to view at <http://www.kroll.com/ukrestructuring> and paper copies can be provided free of charge by writing to Callum O'Brien at signaturelivinghotel@kroll.com. Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

This section provides an update on the Joint Administrators' strategy for the Administration and progress to date.

3.1 Strategy and progress to date

Please refer to the Previous Progress Reports for further detail regarding the strategy in relation to the trading and sale of the assets and trading and sale of the associated companies business and assets.

The Joint Administrators are also continuing to pursue other asset realisations in relation to intercompany and other debtors.

As previously advised, the Joint Administrators' Proposals for achieving the purpose of the Administration, namely achieving a better result for a Company's Creditors as a whole than would be likely if a Company were wound up and realising property in order to make a distribution to one or more Secured or Preferential Creditors, were deemed approved by Creditors on 24 June 2020 without modifications.

A summary of the Proposals is included at Appendix 2. A copy of the Statement of Proposals is available via the Website.

3.2 Asset realisations

Realisations during the Reporting Period are set out in the attached Receipts and Payments Account at Appendix 3.

Summaries of the most significant realisations during the Administration are provided overleaf:

3.2.1 Trading

Prior to the Administration, the Company provided head office and support services to the operational companies within the Group and was involved in some property developments in the role as the building contractor. As far as the Joint Administrators are aware, the Company did not carry out any direct trading of any hotel or property assets.

In its role as a central support function, the Company had 176 employees. Please refer to the Previous Progress Reports for details on redundancies and employees that transferred under TUPE to other entities in the Group.

The Joint Administrators initially retained three employees to assist in the Administration. This has subsequently been reduced to one employee who has been retained to assist the Joint Administrators with the realisation strategy in respect of a number of assets.

Costs incurred and paid in the Reporting Period in respect of the trading account total £31,333, which is the resulting total deficit of £81,973 during the Administration to date. This deficit is driven by the payment of the employees' wages and PAYE and NI contributions, as well as pension contributions since the Appointment Date. In addition, the trading deficit includes payment of holiday entitlements that accrued whilst former employees were on furlough.

3.2.2 The Shankly Hotel Freehold

As reported previously, the Company owns the freehold title to the Hotel in Liverpool and has granted a long leasehold interest in the property to SSL.

Further details on the other leasehold interests in the Hotel, granted by the Company, are included in the Proposals and the Previous Progress Reports.

As previously reported, the Hotel has a number of stakeholders, which includes secured creditors, connected long leasehold interests, bedroom investors and BPRA investors. Due to the complexities of the various interests in the Hotel and the COVID-19 pandemic, unavoidable delays in preparing the Hotel for sale were experienced.

Further details of work undertaken by the Joint Administrators and the Agents is detailed in Previous Progress Reports and in the progress report for SSL.

The Joint Administrators have engaged AHS as managing agents to assist in the day to day operational and financial aspects of the Hotel, under the instructions of the Joint Administrators.

The Joint Administrators and the Agents were working intensively with an interested party however it was not possible to progress the sale with this purchaser and as such, the Joint Administrators will bring the Hotel back to market soon.

The remarketing of the Hotel has been delayed, which was in part due to winding up petition issued to SHLO and the property is still missing retrospective building control sign off for the development works that have been completed.

The lack of building control was a stumbling block to progress potential buyers' interests and was being used as a reason to deflate the price buyers were prepared to pay. As such, the Joint Administrators have become focused on obtaining the building control sign off before remarketing the Hotel. Work is currently being completed to obtain the sign off from the Council and is due to finish in Q3 of 2023.

During the Reporting Period, the retrospective Fire Risk Assessment report was issued in December 2022 and the Joint Administrators are currently working on a program of works and costs schedule. This is to allow the Company to approach the Council to ensure they agree with the proposed works and determine whether this will be sufficient to obtain retrospective building control sign off. This work is essential and is required to obtain the best price possible for the Hotel.

Once the retrospective building control sign off has been obtained, the Joint Administrators will liaise with the Agents to bring the Hotel back to the market.

It should be noted there are still parties, old and new, that retain a serious interest in purchasing the hotel and discussions are ongoing with these parties.

An update will be provided in the next report to creditors, or sooner, depending on how matters progress.

BPRA

Further details of the BPRA scheme were included in the Proposals and the Previous Progress Reports.

Shankly Hotel LLP maintains the leasehold interest in the common areas of the Hotel and forms an integral part of the realisation strategy in the Hotel.

As previously mentioned, there was an Option Agreement in place between the Company and Shankly Hotel LLP, that would have enabled the Company to purchase the leasehold interest back and collapse the lease. The Joint Administrators intention was to exercise the Option Agreement as part of a sale of the Hotel.

There is an underwriting loan of £2,275,000 that will be realised and repaid back to the Company once the Option Agreement is exercised.

It is not possible to disclose any further details due to commercial sensitivity in relation to the marketing of the Hotel.

A further update will be provided in the next progress report to Creditors, if applicable.

Retail Investors / UKAG

The Company acts as corporate guarantor on all known loans advanced to Signature Capital Investments Limited and connected entities, with each agreement linked to an ongoing property development, asset, or investment opportunity within the Signature Group.

The Company is not a shareholder in any of the Signature Capital Investment Limited group entities. This separate group and its entities are only connected by way of common director and shareholder.

All loans obtained from Retail Investors relate to monies advanced to Signature Capital Investments Limited entities, which are connected to a property development scheme, asset, or an investment opportunity that falls outside of the scope of this Administration process, although, a number of the properties are now under the control of the Administrators in other connected Administration appointments.

Retail Investors have previously been advised to seek repayment of amounts that are due and payable from the Signature Capital Investments Limited entity that the investment or loan agreement is with. It is clear from the Joint Administrators' investigations that this is highly unlikely to be achievable. Upon review of the balance sheets of these entities, there are no assets, aside from intercompany debtors, which relates to funds on-lent to connected entities in the Signature Group, with corresponding intercompany creditors similar, or the same, in value, which relates to the Retail Investor loan funds advanced to that entity, supported by a corporate guarantee from the Company.

The Signature Capital Investments Limited group entities, being the primary borrower of the Retail Investors; are unlikely to see a repayment of the funds that have been on-lent to entities in the Signature Group; as the vast majority of these entities and assets are subject to insolvency proceedings or properties have been sold with no surplus funds made available to the Company as shareholder or intercompany creditor. In some cases, the proposed property purchase or investment opportunity did not proceed or materialise.

Details of the various Signature Capital Investment Limited connected entities where the Company acts as corporate guarantor, is below:

Borrower Company Name	Property, Asset, Investment*	Number of Total Investment		
		Investors	Amount	Asset Status
Signature Digital Media (Liverpool) Limited	Hanover Street Digital Signage	18	£780,000	Did not proceed
Water Street Capital (Liverpool) Limited	Martins Bank, Liverpool	28	£2,108,357	Did not proceed
Signature Heritage (Warwickshire) Limited	Wroxhall Abbey, Warwick	42	£2,370,400	Did not proceed
Signature Maritime Investments Limited	MV Funchal Boat	3	£91,553	SOLD
Signature Capital Momentum Limited	Bling Bling Hotel, Liverpool	32	£2,573,235	SOLD
Signature Heritage Limited	Liverpool Road, Manchester	45	£3,138,740	SOLD
Signature Heritage (Belfast) Limited	The Lanyon, Belfast	78	£6,443,812	SOLD
The Waring Capital Limited	Waring Hotel, Belfast	13	£593,806	SOLD
Cavern Walks Capital Limited	Cavern Walks, Liverpool	82	£5,814,729	SOLD via Receiver
Cavern Walks Investment Limited	Cavern Walks, Liverpool	80	£5,223,645	SOLD via Receiver
Signature Legends (Belfast) Limited	George Best Hotel, Belfast	6	£300,403	In Administration
Signature Legends (Lancashire) Limited	Shankly Hotel, Preston	30	£1,527,875	In Administration
Signature Dixie Dean Limited	Dixie Dean Hotel, Liverpool	28	£1,342,643	In Administration
Signature Heritage (Cardiff) Limited	The Coal Exchange, Cardiff	79	£5,769,852	In Liquidation
Stanley Street Capital Limited	Stanley Street Hotel, Liverpool	32	£1,873,951	In Receivership
Total		596	£39,953,003	

*this information has been compiled from information provided to the Administrators.

As above, there are 596 loan agreements, made up of 365 unique investors with total outstanding loans totalling £39,953,003.

The Director and UKAG obtained "guarantee and standstill agreements" from over 95% (by value) of unsecured retail investors above, which sought to provide assurances that the investors, in consideration for UKAG acting as additional guarantor to their debts, would not initiate legal action or engage in negative press or social media commentary for a period of two years until 30 September 2022.

It is understood guarantee and standstill agreements have also been obtained from retail investors in Signature Works Gold Limited, which is connected by common director and shareholder, with total outstanding investments relating to office space sold in Bling Bling Hotel, Arthouse Hotel and Old Hall Street with outstanding investments totalling circa £6,300,000. As the Joint Administrators regularly receive enquiries in relation to these investments, to further reiterate, the Company does not act as corporate guarantor on these investments, although it should be noted Signature Works Gold Limited has been placed into Compulsory Liquidation on 20 December 2022 and is now under the control of the Official Receiver, C E Hudson.

