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1 Company details

Company number 0 9 4 1 8 3 7 1

Company name in full Signature Shankly Limited

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

2 Administrator's name

Full forename(s) Matthew

Surname Ingram

3 Administrator's address

Building name/number 4B Cornerblock

Street 2 Cornwall Street

Post town Birmingham

County/Region

Postcode B 3 2 D X

Country United Kingdom

4 Administrator's name ①

Full forename(s) Michael

Surname Lennon

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

5 Administrator's address ②

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country United Kingdom

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

AM10
Notice of administrator's progress report

6

Period of progress report

From date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>9</div></div>	<div><div>m</div><div>0</div></div>	<div><div>m</div><div>4</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>3</div></div>	
To date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>8</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>3</div></div>	


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Progress report

<input checked="" type="checkbox"/> I attach a copy of the progress report	
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8

Sign and date

Administrator's signature	<div>Signature</div> <div><div>X</div><div></div><div>X</div></div>								
Signature date	<div><div>d</div><div>0</div></div>	<div><div>d</div><div>8</div></div>	<div><div>m</div><div>1</div></div>	<div><div>m</div><div>1</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>0</div></div>	<div><div>y</div><div>2</div></div>	<div><div>y</div><div>3</div></div>	

AM10

Notice of administrator's progress report



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Contact name Callum O'Brien

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Address The Chancery

58 Spring Gardens

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Country United Kingdom

DX

Telephone +44 (0) 161 827 9000



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Progress Report to Creditors

8 November 2023

**Signature Shankly Limited
(In Administration)**

Joint Administrators' Progress Report for the period from 9 April 2023 to 8 October 2023.

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

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1. Introduction

The Joint Administrators were appointed on 9 April 2020 by Henslow Trading Limited, 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 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.

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 Proposals is included at Appendix 2. A copy of the Proposals is available on the Kroll website at <http://www.kroll.com/ukrestructuring>.

In the Statement of Proposals, the Joint Administrators set out the following hierarchical objectives:

- 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, namely achieving a better result for a Company's Creditors as a whole than would be likely if a Company were wound up and realising property in order to make a distribution to one or more Secured or Preferential Creditors, were deemed approved by Creditors on 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.

Whilst hotel remains open and trading, this should result in an increase in the realisable value of the Hotel and in turn allow the Joint Administrators to achieve the second and third objectives of Administration.

Progress to Date

Following recommendations made in retrospective Fire Risk Assessment prepared in December 2022, the Joint Administrators have been working through a program of works with a view to obtaining retrospective building control sign off from the Council.

In addition to the recommendations in the Fire Risk Assessment, a number of other property maintenance, compliance and health and safety issues have been identified since the Company took over operations. Due to a large number of unforeseen issues with the Hotel and the building, this has delayed the retrospective building control sign off process.

The absence of building control sign off does not impact the ongoing trading of the Hotel, although the cost of remedying all of the critical issues within the property has been significant. A Secured Creditor has agreed to fund the cost of some of these works.

The Joint Administrators have been in discussions with a number of parties interested in purchasing the Hotel, although due to the fractional ownership structure of the leasehold interests, a number of parties have withdrawn their interest. The Joint Administrators are still in discussions with one interested party who has made put forward an indicative offer which is subject to further due diligence.

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 by way of a fixed charge distribution.

The Company had no employees at the Appointment date and consequently no preferential claims are anticipated in this matter.

According to the Company's records, the Unsecured Creditors totaled £1,595,243 at the Appointment Date, which includes bedroom investor ROI arrears.

In addition, there are intercompany and related party creditors of £9,139,988.

There is a contingent liability of £13,800,000 which is the total capital investment in relation to the purchase of long leasehold interests in bedrooms in the Hotel. As each investor has a proprietary right as a leaseholder, the bedroom investors are likely to receive a return from the sale of their leasehold interest back to the Company, should a sale of the Hotel include their leasehold interest.

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, if applicable.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the Reporting Period.

The Joint Administrators' Previous Progress Reports and the Statement of Proposals are available to view at micro.kroll.com/ukrestructuring and paper copies can be provided free of charge by writing to shankly@kroll.com. Unless otherwise stated, all amounts in this Progress Report and appendices are stated net of VAT.

3. Progress of the Administration

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

3.1 Strategy and progress to date

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

In the previous reporting period, SHLO were wound up by the Court due to substantial unpaid tax arrears and subsequently entered Compulsory Liquidation.

The Joint Administrators' primary objective is to continue to trade the business in order to preserve and enhance realisations (preservation of goodwill) with a view to a potential sale of the business and assets as a going concern.

The Joint Administrators pursued other asset realisations in relation to intercompany and other debtors, although the vast majority of these debtors are now subject to insolvency proceedings.

As previously advised, the Joint Administrators' Proposals for achieving the purpose of the Administration, namely achieving a better result for a Company's Creditors as a whole than would be likely if a Company were wound up and realising property in order to make a distribution to one or more Secured or Preferential Creditors, were deemed approved by Creditors on 16 June 2020 without modifications.

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

3.2 Asset realisations

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

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

3.2.1 Trading

SHLO were unable to discharge the HMRC arrears or come to an agreement on a repayment plan and therefore, a winding up order was granted by the Court on 17 August 2022. SHLO immediately ceased trading on the date of the winding up order and entered Compulsory Liquidation.

Due to the Liquidation of SHLO, the Company made the decision to commence trading the hotel under the Joint Administrators' supervision.

The trading figures shown in the Receipts and Payments Account are based on cash accounting, rather than a standard profit and loss account and therefore do not include all trading liabilities incurred in the Reporting Period that have not yet been discharged.

In addition, the Receipts and Payments Account only shows revenue from sales where customers have paid balances and deposits since 17 August 2022. A number of events and bookings taken prior to 17 August 2022, have been serviced and honoured by the Company since the commencement of trading operations.

There has been a significant amount of exceptional operating and landlord costs incurred since August 2022, which has resulted in trading losses.

A significant and costly issue that arose in the Reporting Period is the business was not able to utilise the outdoor rooftop space over the summer. This resulted in a number of events being cancelled and revenue lost. This was due to issues that were identified with the astroturf covering and timber underneath, which was not watertight and was causing leaks into rooms below and in general, not deemed fit for purpose.

