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1 Company details

Company number 08124207

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 B32DX

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 M21EW

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 1	
To date	^d 1	^d 4	^m 0	^m 4	^y 2	^y 0	^y 2	^y 2	


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 3	^m 0	^m 5	^y 2	^y 0	^y 2	^y 2	

AM10

Notice of administrator's progress report



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Contact name Callum O'Brien

Company name Kroll Advisory Ltd

Address The Chancery

58 Spring Gardens

Post town Manchester

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Country United Kingdom

DX

Telephone



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Progress Report to Creditors

13 May 2022

Signature Living Hotel Limited (In Administration)

Joint Administrators' Progress Report for the period from 15 October 2021
to 14 April 2022.

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

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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 by a further period of two years to 15 April 2023.

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 the 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 16 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 shareholdings and property interest 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 provides protection to 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, tangible and intangible assets.

Progress to date

COVID-19 restrictions have caused unavoidable delays with a number of developments in the group. The Joint Administrators continue to monitor the status of each entity and ongoing property development in the Signature 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 and intercompany and related party debtors and have identified a number of outstanding loans due to the Company. Letters of demand have been issued to a number of connected and intercompany debtors and recovery action is ongoing.

The Joint Administrators received two tranches of loan settlement sums totalling £1.3m in respect of The Coal Exchange Hotel LLP underwriting loan in previous reporting periods. A further £200,000 instalment due in April 2022 remains outstanding.

The Joint Administrators instructed the Agents to take steps to bring the Hotel to the open market whilst SHLO continues to trade the Hotel.

During the Reporting Period, the Joint Administrators entered into a period of exclusivity with one interested party who put forward the best offer. The Joint Administrators have been liaising with the interested party, along with the Agents, to assist with their due diligence. The interested party has since withdrawn their interest and therefore the Hotel will be brought back to market as soon as possible.

During the 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 in excess of £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 via the Company to other entities within the Signature Group to assist with development funding or ongoing operational expenses.

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

It is currently anticipated that 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 in the Reporting Period.

3.1 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 below:

3.1.1 Trading

A number of the Company's freehold and leasehold property assets recommenced trading in July 2020 and due to a combination of local and national lockdowns, opened and closed sporadically throughout the remainder of 2020 and 2021, until hotels were able to recommence limited trading on 17 May 2021.

COVID-19 restrictions were lifted in full on 19 July 2021 and trading has improved as a consequence.

The Company provided head office and support services to the operational companies within the Group and, as far as the Joint Administrators are aware, 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 Report 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 with the Administration. This was reduced to two in a prior reporting period, with one further employee resigning in the Reporting Period, leaving one remaining.

As shown in the Receipts and Payments Account in Appendix 3, receipts totalling £70,684 have been received in the Reporting Period in relation to funds received from the Signature Group for management recharges to cover wages of the remaining employees in the Reporting Period.

Costs in the Reporting Period in respect of the trading account total £104,203, resulting in a deficit of £33,518. This deficit is driven by the payment of the employees' pension contributions since the Appointment Date which were discharged in the Reporting Period. In addition, the trading deficit is mainly down to payment of holiday entitlements that accrued whilst former employees were on furlough leave.

3.1.2 The Shankly Hotel Freehold

As reported previously, the Company owns the freehold title to the Shankly Hotel in Liverpool and has granted a long leasehold interest in the property to SSL, which includes the fixtures, fittings, furniture and equipment in the Hotel.

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

SHLO manage day to day operations of the Hotel under a Right to Manage Agreement with SSL. COVID restrictions were lifted on 19 July 2021 and trading improved as a result. It is believed that continuity of trade will result in an increase in the realisable value of the freehold title of the Hotel.

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 the progress report for SSL.

The Agents received a number of indicative offers for the Hotel from a wide variety of interested parties in November 2021. The parties that submitted the best offers were reduced down to three and following a further period of due diligence, the Administrators sought best and final offers in December 2021.

The Joint Administrators agreed a two-month period of exclusivity with the interested party that put forward the best offer. The offer was submitted in the form of a "letter of intent" which means it was subject to an inspection period and further detailed vendor due diligence before the final offer would be confirmed. The indicative offer had the approval of the Secured Creditors.