For clarity, the following properties are subject to secured debt and not subject to insolvency proceedings:

- Arthouse Square Hotel, Liverpool
- The Lanyon, Crumlin Road, Belfast - SOLD
- Waring, Belfast – SOLD

The following properties are subject to secured debt where Administrators, Liquidators and Receivers are appointed over the relevant group entities and properties as follows:

- Old Hall and Victoria Mill – In Administration
- 30 James Street – In Administration & Receivership
- Exchange Hotel, Cardiff – In Compulsory Liquidation
- Cavern Walks, Liverpool – In Receivership - SOLD
- Stanley Street Hotel (known as Signature Living Hotel), Liverpool – In Receivership - SOLD
- Shankly Hotel, Preston – In Administration
- Dixie Dean Hotel, Liverpool – In Administration
- Loyola / Rainhill Hall, Liverpool – In Administration
- Alma De Cuba, Liverpool – In Administration – SOLD
- Bankfield College, Residential, Liverpool – In Receivership
- Daniel House, - Part of this Administration – SOLD
- West Africa House – Part of this Administration
- Scottish Mutual Building (George Best Hotel), Belfast – In Administration - SOLD

During the Previous Reporting Period, the Joint Administrators have been appointed to the entities that own The Shankly Hotel Car Park (Liverpool), Alma De Cuba, Loyola / Rainhill Hall, Dixie Dean Hotel and the Shankly Hotel (Preston).

The Joint Administrators continue to make regular enquiries with the various other Administrators, Liquidators and Receivers to understand their strategy, marketing timescales and projected outcomes.

Further details will be provided in the next report.

Arthouse Square Hotel

In May 2022, a representative from UKAG contacted the Joint Administrators in respect of the entity Signature Living Arthouse Square Limited, the owner of the property Arthouse Square Hotel, Liverpool.

The Administrators were advised, the Director, working with UKAG, were seeking to raise new finance with a view to repaying the existing secured debt and settling bedroom investors liabilities, for the purpose of redeveloping or repurposing the Arthouse Square property.

The reason for the approach to the Administrators is the Company is the sole shareholder in Signature Living Arthouse Square Limited and the Company has an outstanding intercompany loan of circa £2m; and is therefore a key stakeholder.

The Administrators do not have any involvement in the day-to-day operations of the Arthouse Square Hotel and therefore, further information was requested to support any proposal, including up to date financial information, including a balance sheet.

An outline proposal was provided in May 2022, although it is understood the restructuring proposal the Director had put forward has changed, although to date, no further details have been provided.

The Joint Administrators remain open to assessing any proposal that is put forward by the Director, if the proposal is viable and in the best interest of the general body of Creditors.

3.2.3 West Africa House

The Company acquired the long leasehold interest in West Africa House in Liverpool in January 2016, which included a ground floor and roof top bar. The Company redeveloped the property and sold off all the residential apartments. The Company has also sold the ground rent investment in the building.

On 13 June 2013, a 15-year lease was granted to GS Events Management Limited which trades from the ground floor and mezzanine as a tearoom and bar called Oh Me Oh My.

GS Events Terrace Limited were granted a 15-year lease on 22 December 2014 which trades from the roof top bar as Goodness Gracious.

The rent payable in respect of the underlease is equivalent to the rent payable on the long leasehold interest and is demanded from the tenant and paid direct to the landlord.

The Joint Administrators sought agreement to a voluntary surrender of the leasehold interest from the landlord, on the basis there is no value in the long leasehold and therefore no benefit to the Administration. The landlord declined this request and stated the preferred option was forfeiture proceedings against the Company.

During the Previous Reporting Period, the Joint Administrators consented to the lifting of the moratorium to enable the landlord to forfeit the lease granted to the Company in respect of West Africa House, strictly on the condition that all claims and costs against the Company for any sums due under the lease are to be unsecured claims in the Administration.

Following this, the landlord filed a claim in Court for possession of the property by way of forfeiture of the long leasehold interest held by the Company with a court date set for 12 October 2022.

Various persons and entities that hold the ground rent and residential leasehold interests applied to be joined as defendants to the forfeiture proceedings at the hearing on 12 October 2022. The hearing was adjourned until a later date to allow the leaseholders to prepare their defence, which includes relief from forfeiture.

During the Reporting Period, it is the Joint Administrators understanding that the various persons and entities with sub-interests under the lease have been joined as defendants to the proceedings and are seeking to advance their substantive applications.

The Joint Administrators are taking no active role in the proceedings, particularly given the lease held by the Company has no benefit in the Administration and has no value to the Administration estate.

The Joint Administrators view remains that a voluntary surrender of the lease would be the best course of action for all parties and remain prepared to enter into an agreement in this regard.

Alternatively, the Joint Administrators are willing to explore a potential assignment of the lease as this may serve to remove the Company from the matter and allow the parties, that have a vested interest, to continue in their efforts to reach a solution.

A further update will be provided in the next progress report to Creditors.

3.2.4 Daniel House

The Company owned the freehold interest to Daniel House which is a residential apartment block in Bootle, Liverpool. Further details on the property are included within previous progress reports.

The Joint Administrators successfully sold the property and land relating to this development to Mr. Mark Begg, the highest bidder at an auction on 13 December 2021. Mr. Begg assumed ownership and responsibility for Daniel House on 14 March 2022.

The auction of Daniel House resulted in realisations of £355,000 for the benefit of the Administration estate.

The Joint Administrators also assigned the benefit of ground rent arrears for 2020/2021 for the total sum of £56,995 to Mr. Begg. These arrears are now payable to Mr. Mark Begg.

In addition, the Company received £10,205 in respect of ground rent arrears prior to the sale.

3.2.5 Victoria Street

The Company owns the leasehold interest in Flats 9 and 11 at 38-40 Victoria Street, Liverpool. During the Administration, the Company has received £9,000 from a tenant in respect of rent which is being held subject to the appointed Receivers contacting the Administrators with regards to the disposal of the properties.

After the Reporting Period, Flats 9 and 11 were sold by the appointed Receivers for £125,000 each on behalf of Stoneygate, as the secured creditor.

Further details will be provided in the next progress report to Creditors.

3.2.6 Fixtures, Fittings & Equipment

As previously advised, Receivers were appointed over the Stanley Street Hotel property on 20 April 2021.

The Company owned the fixtures, fittings, furniture and equipment in the hotel.

During the Administration, the Joint Administrators sold the fixtures, fittings, and equipment in the Stanley Street Hotel to Albendan Limited for £10,000 plus VAT.

3.2.7 Motor Vehicles

During the Reporting Period, the Joint Administrators sold the Company's rights, title and interest in a motor vehicle for £10,000 plus VAT.

3.2.8 Group Companies, Shareholding and Debtors

As previously reported, the Company owns the shares in over 60 Signature Group entities.

Details regarding the Company's shareholding in other Group entities was provided in the Statement of Proposals.

The Joint Administrators continue to analyse the Company's books and records, in conjunction with working with the senior management team within the group.

A breakdown of the intercompany debtors has been provided overleaf to show the amounts outstanding and the current status of the relevant entities:

Intercompany Debtor	Company Status	Balance (£)
30 JS Property Limited	Receivership	8,754,120
Alma De Cuba Hotel Limited	Administration	2,087,764
Arthouse Hotel Liverpool Ops Limited	Dissolved	147,101
Bedford Hotel Operations Limited	Active	660,413
Belfast SLG Limited	Active	4,069,465
Daniel House Property Management Limited	Active	750,182
Dixie Dean Hotel Limited	Liquidation	143,532
Jerome Buildings Limited	Active	42,830
Kingsway SLG Limited	Receivership	726,517
Loyola Hall Limited	Administration	282,692
L.T.D. Contractors Limited	Liquidation	51,792,205
Rainhill Hall Limited	Active	166,086
Shankly Hotel Preston Ops Limited	Active	36,923

Signature Campus Limited	Receivership	3,757,231
Signature Eden Limited	Administration	3,618,446
Signature Hanover Street Limited	Dissolved	120,252
Signature Heritage (Warwickshire) Limited	Active	31,923
Signature Live Events Limited	Active	43,132
Signature Living Arthouse Square Limited	Active	1,336,478
Signature Living BF Limited	Receivership	1,184,909
Signature Living Lifestyles Limited	Administration	687,124
Signature Shankly Apartments Limited	Liquidation	1,712,561
SL Events Limited	Active	211,026
SLG Contractors Limited	Active	32,572
SLG Crumlin Road Limited	Active	168,628
SLG DB Limited	Liquidation	2,422,647
SLG DB 1 Limited	Active	98,389
SLG DB 2 Limited	Active	7,952
SLG DB 4 Limited	Active	11,451
SLG Manchester 1 Limited	Dissolved	987,381
Stanley Street Hotel Limited	Liquidation	65,239
Stanley Street Hotel Property Limited	Receivership	435,304
The Exchange Hotel Cardiff Ops Limited	Liquidation	1,095,102
Waring SLG Two Limited	Active	2,327,799
Total		90,075,283

Demand letters were issued to 35 companies in the Group, including entities connected by way of common director or shareholding, seeking proposals for the repayment of intercompany loan debtor balances totalling £90,075,283.

Creditors should note that there are 25 entities in the Group, including entities connected by way of common director and shareholder, that have creditor balances with estimated claims against the Company of £96,023,017.

Based on the analysis undertaken to date, the majority of the entities within the Group that have outstanding intercompany loan balances are technically insolvent or subject to insolvency proceedings, both in terms of their ability to pay debts as they fall due and on a balance sheet basis.

The Joint Administrators engaged solicitors to commence initial debt recovery proceedings against intercompany debtor entities by issuing letter before action demands.

This exercise is ongoing as part of the investigations into the Company's financial affairs.

During the Previous Reporting Period, the Company took carriage of a winding-up petition issued by HMRC against L.T.D Contractors Limited, an entity that owed the Company c.£51m in relation to an intercompany loan.

The Joint Administrators previously issued a letter of demand for the outstanding debt and did not receive any response or repayment of the outstanding debt. Therefore, the Court ordered that L.T.D Contractors Limited be wound up by way of Compulsory Liquidation up on 14 September 2022. The projected outcome of the Liquidation process is unknown at this stage.