The astroturf covering and timber underneath, which covered all parts of the outdoor rooftop space, is currently in the process of all being replaced to bring the space back into use. A Secured Creditor has provided financial support in this regard and in relation to some other exceptional costs, which has ensured the Hotel continues trading.

The Secured Creditor has also been supportive and assisted with obtaining lower energy bills, in addition to advancing funds to the Company, which has enabled key booking sites to be brought back online to bolster mid-week trade.

As previously reported, the business continues to feel the effect of macroeconomic factors that are outside of the Joint Administrators' control, such as the rise in costs across all departments within the Hotel. It is evident that less customers are making bookings and going out due to the cost-of-living crisis, including various rail strikes which have resulted in cancelled bookings.

Nevertheless, the Joint Administrators believe the Company should now be in a better position, both operationally and financially, as progress is made in respect of the property related, health and safety and compliance issues that have arisen.

Further details of the financial performance of the Hotel will be provided in the next report to Creditors.

It should be noted there are still a number of capital expenditure costs that are to be incurred and paid to enable the property and the Hotel to meet its statutory and compliance obligations, including obtaining building control sign off.

The decision to commence trading the Hotel following the liquidation of SHLO will be for the benefit of all creditors, including investors, as this will maintain the value of the freehold property, leasehold interests, business, and assets of the Company.

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

3.2.2 The Hotel

The freehold title to the Hotel is owned by SLH and the Company was granted a long leasehold interest in the property, which includes the Company's ownership of all the unencumbered fixtures, fittings, furniture, and equipment in the Hotel.

The Company's primary asset is the long leasehold interest in respect of the Hotel granted by SLH in favour of the Company on 26 February 2015. The fixtures, fittings and equipment in the Hotel will form part of a sale of the long leasehold interest in the Hotel.

Further details on the other leasehold interests in the Hotel, granted by SLH, were included in the Proposals.

As outlined in the Previous Progress Reports, there several stakeholders in the Hotel, which includes the Secured Creditors, connected long leasehold interests, bedroom investors and BPRA scheme investors.

The Joint Administrators are in discussions with one interested party who has put forward an indicative offer. This offer is subject to further due diligence and proof of funding. It is not possible to provide further details as the Administrators do not want to prejudice ongoing negotiations.

One of the options still being discussed is the Joint Administrators dispose of the freehold and leasehold interests, with the bedroom investor leasehold interests intact, leaving a purchaser to enter negotiations with individual bedroom investors to buy back their leasehold interests post completion.

This option would take the Hotel out of Administration and expedite the sale process if a suitable buyer or a transaction structure that works for all stakeholders, can be agreed.

During the Reporting Period, the Joint Administrators have been in discussions with the BPRA, which is another key stakeholder in the Hotel. The BPRA holds a long leasehold interest in the common parts of the Hotel and in addition, holds a leasehold interest in 12 bedrooms. The BPRA are in a similar position to the bedroom investors, and they are actively trying to work with the Joint Administrators to find a solution to exit their investment in the Hotel and provide a return to the BPRA investors.

A key part of the recent discussions with the BPRA is how a transaction to take the Hotel out of Administration could be structured and funded. This includes various scenarios where a fair and equitable outcome for all stakeholders could potentially be achieved, either in the short to medium term or possibly long term, with the aim of putting forward a clear exit strategy and various options that would suit each investor, depending on their individual circumstances.

One of the designated members of the BPRA requested authority from the Joint Administrators to enter into preliminary discussions with bedroom investors on an individual basis, to explore ways in which the BPRA and bedroom investors could work together to achieve the collective objective of taking the Hotel out of Administration, with a view to achieving a return for all investors in the short to medium term, depending on the structure of any transaction.

The Administrators understanding is that there is a potential lender that would fund a transaction to take the hotel out of Administration, which may result in a payment to investors now and/or in the future. It is not possible to take forward the funding discussions with the lender without the engagement of all key stakeholders.

On 21 June 2023, the Joint Administrators wrote to all bedroom investors requesting their written consent before the Joint Administrators could share any contact details with the BPRA contact. In the first instance, the only information shared would be limited to room number(s), investor name(s) and email addresses.

Of the 140 leasehold interests within the Hotel, the Joint Administrators received consent from 87 of the bedroom investors to share their contact details. In addition, 2 have rejected their consent and 51 have not responded.

As such, the Joint Administrators continue to chase the remaining bedroom investors for a response in relation to this request and seek clarification from those that do not wish to be a part of these discussions. The BPRA contact has not yet reached out to the bedroom investors until this exercise has been completed. The BPRA contact has been kept up to date with these developments and discussions continue.

In addition, the Joint Administrators have recently held discussions with an individual who was nominated to act on behalf of a number of the international bedroom investors to also explore ways to bring the Hotel out of Administration.

The Joint Administrators actively engaged in these discussions and asked that a letter of authority was provided by each bedroom investor nominating this individual to act on their behalf.

A total of 20 bedroom investors provided a letter of authority and of this amount, 14 have also provided their consent for the sharing of their details with the BPRA contact.

The Joint Administrators were in the process of providing additional information to this individual in order to assist in due diligence to formulate a plan to take the Hotel out of Administration. The Joint Administrators had intended to introduce this individual to the BPRA contact and secured lender to aid in these discussions.

It has since transpired that the individual has withdrawn his intention to represent the interests of the bedroom investors including any plans to bring the Hotel out of Administration. As such, all letters of authority received in relation to this individual are no longer applicable.

The Joint Administrators remain open to supporting any proposal that would result in a positive outcome for all investors and creditors and believe this may be a positive step in the right direction.

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

Bedroom Investors

Please refer to the Previous Progress Reports for a detailed explanation of the position in respect of bedroom investors.

It is the Joint Administrators' ongoing strategy, through a marketing process, to apportion sale consideration received for the Hotel in a fair and equitable manner so that all bedroom investors receive the best return possible, in return for surrendering their leasehold interest, thus enabling a transaction to proceed.