The offer would have resulted in a positive outcome for all stakeholders, including the bedroom investors receiving 100% of their initial investment back, as a minimum. As previously advised, this offer was by no means guaranteed to be progressed by the interested party.

Since their initial offer was provisionally accepted, the interested party changed their stance and provided three separate offers based on alternative structures and scenarios. Further details cannot be disclosed in order to avoid prejudicing any future negotiations.

During the Reporting Period it became apparent that their interest for the freehold property could not be progressed as the proposed purchaser requested a guarantee from the Administrators that clear title of the Hotel could be delivered upon exchange and completion before they would confirm the value of their final offer.

Their offer assumed all leasehold titles would be collapsed or surrendered at completion so that the potential purchaser is only left purchasing the freehold title, free of all leasehold interests and encumbrances such as secured lender charges. This could be delivered, but only once their offer was confirmed at a level that enabled the Administrators to enter into negotiations with the various leaseholders.

The Joint Administrators are only able to deliver clear title if an offer to purchase the Hotel is guaranteed at a certain level, which would enable the Joint Administrators to exercise the various option agreements, where the investors would sell their leasehold interests back to the Company and then the leases would be collapsed, with the alternative being a sale of the freehold with the leasehold interests still in place at a value less than the amounts owed. This may need to be explored at a future date.

The Joint Administrators of SSL are only able to exercise the option agreements if the Company is either in funds to pay the option purchase price, or there is a legal binding guarantee from a purchaser that the offer they have put forward would not be reduced prior to completion, so the funds from the sale of the Hotel could be utilised to complete the options and buy back of the leasehold interests.

The Administrators are only able to progress a sale of the Hotel if a potential purchaser transacts in good faith due to the various complexities around the leasehold interests and legal mechanisms to buy back the leases in order to deliver up the freehold with clean title.

It has not been possible to agree a way forward with the potential purchaser at this time and therefore, the Joint Administrators are currently reviewing their strategy and the next steps with the Agents in order to complete a sale of the Hotel, which will include bringing the Hotel back to the open market.

Whilst the Hotel has not been formally brought back to the market by the Agents, there remains strong interest in the opportunity where interested parties are continuing to undertake due diligence and inspections.

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

BPRA

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 form an integral part of the realisation strategy in the Hotel.

As previously mentioned, there is an Option Agreement in place between the Company and Shankly Hotel LLP, that enables the Company to purchase the leasehold interest back and collapse the lease.

The Joint Administrators intend to exercise the Option Agreement as part of a sale of the Hotel. It is not possible to disclose details of the Option Agreement due to commercial sensitivity around the ongoing marketing 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.

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

Retail Investors / UKAG

The Company acts as corporate guarantor on all loans advanced to Signature Capital Investments Limited and connected entities, with each agreement linked to an ongoing property development within the Signature Group. The Company is not a shareholder in any of the Signature Capital Investment Limited group entities and is only connected by way of common director and shareholder.

All loans with Retail Investors relate to monies advanced to Signature Capital Investments entities, which are linked to property development schemes that fall outside of the scope of this Administration process.

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 our investigations this is highly unlikely to be achievable.

The Joint Administrators continue to monitor the status of each property development in order to determine whether any of the outstanding loans will be repaid in the future, following either a restructure of the entities that own certain properties, or via a sale or refinance of secured debt. The majority of which falls outside of this Administration process.

The following properties are subject to secured debt and not subject to insolvency proceedings:

- Bankfield, Residential, Liverpool
- Shankly Hotel, Preston
- Dixie Dean Hotel, Liverpool
- Alma De Cuba, Liverpool
- Loyola / Rainhill Hall, Liverpool
- Waring, Belfast
- Arthouse Square Hotel, Liverpool

The following properties are subject to secured debt where third party 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 Liquidation
- Cavern Walks, Liverpool – In Receivership
- Bling Bling Building, Liverpool – In Receivership (Sold)
- Stanley Street Hotel, Liverpool – in Receivership

The Joint Administrators continue to make regular enquiries with the various Administrators and Receivers to understand their strategy, marketing timescales and estimated realisations.