The Joint Administrators do not consider it in the best interests of Creditors to pursue an insolvent company, unless it becomes clear a distribution will be available to the unsecured creditors of the companies listed above.

Creditors should note that any distribution available to the Company from an unsecured claim would only be possible based on the level of asset realisations achieved against the liabilities of each company.

A further update will be provided in the next progress report to Creditors.

3.2.9 Directors Loan Account and Connected Party Transactions

Directors Loan Account

The Joint Administrators identified loans to current and former directors and connected parties totalling £1,141,087. Of this amount, £711,587 relates to the current and former directors' loan accounts.

The Joint Administrators engaged solicitors to commence debt recovery proceedings by issuing demand letters to the current and former directors and connected parties seeking proposals for repayment of the loans.

The response received from the current and former director to the demands for repayment of the outstanding directors' loan did not address the matter of repayment. The directors were given one final opportunity to put forward a repayment plan and failed to do so. Therefore, a formal statutory demand was served on the current and former directors on 19 April 2022.

During the Reporting Period, part payment of the directors' loan account totalling £150,000 was received into the client account of the solicitors. The Joint Administrators will continue to pursue the current and former directors' outstanding loan account balances. In the event the loans are not repaid, the Joint Administrators reserve the right take legal action against the current and former director.

Antecedent Transactions

Outside of the Reporting Period, the Joint Administrators have entered into a settlement agreement with a third party in respect of loans advanced totalling £251,835 and claims of alleged antecedent transactions with regards to the transfer of properties prior to the Appointment Date. The settlement agreement totals £256,955, which includes a contribution to legal costs. The first tranche of the settlement amount totalling £100,000, has been paid to the Company outside of the Reporting Period.

Wirral Farmhouse Limited

As part of the Joint Administrators review of the Company's accounting records, it was identified that various outstanding payments had been made by the Company on behalf of Wirral Farmhouse Limited purchase and subsequent mortgage payments.

As these payments were made with no commercial benefit to the Company, the Joint Administrators issued a demand to Wirral Farmhouse Limited for the sum of £116,159.

The Joint Administrators received a response to the demand stating that they were in the process of refinancing the asset in order to facilitate the repayment of any outstanding liabilities.

However, as no subsequent progress was made, the Joint Administrators proceeded to issue a statutory demand in September 2021 for the full amount.

During the Reporting Period, the Joint Administrators filed a claim form and particulars at Court, requesting default judgement from the Court in respect of payment of the outstanding debt.

An update will be provided in the next progress report to Creditors.

3.2.10 The Coal Exchange Hotel LLP Underwriting Loan

The Company has provided an underwriting loan of c£8,600,000 in respect of the development of the Coal Exchange Hotel. Please refer to the previous Progress Report for further detail in relation to this loan.

The Company entered into a commercial settlement agreement with The Coal Exchange Hotel LLP in the Previous Reporting Period in respect of the underwriting loan and the various claims they had brought against the Company.

The settlement amount totals £3,000,000, with an initial £1,500,000 payable. Payments totalling £1,449,000 have been received to date, with £68,000 being received in the Reporting Period, and the remainder payable in further monthly instalments.

The subsequent balance of £1,500,000 is payable either upon a sale or refinance of the hotel or on the second anniversary of the settlement agreement in July 2023.

The Company reserves the right to pursue the underwriting loan balance in full and it is acknowledged The Coal Exchange Hotel LLP has reserved its right to continue to pursue its various claims against the Company until such time as the settlement amount is paid in full.

3.2.11 ECP

During the Administration, the Joint Administrators received a payment of £227,388 from First Data Group in respect of Pre-Administration PDQ monies from credit card merchant facilities the Company operated.

3.1.12 Cash at bank

The Joint Administrators were aware that at the date of Administration, the Company had cash at bank of £16,221 which was held at Santander. The Company previously operated another account with Lloyds which had cash at bank of £116. These sums were transferred to the Administration estate account shortly after appointment.

Further cash at bank of £21,134 was transferred over to the Administration estate in a previous reporting period.

An additional £480 has been transferred to the Administration estate in the Previous Reporting Period and a further £110 has been received in the Reporting Period.

3.1.13 Other assets

The Joint Administrators continue to investigate whether there are any additional assets that can be realised for the benefit of the Administration estate.

3.2.14 Investigations

The Joint Administrators have a statutory obligation to file a report with the Insolvency Service regarding the conduct of all directors that held office in the three years prior to the Administration. This report must be filed within three months of the Appointment Date and the content of this report is confidential.

The report was due to be submitted to the BEIS by 14 July 2020, however this deadline was extended to accommodate for delays brought about by COVID-19.

The Joint Administrators have filed their report with the DBEIS regarding the conduct of the Director of the Company. The content of this report is confidential and has been submitted to the Insolvency Practitioners Compliance Unit.

The Joint Administrators are continuing to review the affairs of the Company to identify any action which can be taken that may result in recoveries for Creditors.

Additionally, the Joint Administrators have a duty to investigate antecedent transactions, which include but are not limited to, transactions to defraud creditors, preference payments and transactions at an undervalue.

The Joint Administrators' have extensively investigated the Company and investigations are ongoing. Given the complexity of the Administration and its entanglement with over 70 associated companies, including intercompany loans, and connected party transactions, this process is expected to take time.

During the Administration, the Joint Administrators' have initiated the recovery of assets identified to date, in particular:

- Confirmed intercompany positions and initiated the recovery of intercompany balances from group and associated entities; and
- Initiated recovery of assets held by third parties including loans to directors and related parties.

Investigations continue in order to identify further potential recoveries, such as claims against third parties.

These extensive investigations continue to be focused on the following areas:

- Securing information from third parties (for example the Company's professional advisors);

- Securing and reviewing information, in particular email, server and financial data for the Company and a number of other entities around the group in order to reconcile the intercompany debtor and creditor position with the Company;
- A review of transactions with a variety of different investors to understand the associated fund flows around the Group;
- Review of transactions with current and former directors and related parties, to include sales at undervalue and misfeasance;
- Review of data relating to construction contracts and associated costs where they are connected to unreconciled balances with the Company and around the Group;
- Analysis of key bank accounts held currently and previously; and
- Further investigations into large or significant transactions, for example loans and property purchases that didn't materialise.

If any Creditor has any information concerning the Company's affairs that they would like to bring to the Joint Administrators' attention, please do so by emailing Callum.O'Brien@kroll.com or Jen.Harrison@kroll.com or writing to Kroll Advisory Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

3.3 Costs

Payments made in the Reporting Period are set out in the attached Receipts and Payments Account at Appendix 3.

Please refer to the attached Receipts and Payments account at Appendix 3 for details of the trading costs which are self-explanatory.

Summaries of the most significant payments during the Reporting Period are provided herein:

3.3.1 Accountants fees

The Joint Administrators have paid costs of £1,300 in relation to the preparation of the Corporation Tax returns and associated schedules for the period ended 30 June 2022.

Furthermore, the Joint Administrators have also paid costs of £5,200 in respect of SDLT and tax advice and debt tax issues for the Company.

3.3.2 Legal fees and disbursements

During the Reporting Period, the Joint Administrators have paid legal fees of £30,000 and disbursements of £15,563 to the Solicitors in relation to claims against associated companies. Furthermore, £80,000 was also paid to the Solicitors in respect of realising Daniel House, pursuing the directors loan account and other intercompany debtor balances, and assisting with investigations into the Company. The associated disbursements paid during the Reporting Period in relation to this were £4,067.

In addition, the Joint Administrators have paid legal fees of £6,551 in the Reporting Period to Eversheds Sutherland LLP with regards to a security review.

3.4 Fees and expenses

The Joint Administrators have detailed the costs incurred during the Reporting Period, whether paid or unpaid, in the schedule of expenses attached at Appendix 4.

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

Significant expenses incurred but not paid		
Joint Administrators' time costs	£94,343	Total time costs incurred in the Reporting Period is £94,343 (see Appendix 5). Remuneration of £200,000 and disbursements of £403 has been paid during the Reporting Period, which also relates to time costs incurred in previous reporting periods. See section 6 for further details in relation to the Joint Administrators' fees.
Insurance	£64,812	The cost of the open cover insurance of all assets and liabilities of the Company during the Reporting Period.
Legal fees and disbursements	£118,831	The Company's legal advisors (Shakespeare Martineau LLP) have incurred legal fees of £106,650 and disbursements of £12,181 during the Reporting Period in dealing with ongoing advice for West Africa House and L.T.D. Contractors Limited, pursuing the directors loan accounts, assisting with investigations into the Company and making an application to extend the Administration.
VAT	£2,000	VAT is payable in relation to the sale of the motor vehicle

4. Outcome for Creditors

4.1 Secured Creditors

4.1.1 Albendan Limited

The Company granted a fixed charge on 17 February 2020 over the property trading as the Shankly Hotel in consideration for monies advanced to two subsidiary companies, SSSH and SLCE, by way of loan facilities.

The Company also granted a fixed charge to Albendan over its shareholding in SLCE in respect of the SLCE loan facility.

The principal indebtedness to Albendan in respect of SSSH was £2,700,925 as at 4 April 2021, subject to accruing interest and costs.

The principal indebtedness to Albendan in respect of SLCE loan facility was £12,014,618 as at 4 April 2021, subject to accruing interest and costs.

Albenden appointed Administrators over SLCE on 6 May 2020. The Administrators subsequently resigned from office and SLCE was placed into Compulsory Liquidation.

Based on current information, it is uncertain whether Albenden will receive a distribution under their fixed charge and guarantee as this is dependent on whether the loans to SLCE and SSSH are repaid in full, which is unlikely, and whether there are sufficient realisations in this Administration and/or the Administration of SSL.

As such, Albendan will likely seek to make a claim for any shortfall under its security over the Shankly Hotel.