If the Joint Administrators are not able to sell the Hotel free of investor leasehold interests, it is likely that the value of the various interests in the Hotel will be significantly lower than envisaged and the Joint Administrators will likely be unable to proceed with the current disposal strategy.

At this stage of the Administration, primarily due to the trading losses that have been incurred since August 2022, there are insufficient funds available to pay any amounts in relation to contractual investor returns insofar as these amounts are not part of any unsecured claim.

Further details will be provided in the next report.

BPRA

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

The Shankly LLP leasehold interest is with SLH, not the Company. There was an Option Agreement in place between SLH and Shankly LLP, that would have enabled SLH to purchase the leasehold interest back and collapse the lease. As with bedroom investor leases, this could only happen as part of a sale of the Hotel.

The Option Agreement has expired, and discussions are ongoing with the Shankly LLP members in conjunction with the overall disposal strategy as detailed above in section 3.2.2.

A further update will be provided in the next Progress Report to Creditors, if applicable.

3.2.3 Management Charges Income

The day-to-day operations and trading of the Hotel were managed by SHLO under a Right to Manage Agreement. Further details are provided in Previous Progress Reports.

In previous reporting periods, the Joint Administrators received sums totalling £111,612 from SHLO under the Right to Manage Agreement.

The Joint Administrators received £400,000 under the Right to Manage Agreement in a previous reporting period. These funds have been held in a suspense account due to a reconciliation exercise that being was being undertaken on the hotel deposit ledgers against future bookings. This exercise has now been completed and the funds will shortly be released to the Administration estate in order to meet ongoing trading costs and reduce trading losses.

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

3.2.4 Debtors

As previously reported, the Company forms part of the wider Signature Living Group with over 60 entities.

As per the Company's books and records, the Company's intercompany debtor balances were circa £10,330,947 due from other entities within the Signature Group and related parties, with corresponding intercompany Creditor balances totalling £7,309,868.

Included within the intercompany debtor balance is an outstanding debtor of £9,898,003 due from SLH, which is also in Administration.

Any realisations from this source are contingent on the dividend prospects of SLH. Given that it is anticipated that SLH will not be paying a dividend to its Unsecured Creditors, this balance is presently being treated as uncollectable.

Due to the nature of the complex group structure, the Joint Administrators completed an extensive investigation into the financial position of the Company, paying particular attention to the reconciliation of the intercompany loan position.

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

Intercompany Debtor	Company Status	Balance (£)
Jerome Buildings Limited	Active – proposal to strike off	16,000
Signature Apartments Bold Street Limited	Liquidation	1,500
Signature Apartments Matthew Street Limited	Liquidation	5,000
Signature Campus Limited	Receivership	620
Signature Car Park Limited	Administration	13,900
Signature Living Arthouse Square Limited	Active	15,994

Signature Living Hotel Limited	Administration	9,898,003
Signature Living Lifestyles Limited	Administration	46,387
Stanley Street Hotel Property Limited	Receivership	48,410
The Exchange Hotel Cardiff Ops Limited	Liquidation	1,000
The Shankly Hotel Liverpool Ops Limited	Liquidation	284,133
TOTAL		10,330,947

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

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

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

3.2.5 Previous Merchant Account Provider

As mentioned in the Previous Progress Reports, the merchant services provider withheld c.£380,000 relating to the period prior to lockdown whilst it assessed the chargeback risk around deposits taken in relation to events and bookings not fulfilled during lockdown.

Prior to the Reporting Period, the Joint Administrators realised a first tranche of £230,000 from the release of some of the withheld credit card receipts. During a previous reporting period, the Joint Administrators obtained a release of further withheld credit card receipts realising a sum of £230,891.

During the Reporting Period, a final amount of £9,790 was received in relation to withheld credit card receipts.

The Joint Administrators are not aware of any further withheld credit card funds and therefore no further asset realisations are anticipated from this source.

3.2.6 Pre-Administration VAT Refund

The Joint Administrators have received £190,000 in respect of an outstanding pre-Administration VAT refund due to the Company.

3.2.7 Bank Interest

During the Reporting Period, £2,162 has been received in respect of bank interest, bringing the total amount received during the Administration to £2,745.

3.2.8 Other Assets

The Joint Administrators are not aware of any other assets held by the Company.

3.2.9 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. The contents of this report are confidential. The Joint Administrators have filed their report with the BEIS regarding the conduct of the Director of the Company. The report has also been submitted to the Insolvency Service.

The Joint Administrators are continuing to review the affairs of the Company to identify any action which can be taken in respect of antecedent transactions or other litigation that would result in recoveries for creditors.

The Joint Administrators also 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.

Due to the complexity of the case and its entanglement with over 60 connected companies within the Signature Group, the ongoing financial analysis and investigations process has been extensive.

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 writing to Shankly@kroll.com or Kroll Advisory Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

3.3 Costs

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

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

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

3.3.1 Accountants Fees

The Joint Administrators have paid accountants fees of £950 during the Reporting Period in relation to the preparation of Corporation Tax returns and associated schedules for the period ended 29 June 2022.

3.3.2 Consultancy

The Joint Administrators have paid consultancy costs of £17,000 during the Reporting Period to Trigon Fire in relation to consultancy services for retrospective fire safe strategy and report.

3.4 Fees and expenses

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

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

Significant expenses incurred but not paid		
Joint Administrators' time costs	£89,761	Total time costs incurred in the Reporting Period is £89,761 (see Appendix 5). No remuneration was paid during the Reporting Period. See section 6 for further details in relation to the Joint Administrators' fees.
Insurance	£252	The costs to insure the business and assets whilst trading. It should be noted this seems low due to the insurance premium being applied to the freehold interest of the Hotel within the Administration of SSL.
Legal fees and disbursements	£1,197	The Company's legal advisors (Shakespeare Martineau LLP) have incurred legal fees of £1,014 and disbursements of £183 plus VAT in providing ad-hoc legal advice.
VAT	£217,020	VAT of £217,020 is payable in relation to the VAT charged on the sales achieved during the Cumulative Period.

4. Outcome for Creditors

4.1 Secured Creditors

4.1.1 Henslow Trading Limited

A detailed breakdown of Henslow's secured charges are provided in the Previous Progress Reports. Henslow's outstanding indebtedness in relation to a loan secured against the long leasehold interest in the Hotel was £1,581,829 at the Appointment Date, which is subject to accruing interest and charges.