The Joint Administrators continue to monitor whether a sale or refinance of the property assets will settle all liabilities in the respective entities, including secured debt and whether surplus funds will be made available to the Company, as shareholder, in the form of a dividend, or possibly from a dividend being paid to the Company out of an insolvent estate as an unsecured creditor, due to an intercompany debt.

Arthouse Square Hotel

UKAG recently made contact with 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 UKAG were seeking to raise additional finance from existing retail investors and lenders with a view to repaying the existing secured debt, in order to redevelop or repurpose the Arthouse Square property.

The reason for the approach is the Company is the sole shareholder in the Arthouse Square entity that owns the property; and the Company has an outstanding intercompany loan of circa £2m; and therefore, a key stakeholder. It is not possible to divulge the details of UKAG proposal as it is understood this is still being finalised.

As the Administrators have no involvement in the day to day running of the Arthouse Square Hotel, further information has been requested to support any proposal, including up to date financial information. The Administrators have made it clear to UKAG they are open to assessing any proposal that is put forward by the Director and UKAG, if the proposal is in the best interest of the general body of Creditors. Further details will be provided in the next report.

The Director and UKAG have obtained "guarantee and standstill agreements" from over 95% (by value) of unsecured retail investors, which provides 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. There are 596 loan agreements, made up of 365 unique investors with total outstanding loans in the region of £40,000,000.

Neither the Company or the Joint Administrators were party to the negotiation or implementation of the guarantee and standstill agreements and therefore, cannot comment on the potential outcome for investors upon expiry of the agreements.

The Joint Administrators continue to correspond with the Retail Investors to confirm that they have submitted their relevant unsecured contingent claims by way of proof of debt forms and that the Joint Administrators have received all the necessary documentation to support these claims, predominantly being a copy of the loan note agreement and deed of guarantee.

Purported CVA proposal

As previously reported, the Joint Administrators were informed that the Director of the Company had been in discussions with a group of investors with a view to working together to formulate a restructuring plan for the Company and across the wider Signature Group.

There has been no further communication with the Directors of UKAG on the subject of a CVA.

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

3.1.3 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 a number of luxury 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 under 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 previously requested a voluntary surrender from the landlord on the basis there is no value in the long leasehold and therefore no benefit to the Administration estate. To date, a surrender is yet to be agreed with the landlord.

3.1.4 Daniel House

The Company owns the freehold interest to Daniel House which is a residential apartment development.

The freehold property has 168 apartments and buyers were granted a 250-year lease. The Company sold most of the apartments on the basis of assured rents over a period of three years. Please refer to the Previous Progress Reports for further detail regarding this development.

During the Administration the director of West Derby Investments Limited managed the property under the entity Daniel House Client Account Limited. No formal management agreement was in place between the Company and Daniel House Client Account Limited or any other entity controlled by the Director, connected to Daniel House.

During the Reporting Period, 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. Mark Begg. These arrears are now payable to Mr. Mark Begg.

In addition, the Company has received £10,205 in respect of ground rent arrears in the Reporting Period.

Neither the Company nor the Joint Administrators have any further involvement with Daniel House.

No further realisations will be made in this regard.

3.1.5 Victoria Street

The Company owns the freehold to flats 9 and 11 at 38-40 Victoria Street, Liverpool. During the Reporting Period, the Company received £5,000 from a tenant in respect of rent.

3.1.6 Stanley Street Hotel

The Company owns the freehold title to the Stanley Street Hotel in Liverpool and has granted a long leasehold interest in the property to SSSH, which includes the fixtures, fittings, furniture and equipment in the hotel.

As previously advised, Stanley Street Hotel was subject to insolvency proceedings and entered into Receivership on 20 April 2021.

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

3.1.7 Group Companies, Shareholding and Debtors

As mentioned previously, 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.

As per the Company's books and records, the outstanding level of indebtedness due to the Company in respect of trade debtors and other debtors, including prepayments and accrued income was stated at £25,274,208, although it has not been possible to reconcile this balance against the financial records of the Company.