4.1.2 Lyell Trading Limited

The Company granted fixed charges to Lyell Trading in respect of its shareholding in the respective subsidiaries being Signature Eden Limited, SLG Manchester 1 Limited and Loyola Hall Limited in consideration for monies advanced to various subsidiary companies.

Debentures were also granted to Lyell Trading dated 11 October 2019 and 18 December 2019, which confer fixed and floating charges over all of the assets of the Company.

The security that has been granted by the Company relates to a number of other development loans that are cross collateralised, providing cross guarantees in relation to each borrower and the borrowers obligations under the respective loan facilities.

4.1.3 SW Construction

The Company granted debentures to SW Construction in consideration for monies advanced to the Group conferring fixed and floating charges over the assets of the Company, excluding the shareholding in SLG Cruise and SLC.

The security that has been granted by the Company relates to a number of other development loans that are cross collateralised, providing cross guarantees in relation to each borrower and the borrowers obligations under the respective loan facilities.

4.1.4 Henslow Trading Limited

The Company granted Henslow a fixed charge over the freehold property trading as the Shankly Hotel in consideration for a loan facility provided to the Company or SSL on 13 March 2018.

The Company granted a debenture to Henslow conferring fixed and floating charges over the assets of the Company, excluding the shareholding in SLG Cruise and SLCE on 18 December 2019.

The Company granted Henslow a fixed charge over its shareholding in Alma de Cuba Hotel Limited in consideration for monies advanced to a subsidiary on 26 October 2018.

The Company granted a debenture to Henslow on 11 October 2019, conferring fixed and floating charges over the assets of the Company in consideration for monies advanced to the Group.

The security that has been granted by the Company relates to a number of other development loans that are cross collateralised, providing cross guarantees in relation to each borrower and the borrowers obligations under the respective loan facilities.

Henslow has not received any distributions in the Administration to date.

4.1.5 LT Prime Secured SPC Limited

The Company granted LT Prime Secured SPC Limited (in Liquidation) a fixed charge over its shareholding in Harrington Street Hotel Limited in consideration for monies advanced to a subsidiary on 21 October 2019.

LT Prime Secured SPC Limited (in Liquidation) appointed LPA Receivers over the property they hold security over on Cavern Walks, Matthew Street, Liverpool. The property was sold in the Reporting Period, but resulted in a shortfall to LT Prime Secured SPC Limited (in Liquidation).

4.1.6 Hope Capital

The Company entered into a secured term loan agreement for £152,000 with Hope Capital on 24 September 2019 secured against the freehold of Daniel House, Liverpool and provided a fixed charge over the property in favour of Hope Capital.

Hope Capital assigned their debt and security to Investments West Derby Limited.

Investments West Derby Limited have received a distribution of £230,175 in respect of loan principal and accrued interest following the sale of the freehold of Daniel House, as shown in the Receipts and Payments Account at Appendix 3, resulting in Investments West Derby Limited being repaid in full.

4.1.7 Mount Street Mortgage Servicing Limited

The Company granted Mount Street Mortgage Servicing Limited a fixed charge over its shareholding in 30 James Street Limited in consideration for monies advanced to a subsidiary on 26 April 2019.

Mount Street Mortgage Servicing Limited has appointed LPA Receivers over the fixed charged assets of 30 James Street Limited and 30 JS Property Limited.

Administrators' independent of Kroll have been appointed over 30 James Street Limited.

4.1.8 Alter Domus Trustees (UK) Limited (formerly Cortland Trustees Limited)

The Company granted Alter Domus Trustees (UK) Limited a fixed charge over its shareholding in Signature Living Residential Limited by the Company in consideration for monies advanced to a subsidiary on 13 December 2019. The secured debt is guaranteed.

Signature Living Residential was placed into Administration on 16 April 2020.

Alter Domus Trustees (UK) Limited have submitted an unsecured claim in the Administration under their guarantee from the Company totalling £13,337,031, although the quantum of the final claim is subject to the realisation of a property on Old Hall Street, Liverpool. The Administration is being handled by FRP Advisory.

Connected to this secured lender is Eiger Funding (Pcc) Limited that advanced monies to a subsidiary, Signature Victoria Mill Limited.

Signature Victoria Mill Limited was also placed into Administration on 16 April 2020 and the Administration is also being handled by FRP Advisory.

Eiger Funding (Pcc) Limited have submitted an unsecured claim in the Administration totalling £16,417,310, under their guarantee from the Company. The quantum of the final claim is subject to the realisation of the property, Victoria Mill, Manchester.

4.1.9 Stoneygate 2007 Limited

The Company granted legal charges to Stoneygate in respect of the following properties:

<u>Date</u>	<u>Charge</u>	<u>Property</u>
9 February 2017	Fixed charge	17,19 and 21 Cotton Street, Liverpool
9 February 2017	Fixed charge	28 Carlton Street, Liverpool
9 February 2017	Fixed charge	17,19 and 21 Cotton Street, Liverpool
9 February 2017	Fixed charge	28 Carlton Street, Liverpool

The amount outstanding under this facility at the Appointment Date was £182,700, subject to accruing charges and interest.

<u>Date</u>	<u>Charge</u>	<u>Property</u>
23 November 2018	Fixed charge	Flat 9, 38-40 Victoria Street, Liverpool
23 November 2018	Fixed charge	Flat 11, 38-40 Victoria Street, Liverpool

The Company granted security over the above properties as part of a loan facility provided to Signature Campus Limited, which includes two other leasehold properties in Daniel House. The overall amount outstanding under this facility is £344,450, subject to accruing charges and interest.

The Joint Administrators consented to the appointment of Fixed Charge Receivers on 18 November 2022. It was the Administrators understanding the Joint Receivers resigned in December 2021, although it was only one of the Receivers that had resigned, leaving one still appointed.

The Receivers have confirmed 9 & 11 Victoria Street have been sold and further details are awaited, although it is understood there is unlikely to be a surplus available for the Administration estate.

Stoneygate have received a distribution of £205,918 in respect of the sale of the freehold titles of Cotton Street and Carlton Street in a prior reporting period. Stoneygate have been repaid in full in relation to the facility provided for Cotton Street and Carlton Street.

4.1.10 The Coal Exchange Hotel LLP

The Company granted a fixed charge on 5 April 2017 in relation to the development of The Coal Exchange Hotel in Cardiff and a construction account charge. The Company did not open a construction account as part of their role as developer at the Coal Exchange.

4.2 Preferential Creditors

It is anticipated that preferential claims will be received from former employees of the Company that were made redundant prior to the appointment of the Joint Administrators, in addition to employees that have been made redundant since appointment.

The RPS have submitted a preferential claim totalling £57,737 in respect of payments made to the Company's former employees relating to wage arrears and outstanding holiday pay.

Based on current information, it is anticipated that there may be sufficient realisations to enable a distribution to the Preferential Creditors.

4.3 Unsecured Creditors

As per the Company's records at the Appointment Date, the Unsecured Creditors totalled £111,921,594. The Unsecured Creditors were previously summarised as below:

Creditor	£
Trade and expense Creditors	1,520,549
Intercompany Creditor – Shankly LLP	147,815
Signature Living Residential Limited (Contingent)	14,084,405
Signature Victoria Mill Limited (Contingent)	16,417,310
Accruals & Deferred Income	2,213,604
Other Tax & Social Security	302,034
Intercompany Debt	34,111,902
Related Party Debt	27,973,942
Other Creditors	5,150,033
Estimated Retail Investor Guarantee (see below)	10,000,000
Total	111,921,594

Details were provided by the director of Signature Capital Investments Limited and UKAG who represent this group of investors, in relation to retail investors and loans provided to subsidiaries of Signature

Capital Investments Limited. The Joint Administrators established the potential exposure to the Company where it acts as corporate guarantor is in the region of £40,000,000.

Claims received to date in relation to corporate guarantees granted by the Company are in the region of £70,000,000.

Please note that this amount is subject to change upon any potential adjudication for dividend purposes as this includes interest accrued past the relevant date being the Appointment Date, under Rule 14.23 of the Rules, and is also subject to exchange rate differences from those claims submitted by international investors.

Retail Investors who are not represented by UKAG should ensure any claims are submitted to Kroll by emailing signaturelivinghotel@kroll.com or writing to Kroll Advisory Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW. If a claim has already been submitted no further action is required.

Creditors should note that it is estimated c£96,000,000 of the unsecured debt is intercompany, connected and related party Creditors within the Group.

As highlighted at section 3.2.8 in the report, the Joint Administrators have been working with the senior management team to reconcile the position in relation to the intercompany debtors and creditors.

Based on current information there will be insufficient realisations to enable a dividend to Unsecured Creditors, aside from the Prescribed Part, if applicable. This position may change dependent on future realisations, quantum of claims received from Secured and Preferential Creditors and the costs of the Administration.

4.4 Prescribed Part

The Company granted a number of floating charges post 15 September 2003 therefore, the Prescribed Part provisions will apply.

The anticipated quantum and timing of the Prescribed Part remains uncertain, and an update will be provided in the next report to Creditors.

If not already done so, Creditors of the Company should complete the appropriate proof of debt form at Appendix 10 and return this to the Joint Administrators with evidence to support your claim at signaturelivinghotel@kroll.com or Kroll Advisory Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

5. Other matters

5.1 Creditors' Committee

No decision procedure is being sought from creditors as part of this progress report.

5.2 Creditors' Committee

A creditor's committee has not been established as the Joint Administrators received no nominations for a committee to be quorate within the relevant time period. Creditors were invited to form a committee.

5.3 Joint Administrators' Receipts and Payments account

A detailed Receipts and Payments Account for the Reporting Period is shown in Appendix 3, together with a cumulative account for the whole of the Administration.