Henslow has provided lending facilities and has been granted security over all other parts of the Hotel, including the freehold title which is held in SLH. As at the Appointment Date, the total indebtedness across all the lending facilities specific to the Hotel, including the Car Park and the Gym, was approximately £4,800,000, subject to accruing interest and charges since the Appointment Date.

Additional security that has been granted by the Company to Lyell Trading Limited, SW Construction (No.2) Limited and SW Construction Residential Limited, which relate to a number of other property development loans that are cross collateralised, providing cross guarantees in relation to each borrower in the Signature Group and the borrowers obligations under the respective loan facilities.

There is also a deed of priority in place between the Henslow and Albenden Limited.

It is anticipated that Henslow will receive a fixed charge distribution from the realisation of the leasehold interest in the Hotel.

4.1.2 Albenden Limited

In consideration for monies advanced to connected entities within the Group, the Company granted Albenden Limited a fixed charge over the Company's assets created on 17 February 2020.

The security was granted as a guarantee in the event of a shortfall to Albenden Limited on loan facilities provided to Signature Living Coal Exchange Limited (in Liquidation) and Stanley Street Hotel Limited (in Receivership).

It is anticipated that Albenden are likely to suffer a shortfall on one or both loan facilities above and will look to rely on its cross-guarantee security and deed of priority with Henslow to cover any shortfall.

A distribution to Albenden limited will be reliant on the quantum of any offer received for the Hotel and repayment of the Henslow's principal indebtedness, including accrued interest and charges.

4.2 Preferential Creditors

As at the Appointment Date, the Company had no employees and therefore it is not anticipated there will be preferential claims in respect of employees.

There will not be a secondary preferential claim from HMRC in respect of VAT, PAYE, income tax and employee NIC as the Appointment Date was prior to the change in legislation.

4.3 Unsecured Creditors

According to the Company's records, the Unsecured Creditors totalled £24,535,231 as at the Appointment Date.

The Unsecured Creditors were estimated as follows:

Creditor	£
Trade and expense creditors	12,756
Intercompany Creditors	9,139,988
Est. Bedroom Investors – ROI	1,300,000
Est. Bedroom Investors – Contingent	13,800,000
Shankly LLP	282,487
Total	24,535,231

To date, the Joint Administrators have received claims from the bedroom investors of £6,558,788 and an additional £113,112 from the trade and expense creditors.

Based on current information it is anticipated that there will not be sufficient realisations to enable a dividend to Unsecured Creditors, aside from the Prescribed Part, if applicable.

For the avoidance of doubt, the contingent liability of £13,800,000 shown in the table above is the total capital investment in relation to the purchase of long leasehold interests in bedrooms in the Hotel.

As each investor has a proprietary right as a leaseholder, the bedroom investors are likely to receive a return from the sale of their leasehold interest, should a sale of the Hotel include their leasehold interest.

A further update will be provided in the next report to Creditors, unless there is significant development with regards to the sale of the Hotel and the impact this will have on the return to all Creditors of the Company.

4.4 Prescribed Part

The Prescribed Part is calculated as a percentage of net property, as follows: -

	50% unless the Joint Administrator considers that the costs of making a distribution to the Unsecured Creditors would be disproportionate to the benefits.
Net property less than £10,000:	
Net property greater than £10,000:	50% up to £10,000 plus 20% thereafter to a maximum of £600,000.

The Company granted a number of floating charges and therefore the Prescribed Part provisions will apply.

The anticipated quantum of the Prescribed Part dividend available to the Unsecured Creditors is currently 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 Shankly@Kroll.com or by post to Kroll, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

5. Other matters

5.1 Decision procedure

No decision procedure is being sought from Creditors as part of this Progress Report.

5.2 Creditors' Committee

A Creditors' Committee has not been established as the Joint Administrators received insufficient nominations for a committee to be quorate.

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 Trading Account and a cumulative account for the whole of the Administration.

5.4 Statement of Creditors' rights

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

6. Fees, Expenses and Pre-Administration costs

6.1 Fees and expenses

The Secured Creditors provided approval that the Joint Administrators' remuneration will be drawn on the basis of time properly given by the Joint Administrators and their staff in accordance with the fee estimate of £402,385 provided in the Joint Administrators' Proposals and Kroll's usual charge-out rates for work of this nature.

6.1.1 Time costs

Upon a review of our hourly rates, inflation and industry averages, the hourly charge out rates have been revised to reflect market rates. Rate changes apply to all appointments held by employees of Kroll Advisory Ltd with effect from 1 March 2023.

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

Time costs incurred in the Reporting Period total £89,761, which represents 187 hours at an average hourly rate of £479.

Time incurred in the Administration as a whole total £1,004,686, which represents 2,291 hours at an average hourly rate of £439.

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

As stated in section 6.1, the Joint Administrators received consent from the Secured Creditors on 25 November 2020 in respect of the Joint Administrators' fee estimate in the sum of £402,385.

This fee estimate represented the total time costs expected to be incurred by Joint Administrators during the first 12 months of the Administration.

The Joint Administrators have not drawn any remuneration to date.

The Joint Administrators' time costs have exceeded the fee estimate. Additional time costs have been incurred in dealing with SHLO as per of the Right to Manage Agreement, bringing the Hotel to market for sale, pursuing intercompany debtors, completing investigations into the Company's financial affairs, and resolving the position in respect of the bedroom investors and the BPRA scheme and more recently incurred time in relation to trading operations.

The Joint Administrators will seek an uplift in the fee estimate from the Secured Creditors in due course.

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

6.1.3 Expenses

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

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

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

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

The Joint Administrators provided in their Proposals report to Creditors an estimate of expenses for the Administration, totalling £63,960. This was for information purposes only and it was stated this could change over the course of the Administration.

Appendix 4 details the revised estimated expenses schedule, as well as the expenses incurred and paid for in the Reporting Period and the period of Administration to 8 April 2023.

In the Reporting Period, Category 1 Expenses incurred totalled £19,399, and of this amount, £17,950 has been paid in the Reporting Period.