At the date of Appointment, the Company's intercompany and related party debtor balances were circa £63,357,939 due from other entities within the group and related parties, with corresponding intercompany and related party creditor balances totalling £92,735,374 as per the Company's records.

Due to the nature of the complex group structure, the Joint Administrators have extensively investigated the financial position of the Company and connected entities, paying particular attention to the reconciliation of the intercompany loan position around the Signature Group.

The Administrators continue to analyse the Company's books and records, in conjunction with working with the senior management team within the group, who are preparing up to date financial statements for each entity, as well as reconciling the intercompany position.

Demand letters were issued to 35 companies in the Signature Group, including entities connected to Signature by way of common director or shareholding, seeking proposals for the repayment of intercompany loan debtor balances totalling £90,075,238.

Creditors should note that there are 25 entities in the Signature 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 Signature Group, that have outstanding intercompany loan balances, are technically insolvent, both in terms of their ability pay debts as they fall due and on a balance sheet basis.

The Joint Administrators engaged Solicitors in the previous reporting period 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.

3.1.8 Directors Loan Account and Connected Party Transactions

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.

The outstanding balances due from other third parties are currently subject to ongoing Court proceedings brought by the Administrators. These proceedings have been brought together in relation to claims of alleged antecedent transactions with regards to the transfer of properties prior to the Appointment Date.

It is not possible to provide further details at this time in order to not prejudice the ongoing Court proceedings.

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

3.1.9 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 against the Company.

The settlement amount totals £3,000,000, with initial payments totalling £1,300,000, received to date, a further payment of £200,000 was due in April 2022, although this remains outstanding.

The 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.

3.1.10 ECP

During the Reporting Period, the Joint Administrators received a payment of £226,941 from First Data Group in respect of pre-Administration PDQ monies from credit card merchant facilities the Company operated.

3.1.11 Management charge income

The Company received funds totalling £70,684 during the Reporting Period to cover wages for employees that are utilised around the wider Signature Group.

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 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.

3.1.14 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 DBEIS 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 Reporting Period, 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 form 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 Signature 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.OBrien@kroll.com or Jen.Harrison@kroll.com or writing to Kroll Advisory Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

3.2 Costs

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

A Receipts and Payments Account has also been prepared to account for any transactions which relate specifically to trading activities. This is also attached at Appendix 3.

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 legal 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.

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) have appointed LPA Receivers over the property they hold security over on Cavern Walks, Matthew Street, Liverpool.

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 in the Reporting Period, as shown in the Receipts and Payments Account at Appendix 3.

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 who subsequently resigned in December 2021.

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. It is the Administrators understanding 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 follows:

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 have been 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.

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 3.1.7 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 it is anticipated that 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 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

5.2 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, Statement of Creditors' Rights.

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 total £141,659, which represents 348 hours at an average hourly rate of £407.

Cumulative time costs incurred during the whole total £913,918, which represents 2,316 hours at an average hourly rate of £395.

Time costs incurred in the Reporting Period with respect to Investigation's total £16,909, which represents 45 hours at an average hourly rate of £374.

Time costs incurred in the Administration as a whole with respect to Investigation's total £537,657, which represents 1,301 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.

In the 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 during the Reporting Period 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 £556,404 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.

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 expense 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 2022.

In the Reporting Period, Category 1 expenses of £275,355 were incurred and, of this amount, £274,867 was paid, which included some expenses from previous Reporting Periods. Category 2 expenses of £35 were incurred in this period.

For the whole period of the Administration to 14 April 2022, Category 1 expenses totalled £981,672 and of this amount, £528,371 was paid. In the same period, Category 2 expenses of £67 were incurred, which have been paid in full.

In the Reporting Period, Category 1 trading expenses of £67,780 were incurred, and of this amount, £104,203 has been paid, which included amounts incurred in previous Reporting Periods, with the additional amount paid over and above the £67,780 relating to Category 1 trading expenses incurred in prior reporting periods. In the same period, no Category 2 trading expenses were incurred.