5.4 Creditors' rights

Further information regarding the remuneration and disbursements of the Joint Administrators, including Creditors' rights to challenge such costs is provided at Appendix 7.

6. Fees, Expenses and Pre-Administration costs

6.1 Fees and expenses

6.1.1 Time costs

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 5.

Time costs incurred in the Reporting Period (excluding investigations) total £94,343, which represents 213 hours at an average hourly rate of £443.

Cumulative time costs incurred during the whole Administration (excluding investigations) total £1,107,178, which represents 2,749 hours at an average hourly rate of £403.

Time costs incurred in the Reporting Period with respect to Investigation's total £10,484, which represents 26 hours at an average hourly rate of £402.

Time costs incurred in the Administration as a whole with respect to Investigation's total £554,278, which represents 1,342 hours at an average hourly rate of £413.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 6.

6.1.2 Fees

The Joint Administrators did not receive the necessary consents from all of the Secured and Preferential Creditors in relation to the basis of the time costs and fee estimate totalling £763,950. There were no objections although some Secured Creditors did not respond.

The Joint Administrators fee basis and fee estimate must have Creditor consent within 18 months of the Administration commencement, otherwise a Court application would need to be made. Therefore, the Administrators made an application to Court seeking approval of the basis of the Administrators' time costs and the initial fee estimate of £763,950. An Order was granted by the Court on 17 December 2021 approving the fee basis and estimate of £763,950.

In a previous reporting period, the Joint Administrators have drawn remuneration totalling £763,950, in accordance with the initial fee estimate.

As the Joint Administrators time costs have exceeded the initial fee estimate and the Administration has been extended to 14 April 2023. The Joint Administrators circulated a revised fee estimate to the Secured and Preferential Creditors for £2,007,979, although Court approval was required.

As such, the Joint Administrators made another application to Court for the approval of the revised fee estimate at £2,007,979, which the Court granted on 22 April 2022.

It is therefore anticipated that a further £346,523 of time costs will be incurred in addition to the time costs incurred to date, in progressing the Administration to closure. The Joint Administrators do not require further consent to draw remuneration within the revised fee estimate.

During the Reporting Period, the Joint Administrators have drawn further remuneration of £200,000 and disbursements of £403.

Details of the total fees drawn by Joint Administrators are detailed in the Receipts and Payments Account attached at Appendix 3.

6.1.3 Expenses

Expenses are any payments from the Administration which are neither an Administrator's remuneration nor a distribution to a creditor or member. Expenses also include disbursements. Disbursements are payments which are first met by the Administrator and then reimbursed to the Administrator from the Administration.

Expenses are divided into those that do not need approval before they are charged to the Administration (Category 1) and those that do (Category 2).

Category 1 Expenses are payments to persons providing the service to which the expense relates who are not an associate of the Administrator.

Category 2 Expenses are payments to associates or which have an element of shared costs and require approval from creditors in the same manner as the Administrator's remuneration, whether paid directly from the estate or as a disbursement.

The Joint Administrators provided in their Proposals report to creditors an estimate of expenses for the Administration, totalling £183,980. This was for information purposes only and could possibly change over the course of the Administration.

Appendix 4 details the current update of the expenses estimate, as well as the expenses incurred and paid during the Reporting Period and the whole of the Administration to 14 April 2023.

In the Reporting Period, Category 1 Expenses of £196,694 were incurred and, of this amount, £142,771 was paid, which included some expenses from previous reporting periods. No Category 2 Expenses were incurred or paid during this period.

For the whole period of the Administration to 14 April 2023, Category 1 Expenses totalled £1,186,182 and of this amount, £689,198 has been paid. In the same period, Category 2 Expenses of £784 were incurred, of which £434 has been paid.

In the Reporting Period, Category 1 Trading Expenses of £42,777 were incurred, and £31,333 has been paid. In the same period, no Category 2 Trading Expenses were incurred.

For the whole period of the Administration to 14 April 2023, Category 1 Trading Expenses incurred totalled £1,351,642, of which £1,340,199 have been paid.

In the same period, no Category 2 Trading Expenses were incurred or paid.

6.1.4 Additional information

Also attached at Appendix 6 is a narrative summary of the work carried out to assist Creditors in understanding the progress of the Administration, the associated costs and expenses of the related activities and the financial benefit to Creditors.

Details of how to obtain further information relating to the fees and expenses of the Joint Administrators is set out in Appendix 7.

6.2 Pre-Administration costs

Pre-Administration costs are fees, charges and expenses incurred by the Joint Administrators or their firm, or another person qualified to act as an insolvency practitioner, before the Company entered Administration but with a view to it doing so.

Pre-Administration costs	Paid (£)	Unpaid (£)	Total (£)
Kroll Advisory Ltd fees	2,890	-	£2,890
Legal fees	2,275	-	£2,275
Total	5,165	-	£5,165

The above costs exclude VAT.

The Joint Administrators confirm that payment of the unpaid Pre-Administration costs, as an expense of the Administration, is subject to approval under Rule 3.52 of the Rules and does not form part of the Proposals, subject to approval under Paragraph 53, Schedule B1 of the Act.

The Joint Administrators' Pre-Administration costs have been drawn in full. Pre-Appointment legal fees incurred have also been paid in full.

7. Future strategy

7.1 Future conduct of the Administration

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

- Completing a sale of the Shankly Hotel freehold;
- Seek to realise the underwriting loan repayable by the Shankly Hotel LLP;
- Seek to realise Director Loan Account and all other debts due from connected and related parties;
- Realise all other property assets;
- Seek to further realise the Company's interests in the Coal Exchange underwriting loan;
- Continuing to establish the status of each property development and whether repayment of loans will be forthcoming in the future following a sale or refinance of the property in question, resulting in a surplus for the estate;
- Where applicable, seek to realise value from the Company shareholding in entities around the Group, where possible;
- Finalising the reconciliation and collection of the intercompany debtors and book debt;
- Conducting further investigations into the affairs of the Company including the intercompany creditor and debtor position and the Company's historical trading activity;
- Continuing to communicate with all classes of creditors, including retail investors / loan note holders in order to understand the Company's exposure and liabilities;
- Adjudication of claims and distribution should sufficient funds become available for any class of creditor;
- Settling all outstanding costs of the Administration; and
- Completing all other statutory matters prior to finalising the Administration.

7.2 Extension of the Administration

An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the Creditors' consent.

The Joint Administrators requested that the period of Administration be extended for a period of 24 months in order to deal with a number of outstanding matters as detailed at Section 7.1 above.

The extension was granted by an Order in the County Court on 9 April 2021. Consequently, the revised end date for the Administration was 15 April 2023.

During the Reporting Period, the Joint Administrators made another application to Court for an extension of the Administration for a further 24 months given there are a number of ongoing outstanding matters and assets to realise as detailed at Section 7.1 above.

Another extension was granted by an Order in the County Court on 30 March 2023. Consequently, the revised end date for the Administration is 15 April 2025.

A further update will be provided in the next progress report to Creditors.

7.3 Future reporting

The Joint Administrators will provide a further progress report within one month of every six months of the Appointment date, or earlier if the Administration has been completed prior to that time.

If you require further information or assistance, please do not hesitate to contact Callum O'Brien of this office.



Michael Lennon
Joint Administrator

Enc.

The affairs, business and property of the Company are being managed by the Joint Administrators, Matthew Ingram and Michael Lennon, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association.

Appendix 1 – Statutory information

Company information

Company and trading name	Signature Living Hotel Limited	
Date of incorporation	29 June 2012	
Registered Number	08124207	
Company Director(s)	Lawrence Kenwright	
Shareholders	Lawrence Kenwright – One ordinary £1 share Katie Kenwright – One ordinary £1 share	
Trading address	Cavern Court 1st Floor 8 Mathew Street Liverpool L2 6RE	
Registered office	Current: c/o Kroll Advisory Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Cavern Court 1st Floor 8 Mathew Street Liverpool L2 6RE
Any Other trading names	N/A	

Administration information

Administration Appointment	The Administration appointment granted in the High Court of Justice, Business and Property Court in Manchester 2191 of 2020
Appointor	Henslow Trading Limited, a Secured Creditor
Date of Appointment	15 April 2020
Joint Administrators	Matthew Ingram and Michael Lennon
Original purpose	Achieving a better result for a Company's creditors as a whole than would be likely if a Company were wound up (without first being in Administration)
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1
Current Administration expiry date	15 April 2023
Prescribed Part	The Prescribed Part is not applicable in this case.
Application of EC Regulations	These proceedings have been defined as the Main Proceedings under Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

The Joint Administrators' proposed the following:

General

- To continue to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect;
- To do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion, consider desirable or expedient in order to achieve the purpose of the Administration;
- To investigate and, if appropriate, pursue any claims the Company may have for the benefit of the Company's Creditors; and
- Seek an extension to the Administration period if considered necessary.

Distributions

- To make distributions to the Secured, Preferential and Unsecured Creditors (as appropriate) where funds allow.

End of Administration

That the Joint Administrators might use any or a combination of the following exit route strategies in order to bring the Administration to an end:

- Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
- Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Matthew Ingram and Michael Lennon of Kroll, would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation. The creditors may nominate a different person as the proposed Liquidator, provided the nomination is received at this office prior to the approval of these Proposals. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Petition the Court for a winding-up order placing the Company into Compulsory Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Matthew Ingram and Michael Lennon of Kroll, would act as Joint Liquidators should the Company be placed into Compulsory Liquidation without further recourse to creditors. Any action required or authorised under any enactment to be done by the Joint Liquidators is to be done by all or any one or more of them;
- Take the necessary steps to give notice of move from Administration to dissolution with the Registrar of Companies, if the Joint Administrators consider that Liquidation is not appropriate because (1) the Company has no remaining property which might permit a distribution to its creditors, and (2) all outstanding matters have been satisfactorily completed.