For the whole period of the Administration to 8 April 2023, Category 1 Expenses incurred totalled £314,479, and of this amount, £267,503 has been paid.

In the Reporting Period, no Category 2 Expenses were incurred. For the whole period of the Administration to 8 April 2023, £652 of Category 2 Expenses have been incurred but have not yet been paid.

In the Reporting Period, Category 1 Trading Expenses totalled £2,690,326, which includes trade creditors and suppliers, wages, management charges and sub-contractors.

For the whole period of the Administration to 8 April 2023, Category 1 Trading Expenses totalled £5,889,642, which in addition to the expenses detailed above, includes utilities, SHLO management charges, consultancy advice and licence fees for the licence holding facility for the Hotel premises.

No Category 2 Trading Expenses have been incurred during the Administration.

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 disbursements 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	0.00	£13,365	£13,365
Legal fees	0.00	£21,013	£21,013
Legal disbursements	0.00	£149	£149
Total	0.00	£34,797	£34,797

The above costs exclude VAT.

On 25 November 2020, the above amounts in respect of Pre-Administration costs (plus VAT) were approved by the Secured Creditors, to be paid as an expense of the Administration.

None of the Pre-Administration costs have been paid to date.

7. Future strategy

7.1 Future conduct of the Administration

The Joint Administrators will continue to manage the affairs, business and the property of the Company in order to achieve the purpose of the Administration.

This will include, but will not be limited to:

- Complete a sale of the Hotel;
- Managing the trading operations of the Hotel;
- Continuing to communicate with creditors and investors in order to understand the Company's liabilities;
- Finalise the outcome to creditors following realisation of all available assets;

- Continuing to investigate the affairs of the Company and conduct of the directors;
- 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 Secured Creditors' consent.

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

Approval to the extension was granted by the Court on 5 April 2022. Consequently, the revised end date for the Administration is 8 April 2024.

It is anticipated that the Administration will require a further extension and therefore the Joint Administrators will seek Court approval for this in due course.

7.3 Future reporting

The Joint Administrators will provide further Progress Reports 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.



Michael Lennon
Joint Administrator

Enc.

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

Appendix 1 – Statutory information

Company information		
Company and trading name	Signature Shankly Limited	
Date of incorporation	3 February 2015	
Registered Number	09418371	
Company Director(s)	Lawrence Kenwright	
Shareholders	Signature Living Hotel Limited (In Administration) – 100% shareholding	
Trading address	Millennium House 60 Victoria Street Liverpool L1 6JD	
Registered office	Current: c/o Kroll Advisory Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Cavern Court 1st Floor 8 Mathew Street Liverpool Merseyside L2 6RE
Any Other trading names	Shankly Hotel	

Administration information

Administration Appointment	The Administration appointment granted in the High Court of Justice, Business and Property Court in Manchester 2140 of 2020
Appointor	Henslow Trading Limited, a Secured Creditor
Date of Appointment	9 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	8 April 2024
Prescribed Part	The Prescribed Part is applicable in this case
Application of EC Regulations	EC Regulations apply and these proceedings will be the Main Proceedings as defined in Article 3 of the EC Regulations

Appendix 2 – Approved Proposals

The Joint Administrators proposed the following:

- 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;
- Seek an extension to the Administration period if considered necessary;
- To make distributions to the Secured, Preferential and Unsecured Creditors (as appropriate) where funds allow;
- 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.

Appendix 3 – Receipts and Payments Account

Signature Shankly Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 09/04/2023 To 08/10/2023 £	From 09/04/2020 To 08/10/2023 £
POST APPOINTMENT SALES		
Sales & Credit Card Sales	2,375,749.28	4,646,861.47
Secured Creditor Contributions	60,000.00	60,000.00
Deposits	37,629.69	703,639.05
SHLO - Management Charges Income	NIL	111,612.00
	<u>2,473,378.97</u>	<u>5,522,112.52</u>
PURCHASES		
Opening Stock	1,061.52	1,061.52
Purchases (1)	393,518.38	873,206.88
Purchases (3)	NIL	8,583.33
	<u>(394,579.90)</u>	<u>(882,851.73)</u>
OTHER DIRECT COSTS		
SHLO - Management Charges	5,276.00	35,498.80
Direct Labour & Expenses	806,915.02	1,787,990.91
Management Charges / Operator Fees	115,189.66	316,394.02
Sub Contractors	4,968.25	14,333.85
	<u>(932,348.93)</u>	<u>(2,154,217.58)</u>
TRADING EXPENDITURE		
PAYE/NIC	212,713.78	397,924.99
Rates	91,376.88	91,376.88
Utilities	298,206.12	688,327.59
Travel	1,308.04	1,308.04
Telephone	3,856.16	11,719.57
Insurance	NIL	19.24
Professional Fees	35,867.42	52,128.69
Bank charges - trading account	37,355.83	49,389.97
Avensis PDQ Charges	42,599.68	129,896.17
Hire of Equipment	7,595.56	35,200.54
Repairs & Maintenance	397,128.26	663,064.62
Sundry Expenses	211.91	284.51
Sales Commission	56,841.16	63,531.16
Advertising	15,870.11	45,299.75
Stationery	3,615.28	6,614.32
Cleaning	950.00	2,280.00
Consultancy Advice	3,719.00	32,436.45
Licence Fees	NIL	9,693.57
Ransoms & Transfers for Creditors	NIL	79,084.19
Security	23,782.64	57,525.74
Staff Goodwill	NIL	186,836.33
Entertainment	41,732.31	91,326.30
IT	41,023.65	80,566.93
Pension Contributions	25,855.95	54,949.85
Commission	21,787.44	21,787.44
	<u>(1,363,397.18)</u>	<u>(2,852,572.84)</u>
TRADING SURPLUS/(DEFICIT)	<u>(216,947.04)</u>	<u>(367,529.63)</u>