For the whole period of the Administration to 14 April 2022, Category 1 trading expenses incurred totalled £1,262,841, which includes payroll costs of £946,435; pension and PAYE/NIC deductions and holidays accrued of £316,054. Of this amount, £1,255,406 has 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	2,890.00	£0,00	£2,890,00
Legal fees	2,275.00	£0,00	£2,275.00
Total	5,165.00	£0,00	£5,165.00

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 is 15 April 2023.

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.



Matthew Ingram
Joint Administrator

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 Stree Liverpool	
Registered office	Current: c/o Kroll Advisory The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Cavern Court 1st Floor 8 Mathew Stree Liverpool L2 6RE

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 15/10/2021 To 14/04/2022 £	From 15/04/2020 To 14/04/2022 £
POST APPOINTMENT SALES		
PAYE/NIC and Pension Contributions	NIL	5,065.32
Management Charges Income	70,684.47	209,251.68
HMRC JRS Grant	NIL	1,007,975.16
	70,684.47	1,222,292.16
OTHER DIRECT COSTS		
Attachment of Earnings Order	NIL	352.00
Wages & Salaries	41,764.96	946,435.10
PAYE/NIC	17,193.64	234,410.06
Pension Contributions	45,244.19	45,244.19
Post-Appointment Accrued Holidays	NIL	28,964.66
	(104,202.79)	(1,255,406.01)
TRADING SURPLUS/(DEFICIT)	(33,518.32)	(33,113.85)

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

Statement of Affairs £	From 15/10/2021 To 14/04/2022 £	From 15/04/2020 To 14/04/2022 £
SECURED ASSETS		
Freehold Land & Property	355,000.00	855,000.00
Gross bank interest - fixed account	11.08	11.08
Property Related Costs Covered	175.00	175.00
Ground Rent Arrears	67,200.00	67,200.00
	<u>422,386.08</u>	<u>922,386.08</u>
COSTS OF REALISATION		
Property Agents Fees	5,000.00	12,500.00
Property Agents Disbursements	1,510.00	7,103.00
Legal Fees	80,205.00	84,705.00
Legal Disbursements	NIL	40.00
LPA Receivers Fees	NIL	7,529.46
Insurance	NIL	2,113.00
Consultancy	NIL	1,750.00
	<u>(86,715.00)</u>	<u>(115,740.46)</u>
SECURED CREDITORS		
Stoneygate 2007 Limited	NIL	205,918.00
Investments West Derby Limited	230,174.55	230,174.55
	<u>(230,174.55)</u>	<u>(436,092.55)</u>
ASSET REALISATIONS		
Bank Interest Gross	28.33	28.33
Cash at Bank	480.00	37,951.35
Coal Exchange Loan Settlement Sums	NIL	1,300,000.00
ECP FiServe PDQ	226,940.83	227,388.36
Fixtures, Fittings & Equipment	10,000.00	10,000.00
Rent	5,000.00	5,000.00
Trading Surplus/(Deficit)	(33,518.32)	(33,113.85)
Utilities Refund	NIL	18,959.54
West Africa House - Rent Receivable	NIL	13,333.33
	<u>208,930.84</u>	<u>1,579,547.06</u>
COST OF REALISATIONS		
Accountants Fees	1,250.00	2,500.00
Agents/Valuers Disbursements	NIL	40.00
Agents/Valuers Fees	NIL	2,100.00
Bank Charges	15.00	15.00
IT Consultancy Work	NIL	250.00
Joint administrators' disbursements	659.00	659.00
Joint administrators' remuneration	763,950.00	763,950.00
Legal Disbursements	3,274.00	9,304.00
Legal Fees	130,000.00	330,000.00
Pre Insolvency Remuneration	2,890.00	2,890.00
Premises Licence Cost	NIL	448.00
Stationery & Postage	NIL	619.98
Statutory Advertising	NIL	94.50
Storage Costs	397.20	397.20
Transcription Services	NIL	88.00
West Africa House - Ground Rent	NIL	13,333.33
	<u>(902,435.20)</u>	<u>(1,126,689.01)</u>