Alternatively, the Joint Administrators may allow the Administration to end automatically.

The Joint Administrators have sought specific agreement to the following Proposals from the Secured and Preferential Creditors which do not form part of these Proposals.

Appendix 3 – Receipts and Payments Account

Signature Living Hotel Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 15/10/2022 To 14/04/2023 £	From 15/04/2020 To 14/04/2023 £
POST APPOINTMENT SALES		
PAYE/NIC and Pension Contributions	NIL	5,065.32
Management Charges Income	NIL	245,184.73
HMRC JRS Grant	NIL	1,007,975.16
	NIL	1,258,225.21
OTHER DIRECT COSTS		
Attachment of Earnings Order	NIL	352.00
Wages & Salaries	25,331.58	996,683.73
PAYE/NIC	6,001.42	266,409.78
Pension Contributions	NIL	47,788.19
Post-Appointment Accrued Holidays	NIL	28,964.66
	(31,333.00)	(1,340,198.36)
TRADING SURPLUS/(DEFICIT)	(31,333.00)	(81,973.15)

Signature Living Hotel Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 15/10/2022 To 14/04/2023 £	From 15/04/2020 To 14/04/2023 £
SECURED ASSETS		
Freehold Land & Property	NIL	855,000.00
Gross bank interest - fixed account	24.55	57.26
Property Related Costs Covered	NIL	175.00
Ground Rent Arrears	NIL	67,200.00
	24.55	922,432.26
COSTS OF REALISATION		
Property Agents Fees	NIL	12,500.00
Property Agents Disbursements	NIL	7,103.00
Legal Fees	NIL	147,000.00
Legal Disbursements	NIL	1,166.00
LPA Receivers Fees	NIL	7,529.46
Insurance	NIL	2,113.00
Consultancy	NIL	1,750.00
	NIL	(179,161.46)
SECURED CREDITORS		
Stoneygate 2007 Limited	NIL	205,918.00
Investments West Derby Limited	NIL	230,174.55
	NIL	(436,092.55)
ASSET REALISATIONS		
Bank Interest Gross	645.18	685.86
Cash at Bank	110.06	38,061.41
Coal Exchange Loan Settlement Sums	68,000.00	1,449,000.00
Directors Loan Account	150,000.00	150,000.00
ECP FiServe PDQ	NIL	227,388.36
Fixtures, Fittings & Equipment	NIL	10,000.00
Motor Vehicles	10,000.00	10,000.00
Rent	NIL	9,000.00
Trading Surplus/(Deficit)	(31,333.00)	(81,973.15)
Utilities Refund	NIL	18,959.54
West Africa House - Rent Receivable	NIL	13,333.33
	197,422.24	1,844,455.35
COST OF REALISATIONS		
Accountants Fees	6,500.00	9,000.00
Agents/Valuers Disbursements	NIL	164.00
Agents/Valuers Fees	NIL	3,100.00
Bank Charges	NIL	15.00
IT Consultancy Work	NIL	250.00
Joint administrators' disbursements	402.84	1,061.84
Joint administrators' remuneration	200,000.00	963,950.00
Legal Disbursements	19,719.80	33,455.80
Legal Fees	116,551.00	529,051.00
Pre Insolvency Remuneration	NIL	2,890.00
Premises Licence Cost	NIL	448.00
Stationery & Postage	NIL	619.98
Statutory Advertising	NIL	94.50
Storage Costs	NIL	397.20
Transcription Services	NIL	88.00
West Africa House - Ground Rent	NIL	13,333.33
	(343,173.64)	(1,557,918.65)
	(145,726.85)	593,714.95
REPRESENTED BY		

Signature Living Hotel Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 15/10/2022 To 14/04/2023 £	From 15/04/2020 To 14/04/2023 £
REPRESENTED BY CONTINUED		
Fixed bank account		24.55
Floating/main current account		529,396.47
General VAT control account		1,310.20
VAT payable		(2,000.00)
VAT Receivable		64,983.73
		593,714.95

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: comparison with estimate

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Accountancy costs	10,000	6,500	9,000	Accountancy costs have not exceeded the original estimate.
Agents' costs – Wignall Brownlow	0	0	2,140	Wignall Brownlow's agents costs in respect of splitting the freehold titles to enable serving of the Section 5A notices in respect of Daniel House. Costs could not be estimated at the outset as the position with Daniel House was not yet known.
Legal costs – Shakespeare Martineau	150,000	118,831	933,700	Issues exceeded expectation around the reversal of the share transfers, the BPRA investment schemes, Daniel House and rent demands, Liverpool City Council lease, trademarks, management agreements, claims against associated companies and the directors, Coal Exchange settlement agreement and the extensions of the Administration
Legal costs – Clarion	0	0	4,540	Legal costs in respect of the sale of the Cotton Street asset. Costs could not be estimated at the outset as the extent to which legal advice would be required was not yet known.
Legal costs – Eversheds Sutherland	0	6,551	45,027	Legal costs in respect of the security validity review. Costs could not be estimated at the outset as the extent to which legal advice would be required was not yet known.
Property Agents	TBC	0	26,113	Pantera's advice in respect of the sale of the Cotton Street asset. Costs could not be estimated at the outset as the extent to which agents would be required was not yet known. Furthermore, auction costs incurred by and paid to Acuitus during the Previous Reporting Period could not have been known at the outset.
Property Agents	TBC	0	0	CBRE's advice in respect of the sale of the Shankly Hotel. Costs could not be estimated at the outset nor at this current time as the sale price is not known and the Joint Administrators negotiated a selling

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
				fee of 0.6% up to £30m and 1% for anything above.
Storage	500	0	397	Due to the COVID-19 pandemic and Kroll's policy move to a paperless office, storage costs to date have been minimal and have not exceeded the initial estimate.
Data room costs	600	0	0	Data room costs would relate to sale of business and assets. Although a sale of some property assets has taken place, data room costs were not incurred as this has been borne by the Agents.
Advertising	105	0	95	Advertising costs have not exceeded the original estimate.
Bonding	225	0	225	Bonding has not exceeded the original estimate.
Insurance of assets	20,000	64,812	140,024	Insurance costs have exceeded the original estimate as the extent of properties the Company was responsible for was not known at the time of providing the initial estimate.
Bank charges	50	0	15	No bank charges have been incurred to date.
Agents	0	0	1,124	Valuation fee for fixtures and fittings within the Shankly Hotel. This was not included in original fee estimate as it was originally anticipated all agents' costs would fall under CBRE Limited as the property agents.
Sundry expenses	1,000	0	783	Sundry expenses in respect of travel and subsistence have not exceed the original estimate.
Mileage (own car usage)	1,500	0	0	Mileage has not exceeded the previous estimate.
Consultancy	0	0	1,750	This cost was not anticipated at the outset in respect of Daniel House Land Registry plans, and so it was not included in the original estimate.
Insurance	0	0	2,113	This insurance cost was not anticipated at the outset in respect of the sale of the Cotton Street asset and so it was not included in the original estimate.
IT Consultancy	0	0	250	This cost was not anticipated at the outset in respect of investigations into the Company, and so it was not included in the original estimate.

Expenses	Original expenses estimate £	Actual expenses incurred in the Reporting Period £	Actual expenses incurred to date £	Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate)
Stationery & Postage	0	0	620	This cost was not anticipated at the outset but has occurred as a result of COVID-19 forcing the outsourcing of posting letters whilst the Joint Administrators had to work from home. As such, it was not included in the original estimate.
Transcription Services	0	0	88	This cost was not anticipated at the outset but is in respect of interviews for investigations into the company, and so it was not included in the original estimate.
LPA Receivers Fees	0	0	7,569	This cost was not anticipated at the outset as the position with certain property assets was not yet known, and so it was not included in the original estimate.
License fee	0	0	448	This cost was not included in the initial estimate as it was not anticipated that costs would be incurred in respect of a license fee for the Shankly Hotel that would need to be settled by the Company as per the previous agreement.
West Africa House – Ground Rent	0	0	13,333	This cost was not included in the initial estimate as was not anticipated that costs would be incurred in respect of a tenants rent that would be due to the Company and then remitted to the landlord.
TOTAL	183,980	196,694	1,189,354	

Notes

The above costs exclude VAT and any trading costs of the Administration.

The Previous Progress Reports have informed creditors of increases in the original estimates.

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses			Reporting Period		Cumulative Period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Accurate Mailing Services	Remote postage	As incurred	0	0	620	620
AKD Services Ltd	Transcription services	Fixed fee	0	0	88	88
Alexander & Co LLP	Tax advice	Fixed fee	5,200	5,200	5,200	5,200
AON UK Limited	Statutory bond premium	Fixed fee	0	0	225	225
AUA Insolvency Services Limited	Risk Insurance of assets	Fixed premium	64,812	0	140,024	0
Avensis Hospitality Solutions Limited	Providing a license holding facility for the site	Fixed fee	0	0	448	448
BPI Asset Advisory Ltd	Valuation of tangible assets	Fixed fee plus disbursements	0	0	1,124	1,124
Clarion	Legal advice on in respect of the sale of Cotton Street	Time costs	0	0	4,540	4,540
Courts Advertising	Statutory advertising of notice of Administration in London Gazette	Fixed fee	0	0	95	95
Curo Chartered Accountants	Tax advice in respect of SLCE loan settlement agreement and CT returns	Fixed fee	1,300	1,300	3,800	3,800
Eversheds Sutherland LLP	Security review	Time costs	6,551	6,551	44,051	44,051
Eversheds Sutherland LLP	Security review	Disbursements	0	0	976	976
G S Events Limited	West Africa House	Ground rent	0	0	13,333	13,333
Hospitality IT Solutions Ltd	IT services	Fixed fee	0	0	250	250
Mlp	Consultancy advice in respect of Land Registry	Time costs	0	0	1,750	1,750

	plans for Daniel House					
Pantera Property	Consultancy advice in respect of the sale of Cotton Street	Time costs	0	0	7,500	7,500
Pantera Property	Expenses in respect of advice the sale of Cotton Street	Disbursements	0	0	5,593	5,593
Acuitus	Service costs incurred in auctioning Daniel House	Expenses	0	0	5,000	5,000
Acuitus	Expenses incurred in operating the auction for Daniel House	Disbursements	0	0	1,510	1,510
Shakespeare Martineau LLP	Legal advice in assisting with the Appointment, Daniel House, the BPRA pursuing debts, sale of Shankly Hotel, S236 claims as well as other ad hoc legal advice	Time costs	106,650	110,000	886,876	547,295
Shakespeare Martineau LLP	Legal disbursements in respect of Counsel, land registry and search fees, court fees and the matters detailed above	As incurred	12,181	19,720	50,985	33,606
Wignall Brownlow	Agents' fees in respect of serving Section 5A Notice to Daniel House investors	Fixed Fee and disbursements	0	0	2,140	2,140
Wilson Field	LPA Receivers fees	Time costs and disbursements	0	0	7,529	7,529
Wilson Field	Insurance in respect of the sale of Cotton Street	Insurance of asset per policy	0	0	2,113	2,113
Barclays	Bank charges	As incurred	0	0	15	15