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

Statement of Affairs £		From 09/04/2023 To 08/10/2023 £	From 09/04/2020 To 08/10/2023 £
	SECURED ASSETS		
Uncertain	Tangible Fixed Assets	NIL	NIL
	Pre-appointment VAT refund	190,000.00	190,000.00
		190,000.00	190,000.00
	COSTS OF REALISATION		
	Legal Disbursements	NIL	4,400.00
	Property Maintenance	NIL	13,211.40
		NIL	(17,611.40)
	SECURED CREDITORS		
(1,581,829.00)	Henslow Trading Limited	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Bank Interest Gross	2,162.15	2,744.98
9,698.00	Cash at Bank	NIL	9,697.73
Uncertain	Debtors	NIL	NIL
Uncertain	Intercompany Debtors	NIL	NIL
	Merchant Acc Provider-Credit Card Mo	9,789.97	470,680.97
	Trading Surplus/(Deficit)	(216,947.04)	(367,529.63)
		(204,994.92)	115,594.05
	COST OF REALISATIONS		
	Accountants Fees	950.00	2,200.00
	Agents/Valuers Fees	NIL	6,140.00
	Bank Charges	NIL	(0.10)
	Consultancy	17,000.00	18,800.00
	Irrecoverable VAT	NIL	64.80
	Legal Disbursements	NIL	22,302.10
	Legal Fees	NIL	173,115.28
	Marketing Fees	NIL	3,415.00
	Property Agents Fees	NIL	17,000.00
	Public Relations	NIL	6,825.00
	Statutory Advertising	NIL	94.50
		(17,950.00)	(249,956.58)
	UNSECURED CREDITORS		
(2,000.00)	Accruals	NIL	NIL
(13,800,000.00)	Bedroom Investors - Contingent	NIL	NIL
(1,300,000.00)	Bedroom Investors - ROI	NIL	NIL
(9,139,988.66)	Inter-Company Creditors	NIL	NIL
(35,000.00)	Other Creditors	NIL	NIL
(12,756.00)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(1.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(25,861,876.66)		(32,944.92)	38,026.07
	REPRESENTED BY		
	Avensis Hospitality Bank		68,862.78
	Fixed charge VAT control account		2,191.00

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

Statement of Affairs £	From 09/04/2023 To 08/10/2023 £	From 09/04/2020 To 08/10/2023 £
REPRESENTED BY CONTINUED		
Floating/main current account		529,559.34
General VAT control account		(60,899.26)
Suspense Account		(400,000.00)
VAT payable		(217,020.36)
VAT Receivable		115,332.57
		38,026.07

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Revised Estimated Expenses

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

The Joint Administrators will prepare a revised estimated expenses schedule in line with seeking a fee uplift for the approval of the Secured Creditors in due course.

Details of any increases in the revised estimate will be provided in the next progress report to Creditors.

Joint Administrators' Expenses: Category 1 and Category 2

Category 1 Expenses	Company	Activity	Fee Basis	Reporting Period		Cumulative Period	
				Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
	AON UK Limited	Statutory bond premium	Fixed fee	0	0	225	0
	AUA Insolvency Risk Services Limited	Insurance of assets	Fixed premium	252	0	1,351	0
	Berrys	Consultancy – project monitoring and independent advice	Fixed fee	0	0	1,800	1,800
	Blaze Marketing Limited	Marketing fees incurred in the process of the marketing of the Hotel	As incurred	0	0	2,865	2,865
	BPI Asset Advisory	Inspecting and valuing assets	Fixed Fee	0	0	6,140	6,140
	CBRE Limited	Property Agent's fees	As incurred in respect of due diligence and the Hotel selling fees are 0.6% up to £30m and 1% for anything above	0	0	17,000	17,000
	COBE Finishes Ltd	Property Maintenance	Fixed fee	0	0	1,995	1,995
	Courts Advertising	Statutory advertising of notice of Administration in London Gazette	Fixed fee	0	0	95	95
	Curo Chartered Accountants Limited	Accounting advice and tax services	Fixed fee	950	950	2,200	2,200
	DPL Fabrications Ltd	Property Maintenance	Fixed fee	0	0	4,286	4,286

Estatecreate Limited	Marketing – data room	Fixed fee	0	0	550	550
Eversheds Sutherland	Debenture security review	Time costs	0	0	7,223	7,223
	Legal advice on in assisting with the Administration appointment, BPRA issues, management and					
Shakespeare Martineau LLP	underwriting agreements, deed of variation, IP disputes and dealing with the sale of the Hotel	Time costs	1,014	0	209,217	166,000
	Counsel, BPRA advice, company search fees, land registry search fees and court fees					
Shakespeare Martineau LLP		Disbursements	183	0	28,777	26,594
Sky Scaffold N/W Ltd	Property Maintenance	Fixed fee	0	0	6,930	6,930
Spreckley Partners Limited	Public relation services	Fixed fee	0	0	6,825	6,825
Trigon Fire Limited	consultancy services for retrospective fire safe strategy and report	Fixed fee	17,000	17,000	17,000	17,000
Total			19,399	17,950	314,479	267,503

Category 2 Expenses			Reporting Period		Cumulative period	
Company	Activity	Fee Basis	Incurred (£)	Paid (£)	Incurred (£)	Paid (£)
Kroll	Staff mileage to the Company's premises	As incurred.	0	0	121	0
Kroll	Staff ground travel to the Company's premises	As incurred.	0	0	519	0
Kroll	Staff subsistence when at the Company's premises	As incurred.	0	0	12	0
Total			0	0	652	0

Notes

The above expenses exclude VAT and pre-Administration which are detailed at Section 6.2.

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.

The above tables also exclude trading expenses of the Administration as these were not originally included in the expenses estimate in the Proposals or subsequent progress reports as it was not known trading expenses were going to be incurred, particularly as a result of the COVID-19 pandemic, nor what level of trading would or will now be required in order to complete a sale of the Hotel.

All trading expenses are detailed in the Receipts and Payments Account at Appendix 3 and are self-explanatory.

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.