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

Statement of Affairs £	From 15/10/2021 To 14/04/2022 £	From 15/04/2020 To 14/04/2022 £
	(588,007.83)	823,411.12
REPRESENTED BY		
Fixed bank account		350,259.47
Fixed charge VAT control account		5,026.60
Fixed charge VAT payable		(35.00)
Fixed charge VAT receivable		15,302.00
Floating/main current account		232,315.31
General VAT control account		222,463.30
VAT payable		(2,000.00)
VAT Receivable		79.44
		823,411.12

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: comparison with 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)
Accountancy costs	10,000	1,250	2,500	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	175,370	680,127	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, Coal Exchange settlement agreement and the extension 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	25,000	25,000	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	6,510	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 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 fee of 0.6% up to £30m and 1% for anything above.
Storage	500	397	397	Due to the COVID-19 pandemic and Kroll's policy move to a paperless

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)
				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	65,837	197,732	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	15	15	No bank charges have been incurred to date.
Sundry expenses	1,000	0	403	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.
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.

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)
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	274,379	965,458	

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
AON UK Limited	Statutory bond premium	Fixed fee	0	0	225	225
AUA Insolvency Services Limited	Risk Insurance of assets	Fixed premium	65,837	0	197,732	0
Avensis Hospitality Solutions Limited	Providing a license holding facility for the site	Fixed fee	0	0	448	448
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.	Fixed fee	1,250	1,250	2,500	2,500
Eversheds Sutherland LLP	Security review	Time costs	25,000	25,000	37,500	25,000
Eversheds Sutherland LLP	Security review	Disbursements	976	976	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 plans for Daniel House	Time costs	0	0	1,750	1,750
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	5,000	5,000	5,000	5,000
Acuitus	Expenses incurred in operating the auction for Daniel House	Disbursements	1,510	1,510	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	160,897	237,295	665,654	437,295
Shakespeare Martineau LLP	Legal disbursements in respect of Counsel, land registry and search fees, court fees and the matters detailed above	As incurred	14,473	3,424	24,164	9,454
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	15	15	15	15
Total Data Management	Storage costs for books and records	Per box	397	397	397	397
Total			275,355	274,867	981,672	528,371

Category 2 Expenses			Reporting Period		Cumulative period	
Recipient	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Kroll	Staff mileage to site	As incurred	35	35	67	67
Total			35	35	67	67

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	41,765	41,765	946,435	946,435
Employees on SLH payroll		Pension contributions	Contributions	2,389	45,244	46,247	45,244
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	23,626	17,194	240,842	234,410
Total				67,780	104,203	1,262,841	1,255,406

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.

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

118037 SIGNATURE LIVING HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 06/04/2020 to 14/04/2020

ADP-Admin. - Pre Appt.

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)	0.90	1.80	0.00	0.20	0.00	2.90	1,535.00	529.31
Investigations Financial review and investigations (S238/239 etc)	1.10	0.00	0.00	1.00	0.00	2.10	835.00	397.62
Realisation of Assets Freehold and Leasehold Property	0.80	0.00	0.00	0.00	0.00	0.80	520.00	650.00
Total Hours:	2.80	1.80	0.00	1.20	0.00	5.80		498.28
Total Fees Claimed: £	1,820.00	900.00	0.00	170.00	0.00		2,890.00	