Total Data Management	Storage costs for books and records	Per box	0	0	397	397
Total			196,694	142,771	1,186,182	689,198

Category 2 Expenses	Recipient	Activity	Fee Basis	Reporting Period		Cumulative Period	
				Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
	Kroll	Accommodation for travelling to the Company's premises for case related matters	As incurred	0	0	409	227
	Kroll	Ground travel to the Company's premises for case related matters	As incurred	0	0	294	175
	Kroll	Reimbursement of subsistence expenses for staff at the Company's premises	As incurred	0	0	14	0
	Kroll	Staff mileage to site	45p per mile	0	0	67	32
Total				0	0	784	434

Notes

The above costs exclude VAT.

The Joint Administrators' choice of professional advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee.

Kroll, being the employer of the Joint Administrators and the staff working on the Administration, is considered an associate of the Administrators.

It is considered that these expenses are fair and reasonable and proportionate to the Administration.

Joint Administrators' Trading Expenses: Category 1 and Category 2

Category 1 Expenses				Reporting Period		Cumulative period	
Recipient		Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Cheshire Magistrates Court		Attachment of Earnings Order	As incurred	0	0	352	352
Employees on SLH payroll		Work undertaken for the Company	Wages	25,332	25,332	996,684	996,684
Employees on SLH payroll		Pension contributions	Contributions	1,541	0	49,329	47,788
Employees on SLH payroll		Holidays accrued whilst working during the Administration	As incurred	0	0	28,965	28,965
HMRC		PAYE & NIC deductions	As incurred	15,904	6,001	276,312	266,410
Total				42,777	31,333	1,351,642	1,340,199

Notes

The above costs exclude VAT and only relate to the trading expenses of the Administration, which were not originally included in the expenses estimate in the Proposals as it was not known what level of trading would be required, particularly as a result of the COVID-19 pandemic.

No Category 2 Trading Expenses have been incurred or paid.

Appendix 5 – Analysis of time charged

Joint Administrators' Fees

Refer to the table overleaf for a detailed breakdown on the Joint Administrators' time and cost summary in accordance with SIP 9:

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/10/2022 to 14/04/2023

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	1.65	0.00	1.20	0.00	2.85	1,329.50	466.49
Cashiering & accounting	0.00	5.50	4.40	14.60	0.00	24.50	9,698.00	395.84
Dealings w/ directors & management (inc associated updates/reporting)	0.00	41.40	0.00	0.60	0.00	42.00	21,927.50	522.08
IPS set up & maintenance	0.00	0.00	0.00	0.10	0.00	0.10	40.00	400.00
Insurance	0.00	0.00	0.60	0.00	0.00	0.60	219.00	365.00
Statutory matters (Meetings & Reports & Notices)	0.00	12.05	0.00	12.70	0.00	24.75	10,168.75	410.86
Strategy planning & control (incl engagement financial control)	0.00	22.00	0.00	6.15	0.00	28.15	13,604.50	483.29
Tax Compliance / Planning	0.00	1.10	0.00	6.10	0.00	7.20	2,389.50	331.88
Creditors								
Dealings with creditors and employees	1.50	5.40	7.60	2.35	0.00	16.85	6,731.50	399.50
Non Pref Creditors / Employee claims handling	0.00	0.00	0.20	0.00	0.00	0.20	66.00	330.00
Secured Creditors	0.00	4.40	1.20	0.00	0.00	5.60	2,908.50	519.38
Investigations								
CDDA & reports & Communication	0.00	4.80	0.00	0.00	0.00	4.80	2,400.00	500.00
Financial review and investigations (S238/239 etc)	0.00	0.00	1.90	0.00	0.00	1.90	648.00	341.05
Realisation of Assets								
Book debts	0.00	1.40	0.00	1.50	0.00	2.90	1,195.00	412.07
Freehold and Leasehold Property	0.00	9.20	0.60	0.00	0.00	9.80	5,060.50	516.38
Hire Purchase and Lease Assets	0.00	0.00	0.00	0.30	0.00	0.30	120.00	400.00
Other Intangible Assets	0.00	8.70	0.30	0.00	0.00	9.00	4,670.00	518.89
Other Tangible Assets	0.00	1.00	0.00	0.40	0.00	1.40	733.50	523.93
Sale of business	0.00	1.90	0.00	0.00	0.00	1.90	950.00	500.00
Trading								
Trading - Accounting	0.00	0.00	0.00	2.65	0.00	2.65	895.50	337.92
Trading - Employees	0.00	0.00	25.45	0.00	0.00	25.45	8,587.50	337.43
Total Hours:	1.50	120.50	42.25	48.65	0.00	212.90		443.13
Total Fees Claimed: £	975.00	63,378.25	14,856.50	15,133.00	0.00		94,342.75	

118037 SIGNATURE LIVING HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/10/2022 to 14/04/2023

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning Strategy planning & control (incl engagement financial control)	0.00	1.70	0.00	0.00	0.00	1.70	857.00	504.12
Investigations Financial review and investigations (S238/239 etc)	0.00	13.45	1.20	9.75	0.00	24.40	9,626.75	394.54
Total Hours:	0.00	15.15	1.20	9.75	0.00	26.10		401.68
Total Fees Claimed: £	0.00	7,747.75	396.00	2,340.00	0.00		10,483.75	

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/04/2020 to 14/04/2023

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	21.40	4.00	21.35	10.00	56.75	19,664.00	346.50
Cashiering & accounting	0.00	43.50	27.20	103.20	0.00	173.90	58,239.00	334.90
Dealings w/ directors & management (inc associated updates/reporting)	5.00	198.60	0.00	1.50	0.00	205.10	104,786.00	510.90
IPS set up & maintenance	0.00	0.00	0.00	0.85	0.00	0.85	193.50	227.65
Insurance	0.00	2.50	0.60	5.60	0.00	8.70	3,269.00	375.75
Statement of affairs	0.00	4.70	0.00	2.70	0.00	7.40	2,763.00	373.38
Statutory matters (Meetings & Reports & Notices)	4.05	135.70	0.00	112.00	0.00	251.75	95,861.75	380.78
Strategy planning & control (incl engagement financial control)	30.10	238.25	0.00	68.45	0.00	336.80	161,940.00	480.82
Tax Compliance / Planning	0.00	6.30	0.00	31.40	0.00	37.70	11,402.50	302.45
Creditors								
Creditors committee	2.90	0.00	0.00	1.00	0.00	3.90	2,199.00	563.85
Dealings with creditors and employees	2.30	299.50	12.20	295.30	0.00	609.30	224,681.50	368.75
Non Pref Creditor claims adjudication & dist'n	0.00	0.90	0.00	0.75	0.00	1.65	637.50	386.36
Non Pref Creditors / Employee claims handling	0.00	41.50	1.70	117.00	0.00	160.20	46,637.00	291.12
Pref claims adjudication & distribution	0.00	0.00	0.00	1.05	0.00	1.05	346.50	330.00
Secured Creditors	18.55	98.75	1.20	28.60	0.00	147.10	71,194.50	483.99
Investigations								
CDDA & reports & Communication	0.00	28.50	0.00	45.00	0.00	73.50	23,973.50	326.17
Financial review and investigations (S238/239 etc)	0.00	7.95	4.15	20.40	0.00	32.50	10,624.00	326.89
Forensic Sales Ledger Investigation	7.20	2.50	0.00	0.00	0.00	9.70	6,675.00	688.14
Realisation of Assets								
Book debts	0.00	6.55	0.00	16.25	0.00	22.80	8,236.50	361.25
Freehold and Leasehold Property	4.20	207.45	0.60	28.05	0.00	240.30	113,257.00	471.32
Hire Purchase and Lease Assets	0.00	0.90	0.00	0.55	0.00	1.45	617.50	425.86
Other Intangible Assets	0.70	91.90	0.70	0.30	0.00	93.60	47,319.50	505.55
Other Tangible Assets	0.00	16.35	0.00	0.90	0.00	17.25	8,953.50	519.04
Sale of business	0.00	8.90	0.00	8.15	0.00	17.05	6,092.50	357.33
Trading								
Trading - Accounting	0.00	9.95	0.00	33.55	0.00	43.50	16,036.50	368.66
Trading - Employees	0.00	12.20	30.55	141.15	0.00	183.90	56,576.00	307.65
Trading - Operations	1.30	4.85	0.00	4.65	0.00	10.80	4,776.50	442.27
Trading - Retention of Title & Claims handling	0.00	0.00	0.00	0.90	0.00	0.90	225.00	250.00
Total Hours:	76.30	1,489.60	82.90	1,090.60	10.00	2,749.40		402.70
Total Fees Claimed: £	51,285.00		30,386.50		1,900.00		1,107,177.75	