117851 SIGNATURE SHANKLY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 09/04/2023 to 08/10/2023

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Cashiering & accounting	0.00	1.20	0.30	0.40	0.00	1.90	811.00	426.84
Dealings w/ directors & management (inc associated updates/reporting)	0.00	0.00	0.30	0.00	0.00	0.30	120.00	400.00
Insurance	0.00	0.00	0.20	0.00	0.00	0.20	80.00	400.00
Statutory matters (Meetings & Reports & Notices)	0.00	0.00	4.65	0.00	0.00	4.65	1,860.00	400.00
Tax Compliance / Planning	0.00	0.00	0.20	0.00	0.00	0.20	80.00	400.00
Creditors								
Dealings with creditors and employees	0.00	0.00	0.50	0.00	0.00	0.50	200.00	400.00
Realisation of Assets								
Book debts	0.00	0.00	0.70	0.00	0.00	0.70	280.00	400.00
Freehold and Leasehold Property	0.00	0.30	0.70	0.00	0.00	1.00	467.50	467.50
Trading								
Trading - Accounting	0.00	0.50	0.00	0.00	0.00	0.50	312.50	625.00
Trading - Operations	0.00	1.80	0.00	0.00	0.00	1.80	1,125.00	625.00
Total Hours:	0.00	3.80	7.55	0.40	0.00	11.75		454.13
Total Fees Claimed: £	0.00	2,195.00	3,020.00	121.00	0.00		5,336.00	

117851 SIGNATURE SHANKLY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 11/04/2023 to 06/10/2023

ADM-Admin. - Post Appt. (FY23 Rates)

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	0.00	1.05	0.00	0.00	1.05	420.00	400.00
Cashiering & accounting	0.00	11.50	1.30	33.80	0.00	46.60	13,730.50	294.65
Insurance	0.00	0.60	0.60	0.00	0.00	1.20	615.00	512.50
Statutory matters (Meetings & Reports & Notices)	0.00	4.20	1.00	0.00	0.00	5.20	2,890.00	555.77
Strategy planning & control (incl engagement financial control)	0.00	0.40	5.25	0.80	0.00	6.45	2,494.00	386.67
Tax Compliance / Planning	0.00	1.40	4.85	0.00	0.00	6.25	2,802.00	448.32
Creditors								
Dealings with creditors and employees	0.00	1.95	6.20	1.30	0.00	9.45	4,266.75	451.51
Non Pref Creditors / Employee claims handling	0.00	0.00	3.20	0.00	0.00	3.20	1,290.00	403.13
Secured Creditors	0.00	6.60	1.15	0.00	0.00	7.75	4,585.00	591.61
Investigations								
Financial review and investigations (S238/239 etc)	0.00	0.00	0.10	0.00	0.00	0.10	40.00	400.00
Realisation of Assets								
Book debts	0.00	0.00	0.15	0.00	0.00	0.15	60.00	400.00
Freehold and Leasehold Property	0.00	3.10	1.90	0.00	0.00	5.00	2,697.50	539.50
Other Intangible Assets	0.00	0.00	0.30	0.00	0.00	0.30	120.00	400.00
Sale of business	0.00	2.30	1.95	0.00	0.00	4.25	2,217.50	521.76
Trading								
Trading - Accounting	0.00	22.20	7.70	0.00	0.00	29.90	16,983.00	567.99
Trading - Employees	0.00	1.10	4.10	0.00	0.00	5.20	2,353.50	452.60
Trading - Insurance	0.00	0.00	0.90	0.00	0.00	0.90	366.00	406.67
Trading - Operations	0.00	41.75	1.00	0.00	0.00	42.75	26,493.75	619.74
Total Hours:	0.00	97.10	42.70	35.90	0.00	175.70		480.50
Total Fees Claimed: £	0.00	59,007.50	17,205.00	8,212.00	0.00		84,424.50	

ANALYSIS OF TIME COSTS FOR THE PERIOD 09/04/2020 to 08/10/2023

ADM-Admin. - Post Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning								
Case review & Case Diary management	0.00	9.75	0.00	19.45	0.00	29.20	9,600.50	328.78
Cashiering & accounting	0.60	31.25	13.95	66.30	0.00	112.10	39,210.00	349.78
Dealings w/ directors & management (inc associated updates/reporting)	1.70	112.40	0.60	0.90	0.00	115.60	58,175.00	503.24
IPS set up & maintenance	0.00	0.60	0.10	1.25	0.00	1.95	592.50	303.85
Insurance	0.00	3.60	1.00	2.50	0.00	7.10	2,927.00	412.25
Statement of affairs	0.00	0.00	0.00	2.75	0.00	2.75	687.50	250.00
Statutory matters (Meetings & Reports & Notices)	4.55	168.30	12.15	107.95	0.00	292.95	112,379.00	383.61
Strategy planning & control (incl engagement financial control)	24.70	179.05	8.25	35.00	0.00	247.00	120,268.50	486.92
Tax Compliance / Planning	0.00	0.00	7.90	13.40	0.00	21.30	6,474.50	303.97
Creditors								
Creditors committee	3.50	0.00	0.00	0.20	0.00	3.70	2,325.00	628.38
Dealings with creditors and employees	0.00	99.70	12.75	152.00	0.00	264.45	93,810.50	354.74
Non Pref Creditors / Employee claims handling	0.00	0.00	6.65	40.95	0.00	47.60	13,760.00	289.08
Secured Creditors	11.35	126.95	1.50	3.30	0.00	143.10	74,258.50	518.93
Investigations								
CDDA & reports & Communication	0.00	9.40	0.00	25.95	0.00	35.35	10,485.50	296.62
Financial review and investigations (S238/239 etc)	1.00	14.40	0.00	25.75	0.00	41.15	15,635.50	379.96
Forensic Sales Ledger Investigation	1.00	0.00	0.00	0.00	0.00	1.00	750.00	750.00
Realisation of Assets								
Book debts	0.00	0.00	2.20	0.40	0.00	2.60	891.00	342.69
Freehold and Leasehold Property	11.50	112.00	0.70	82.30	0.00	206.50	89,901.00	435.36
Other Intangible Assets	0.00	3.20	0.30	0.00	0.00	3.50	1,720.00	491.43
Other Tangible Assets	0.00	0.00	0.20	0.00	0.00	0.20	80.00	400.00
Sale of business	0.00	188.60	4.30	3.20	0.00	196.10	98,252.50	501.03
Trading								
Trading - Accounting	0.00	115.80	0.00	12.80	0.00	128.60	62,938.50	489.41
Trading - Employees	0.00	16.50	0.00	16.40	0.00	32.90	13,683.00	415.90
Trading - Insurance	0.50	1.20	0.00	1.40	0.00	3.10	1,387.00	447.42
Trading - Operations	3.40	170.45	0.80	0.50	0.00	175.15	90,069.00	514.24
Total Hours:	63.80	1,363.15	73.35	614.65	0.00	2,114.95		435.12
Total Fees Claimed: £	41,670.00		26,488.50		0.00		920,261.50	