118037 SIGNATURE LIVING HOTEL LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 15/04/2020 to 14/04/2022

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	18.05	4.00	19.20	10.00	51.25	17,224.00	336.08
Cashiering & accounting	0.00	31.20	19.20	80.40	0.00	130.80	41,299.50	315.75
Dealings w/ directors & management (inc associated updates/reporting)	5.00	106.30	0.00	0.90	0.00	112.20	57,408.50	511.66
IPS set up & maintenance	0.00	0.00	0.00	0.75	0.00	0.75	153.50	204.67
Insurance	0.00	2.50	0.00	5.20	0.00	7.70	2,918.00	378.96
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	116.40	0.00	85.05	0.00	205.50	78,395.00	381.48
Strategy planning & control (incl engagement financial control)	30.10	179.95	0.00	55.00	0.00	265.05	126,785.50	478.35
Tax Compliance / Planning	0.00	4.80	0.00	21.50	0.00	26.30	7,735.00	294.11
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	0.80	285.50	0.00	284.35	0.00	570.65	209,429.50	367.00
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	0.00	116.60	0.00	158.10	45,944.00	290.60
Pref claims adjudication & distribution	0.00	0.00	0.00	1.05	0.00	1.05	346.50	330.00
Secured Creditors	18.55	84.45	0.00	28.60	0.00	131.60	63,336.00	481.28
Investigations								
CDDA & reports & Communication	0.00	23.70	0.00	45.00	0.00	68.70	21,573.50	314.02
Financial review and investigations (S238/239 etc)	0.00	7.55	2.25	20.40	0.00	30.20	9,776.00	323.71
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	3.35	0.00	12.65	0.00	16.00	5,448.50	340.53
Freehold and Leasehold Property	4.20	188.15	0.00	26.75	0.00	219.10	102,717.50	468.82
Hire Purchase and Lease Assets	0.00	0.90	0.00	0.25	0.00	1.15	497.50	432.61
Other Intangible Assets	0.70	67.35	0.00	0.30	0.00	68.35	34,330.00	502.27
Other Tangible Assets	0.00	14.95	0.00	0.50	0.00	15.45	8,020.00	519.09
Sale of business	0.00	3.40	0.00	8.15	0.00	11.55	3,342.50	289.39
Trading								
Trading - Accounting	0.00	9.95	0.00	27.40	0.00	37.35	13,986.00	374.46
Trading - Employees	0.00	12.20	0.00	140.15	0.00	152.35	45,975.50	301.78
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:	74.80	1,215.10	25.45	990.15	10.00	2,315.50		394.70
Total Fees Claimed: £	50,310.00	601,201.50	10,100.00	250,406.50	1,900.00		913,918.00	

118037 SIGNATURE LIVING HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/04/2020 to 14/04/2022

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	1.10	0.00	0.00	0.00	1.10	561.00	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	17.20	0.00	0.00	0.00	24.30	13,981.00	575.35
Investigations								
Financial review and investigations (S238/239 etc)	22.50	467.60	360.45	360.30	54.80	1,265.65	516,958.75	408.45
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	490.90	361.15	360.30	54.80	1,301.25		413.18
Total Fees Claimed: £	25,095.00	273,039.50	128,694.25	94,151.50	16,676.50		537,656.75	

118037 SIGNATURE LIVING HOTEL LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 15/10/2021 to 14/04/2022

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	3.90	0.00	3.30	0.00	7.20	3,186.00	442.50
Cashiering & accounting	0.00	10.90	5.00	16.40	0.00	32.30	12,146.00	376.04
Dealings w/ directors & management (inc associated updates/reporting)	0.00	46.40	0.00	0.00	0.00	46.40	23,200.00	500.00
IPS set up & maintenance	0.00	0.00	0.00	0.20	0.00	0.20	38.00	190.00
Insurance	0.00	0.30	0.00	0.50	0.00	0.80	315.00	393.75
Statutory matters (Meetings & Reports & Notices)	0.00	15.50	0.00	21.05	0.00	36.55	14,059.50	384.66
Strategy planning & control (incl engagement financial control)	0.00	38.05	0.00	5.45	0.00	43.50	20,711.00	476.11
Tax Compliance / Planning	0.00	0.00	0.00	6.65	0.00	6.65	2,068.50	311.05
Creditors								
Creditors committee	0.00	0.00	0.00	0.80	0.00	0.80	264.00	330.00
Dealings with creditors and employees	0.00	18.30	0.00	41.05	0.00	59.35	19,481.50	328.25
Non Pref Creditors / Employee claims handling	0.00	0.20	0.00	9.90	0.00	10.10	3,269.00	323.66
Secured Creditors	0.00	19.25	0.00	5.20	0.00	24.45	11,528.50	471.51
Investigations								
Financial review and investigations (S238/239 etc)	0.00	1.00	0.00	2.00	0.00	3.00	790.00	263.33
Realisation of Assets								
Book debts	0.00	0.80	0.00	0.60	0.00	1.40	598.00	427.14
Freehold and Leasehold Property	0.00	20.80	0.00	5.15	0.00	25.95	11,949.50	460.48
Other Intangible Assets	0.00	4.30	0.00	0.30	0.00	4.60	2,249.00	488.91
Other Tangible Assets	0.00	1.60	0.00	0.00	0.00	1.60	800.00	500.00
Sale of business	0.00	0.30	0.00	0.35	0.00	0.65	204.50	314.62
Trading								
Trading - Accounting	0.00	0.00	0.00	7.10	0.00	7.10	2,343.00	330.00
Trading - Employees	0.00	0.90	0.00	27.10	0.00	28.00	9,338.00	333.50
Trading - Operations	0.00	3.60	0.00	4.00	0.00	7.60	3,120.00	410.53
Total Hours:	0.00	186.10	5.00	157.10	0.00	348.20		406.83
Total Fees Claimed: £	0.00	93,299.00	2,225.00	46,135.00	0.00		141,659.00	