118037 SIGNATURE LIVING HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/04/2020 to 14/04/2023

Investigations

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	1.90	0.00	0.00	0.00	1.90	969.00	510.00
Dealings w/ directors & management (inc associated updates/reporting)	0.80	0.80	0.00	0.00	0.00	1.60	1,008.00	630.00
Statutory matters (Meetings & Reports & Notices)	3.20	0.00	0.70	0.00	0.00	3.90	2,631.00	674.62
Strategy planning & control (incl engagement financial control)	7.10	18.90	0.00	0.00	0.00	26.00	14,838.00	570.69
Investigations								
Financial review and investigations (S238/239 etc)	22.50	487.80	362.85	375.55	54.80	1,303.50	532,315.25	408.37
Forensic Sales Ledger Investigation	0.50	3.00	0.00	0.00	0.00	3.50	1,905.00	544.29
Realisation of Assets								
Book debts	0.00	1.20	0.00	0.00	0.00	1.20	612.00	510.00
Total Hours:	34.10	513.60	363.55	375.55	54.80	1,341.60		413.15
Total Fees Claimed: £	25,095.00		129,486.25	97,811.50	16,676.50		554,278.25	

Appendix 6 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the Reporting Period

Administration and planning

- Monitoring and reviewing the Administration strategy;
- Briefing staff on the Administration strategy and matters in relation to workstreams;
- Regular case management and reviewing of process including regular team update meetings and calls;
- Meeting with management to review and update strategy and monitor progress;
- Dealing with queries arising during the appointment;
- Reviewing matters affecting the outcome of the Administration;
- Allocating and managing staff/ case resourcing and budgeting exercises and reviews;
- Liaising with legal advisors regarding various instructions, including agreeing content of engagement letters; and
- Complying with internal filing and information recording practices, including documenting strategy decisions.

Creditors

- Updating the list of Unsecured Creditors;
- Responding to enquiries from Creditors and retail investors / loan note holders regarding the Administration and submission of their claims;
- Reviewing completed forms and questionnaires submitted by Creditors, recording claim amounts, and maintaining claim records;
- Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy; and
- Monitoring the enquires email inbox and responding to all stakeholders, particularly Investors.

Investigations

- Managing and reviewing the Company books and records;
- Investigating the affairs of the Company to identify any actions available to the Company against third parties in respect of antecedent transactions or other litigation;
- Obtaining records from third parties;
- Conducting interviews with counterparties and officeholders;
- Enquiring with counterparties who has raised disputes against the Company;
- Investigating and pursuing the intercompany debtors, Director's loan account and connected party transactions, including the wider Signature Group, shareholding and debtors

	<ul style="list-style-type: none">• Reviewing pre-appointment transactions; and• Documenting investigations.
Statutory and compliance	<ul style="list-style-type: none">• Ensuring compliance with all statutory obligations within the relevant timescales;• Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; and• Preparing this report and the associated documents.
Cashiering	<ul style="list-style-type: none">• Preparing statutory receipts and payments accounts;• Journaling in any funds received from asset realisations;• Raising payments to professional advisors in respect of costs of the Administration; and• Renewing bonding and complying with statutory requirements.
Asset realisations	<ul style="list-style-type: none">• Collating information from the Company's records regarding assets, specifically relating to the properties;• Liaising with the Agents regarding the sale of the property assets;• Reviewing outstanding debtors and intercompany balances;• Seeking legal advice in relation to the properties and various lease agreements;• Liaising with the Solicitors in respect of the HMRC winding-up petition carriage of L.T.D Contractors Limited• Liaising with The Coal Exchange Hotel LLP regarding the settlements amounts due under the agreement;• Liaising with SLHO regarding the management charges income;• Dealing with the sale of the motor vehicle; and• Communicating with relevant parties regarding rent; property occupation and other property issues.
Trading	<ul style="list-style-type: none">• Reviewing the operational position of Company;• Completing all payments and journals required to meet trading obligations of the Company;• Discussing the strategy with regards to the outstanding property developments;• Ensuring the appropriate insurance cover is in place for the properties in order to protect the property interests; and• Dealing with retained employee matters and payroll, as well as assisting all employees that have been made redundant with submitting their redundancy claims to the RPS.
Tax	<ul style="list-style-type: none">• Analysing and considering the tax effects of asset sales;• Working on tax returns relating to the periods affected by the Administrator;

- Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
- Dealing with post appointment tax compliance.

Appendix 7 – Statement of Creditors' rights

Rule numbers refer to Insolvency (England & Wales) Rules 2016 (as amended)

Section or paragraph numbers refer to Insolvency Act 1986

If you require a copy of any relevant rule or section, please contact Callum.O'Brien at Callum.O'Brien@kroll.com.

Information for Creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of Kroll's expense policy and hourly charge out rates for each grade of staff that may undertake work on this case, can be viewed and downloaded from the Kroll website at:

<https://www.kroll.com/en-gb/services/restructuring-advisory/creditor-guides-and-employee-fact-sheets>

Click on the document - Creditor Guides (amended for changes introduced by the Insolvency (England & Wales) Rules 2016 from 6 April 2017) – Administrations.

Should you require a copy (at no cost), please contact this office.

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

Applications are by Unsecured Creditors (including the Unsecured Creditors making the challenge) or with the permission of the Court.

The full text of the relevant rules can be provided on request by writing to Callum O'Brien at callum.obrien@kroll.com or to this office at The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	SIA Group, independent agents who were instructed to value and sell the Company's assets
Albendan	Albendan Limited, the holder of fixed charges over the assets of the Company
the Appointment Date	15 April 2020 being the date of appointment of the Joint Administrators
Avensis / AHS	Avensis Hospitality Solutions Limited
BEIS	The department for Business, Energy & Industrial Strategy
BPRA	Business Premises Renovation Allowance
Carlton Street	28 Carlton Street, Liverpool, L3 7ED
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expense relates and who are not an associate of the Administrator. These expenses can be paid without prior approval
Category 2 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to associates or where there is an element of shared costs. Such expenses require approval by creditors before payment
CVA	Company Voluntary Arrangement
the Company	Signature Living Hotel Limited (In Administration) (Company Number: 08124207)
the Council	Liverpool City Council
the Cumulative Period	15 April 2020 to 14 April 2023
Daniel House	Daniel House, Trinity Road, Bootle, L20 3RG
the Directors	Lawrence Kenwright, the directors of the Company
ECP	E-Comprocessing Ltd
EC Regulation	EC Regulation on Insolvency Proceedings 2000

Word or Phrase	Definition
the Group	The wider Group of companies, as detailed in the Proposals
Henslow	Henslow Trading Limited, the holder of fixed and floating charges over the assets of the Company
Hope Capital	Hope Capital 2 Limited, the holder of a fixed charge over assets of the Company
the Hotel	The Shankly Hotel, Millennium House, 60 Victoria Street, Liverpool, L1 6JD
HMRC	HM Revenue and Customs
the Joint Administrators	Matthew Ingram and Michael Lennon of Kroll
the Joint Receivers	James Liddiment and Paul Greenhalgh of Kroll
Kroll	Kroll Advisory Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW
Lyell Trading	Lyell Trading Limited, the holder of fixed charges over the assets of the Company
Preferential Creditor/s	A creditor with a claim that ranks in priority to other unsecured creditors, to floating charge holders and the prescribed part. Preferential debts are either 'ordinary', such as certain employee claims, or 'secondary', such as HMRC's claims for VAT and PAYE income tax, which will rank for payment after the ordinary preferential claims are paid in full
the Prescribed Part	Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a designated amount of the Company's net property (floating charge assets less costs of realisation) shall be made available to Unsecured Creditors
the Previous Progress Reports	The Joint Administrators' First Progress Report to Creditors for the period from the Appointment Date to 14 October 2020; The Joint Administrators' Second Progress Report to Creditors for the period from the 15 October 2020 to 14 April 2021; The Joint Administrators' Third Progress Report to Creditors for the period from the 15 April 2021 to 14 October 2021; The Joint Administrators' Fourth Progress Report to Creditors for the period from 15 October 2021 to 14 April 2022; and The Joint Administrators' Fifth Progress Report to Creditors for the period from 15 April 2022 to 14 October 2022

Word or Phrase	Definition
the Previous Reporting Period	15 April 2022 to 14 October 2022
PDQ	Process Data Quickly
the Proposals	The Joint Administrators' Report to Creditors and Statement of Proposals, dated 10 June 2020
the Reporting Period	The period 15 October 2022 to 14 April 2023
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
SLCE	Signature Living Coal Exchange Limited
SHLO	The Shankly Hotel Liverpool Ops Limited
SSL	Signature Shankly Limited (in Administration)
SSSH	Signature Stanley Street Hotel Limited
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
UKAG	UK Accommodation Group Limited
the Website	https://micro.kroll.com/ukrestructuring/cases?caselid=1641
West Africa House	West Africa House, 25 Water Street, Liverpool, L2 0RG

Appendix 9 – Notice about this report

This report has been prepared by Matthew Ingram and Michael Lennon, the Joint Administrators of the Company, solely to comply with their statutory duty to report to Creditors under the Insolvency (England and Wales) Rules 2016 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purposes, or in any other context.

This report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of any financial interest in the Company or any other company in the same group.

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

Any person that chooses to rely on this report for any purpose or in any context other than under the Insolvency (England and Wales) Rules 2016 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this report to any such person.

Matthew Ingram and Michael Vincent Lennon are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

The Joint Administrators are bound by the Insolvency Code of Ethics.

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