118037 SIGNATURE LIVING HOTEL LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/10/2021 to 14/04/2022

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	1.10	0.00	0.00	0.00	1.10	561.00	510.00
Statutory matters (Meetings & Reports & Notices)	0.00	0.00	0.70	0.00	0.00	0.70	231.00	330.00
Strategy planning & control (incl engagement financial control)	0.00	1.40	0.00	0.00	0.00	1.40	714.00	510.00
Investigations								
Financial review and investigations (S238/239 etc)	0.00	11.10	30.90	0.00	0.00	42.00	15,403.00	366.74
Total Hours:	0.00	13.60	31.60	0.00	0.00	45.20		374.09
Total Fees Claimed: £	0.00	7,815.00	9,094.00	0.00	0.00		16,909.00	

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
- Reviewing pre-appointment transactions; and

- | | |
|--------------------------|--|
| | <ul style="list-style-type: none">• 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; 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 agents regarding the sale of assets;• Reviewing outstanding debtors and intercompany balances;• Seeking legal advice in relation to the properties and various lease agreements;• Liaising with the Solicitors and the Agents in respect of the sale of the freehold interest to the Daniel House;• Liaising with the Joint Receivers regarding the fixtures, fittings and equipment of the Stanley Street Hotel;• Liaising with First Data Group in relation to pre-appointment credit card monies;• Liaising with SLHO regarding the management charges income; 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. |

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 Josh blinston at Josh.Blinston@kroll.com.

Information for Creditors on remuneration and expenses of Administrators

Information regarding the fees and expenses of Administrators, including details of the expenses policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "Administration: A Creditor's Guide to Insolvency Practitioner Fees". This can be viewed and downloaded from the website at:

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

Should you require a copy, 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 this office.

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
Albandan	Albandan 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
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)
Daniel House	Daniel House, Trinity Road, Bootle, L20 3RG
DBEIS	Department for Business, Energy & Industrial Strategy
the Directors	Lawrence Kenwright, the directors of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
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
HMRC	HM Revenue and Customs

Word or Phrase	Definition
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.
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 2021 to 14 April 2022
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

Word or Phrase	Definition
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
UKAG	UK Accommodation Group Limited
the Website	https://micro.kroll.com/ukrestructuring/
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 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.

Appendix 10 – Proof of Debt form

PROOF OF DEBT - GENERAL FORM

Signature living Hotel Limited – In Administration		
Company No. 08124207		
Date of Administration: 15 April 2020		
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)	
2.	Address of Creditor for correspondence	REF
	Contact telephone number of creditor	
	Email address of creditor	
3.	Total amount of claim, including any Value Added Tax, as at the date of administration, less any payments made after this date in relation to the claim, any deduction under R14.20 of the Insolvency (England & Wales) Rules 2016 and any adjustment by way of set-off in accordance with R14.24 and R14.25	
4.	Details of any documents by reference to which the debt can be substantiated (please attach)	
5.	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6.	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7.	Particulars of any security held, the value of the security, and the date it was given	
8.	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	DATE
	Are you the sole member of the creditor?	YES / NO
	Position with or in relation to creditor Address of person signing (if different from 2 above)	
Admitted to vote for £		Admitted for dividend for £
Date		Date
Administrator		Administrator