ANALYSIS OF TIME COSTS FOR THE PERIOD 09/04/2020 to 08/10/2023

ADM-Admin. - Post Appt. (FY23 Rates)

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	0.00	1.05	0.00	0.00	1.05	420.00	400.00
Cashiering & accounting	0.00	11.50	1.30	33.80	0.00	46.60	13,730.50	294.65
Insurance	0.00	0.60	0.60	0.00	0.00	1.20	615.00	512.50
Statutory matters (Meetings & Reports & Notices)	0.00	4.20	1.00	0.00	0.00	5.20	2,890.00	555.77
Strategy planning & control (incl engagement financial control)	0.00	0.40	5.25	0.80	0.00	6.45	2,494.00	386.67
Tax Compliance / Planning	0.00	1.40	4.85	0.00	0.00	6.25	2,802.00	448.32
Creditors								
Dealings with creditors and employees	0.00	1.95	6.20	1.30	0.00	9.45	4,266.75	451.51
Non Pref Creditors / Employee claims handling	0.00	0.00	3.20	0.00	0.00	3.20	1,290.00	403.13
Secured Creditors	0.00	6.60	1.15	0.00	0.00	7.75	4,585.00	591.61
Investigations								
Financial review and investigations (S238/239 etc)	0.00	0.00	0.10	0.00	0.00	0.10	40.00	400.00
Realisation of Assets								
Book debts	0.00	0.00	0.15	0.00	0.00	0.15	60.00	400.00
Freehold and Leasehold Property	0.00	3.10	1.90	0.00	0.00	5.00	2,697.50	539.50
Other Intangible Assets	0.00	0.00	0.30	0.00	0.00	0.30	120.00	400.00
Sale of business	0.00	2.30	1.95	0.00	0.00	4.25	2,217.50	521.76
Trading								
Trading - Accounting	0.00	22.20	7.70	0.00	0.00	29.90	16,983.00	567.99
Trading - Employees	0.00	1.10	4.10	0.00	0.00	5.20	2,353.50	452.60
Trading - Insurance	0.00	0.00	0.90	0.00	0.00	0.90	366.00	406.67
Trading - Operations	0.00	41.75	1.00	0.00	0.00	42.75	26,493.75	619.74
Total Hours:	0.00	97.10	42.70	35.90	0.00	175.70		480.50
Total Fees Claimed: £	0.00	59,007.50	17,205.00	8,212.00	0.00		84,424.50	

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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Updating the list of Unsecured Creditors;• Responding to enquiries from Creditors and Investors 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 in the dedicated email inbox and responding to all stakeholders, particularly Investors.
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 the Agents regarding the sale of the Hotel;

- Reviewing outstanding debtors and intercompany balances;
 - Seeking legal advice in relation to the properties and various lease agreements; and
 - Communicating with relevant parties regarding rent; property occupation and other property issues.
- Trading
- Reviewing the operational position of the Hotel;
 - Review monthly management accounts and cashflow forecasts;
 - Arranging employee contracts where appropriate and dealing with any employees queries;
 - Assist with premises licensing issues as they arise; and
 - Ensuring the appropriate insurance cover is in place for the trading of the Hotel in order to protect the property interests and dealing with any claims received.
- Tax
- Analysing and considering the tax effects of asset sales;
 - Working on tax returns relating to the periods affected by the Administrator;
 - Analysing VAT related transactions; reviewing the Company's duty position to ensure compliance with duty requirements; and
 - Dealing with post appointment tax compliance.

Appendix 7 – Statement of Creditors' rights

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

Section or paragraph numbers refer to Insolvency Act 1986

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

Information for Creditors on remuneration and expenses of Administrators

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

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

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

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

Creditors' requests for further information

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

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

Creditors' right to challenge our remuneration and expenses

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

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

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

Appendix 8 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	CBRE Limited, being the independent agents engaged to assist in the marketing and sale of the Hotel
AHS	Avensis Hospitality Solutions Limited
the Appointment Date	9 April 2020, being the date of appointment of the Joint Administrators
BEIS	The department for Business, Energy & Industrial Strategy
BPRA	Business Premises Renovation Allowance
Category 1 Expenses	The Joint Administrators' expenses, in dealing with the Administration, to persons providing the service to which the expenses 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
the Company	Signature Shankly Limited (In Administration) (Company Number: 09418371)
the Cumulative Period	9 April 2020 to 8 October 2023
the Director	Lawrence Kenwright, the director of the Company
Henslow	Henslow Trading Limited, the holder of fixed and floating charges over the assets of the Company
the Hotel	The Shankly Hotel, Millennium House, 60 Victoria Street, Liverpool, L1 6JD
HMRC	His Majesty's Revenue & Customs
the Joint Administrators	Matthew Ingram and Michael Lennon of Kroll
Kroll	Kroll Advisory Ltd (formerly Duff & Phelps Ltd), The Chancery, 58 Spring Gardens, Manchester, M2 1EW

Word or Phrase	Definition
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' Reports to Creditors, dated 8 October 2020, 7 May 2021, 5 November 2021, 6 May 2022, 4 November 2022 and 5 May 2023
the Proposals	The Joint Administrators' Statement of Proposals, dated 2 June 2020
the Reporting Period	The period from 9 April 2023 to 8 October 2023
ROI	Return on Investment
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Secured Creditors	Henslow Trading Limited and Albendan Limited, the holders of a fixed and floating charge over the Company's assets
SHLO	Signature Hotel Liverpool Ops Limited
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SLH	Signature Living Hotel Limited (In Administration)
the Solicitors	Shakespeare Martineau, independent legal advisors instructed by the Joint Administrators to assist with their appointment and ad hoc legal advice

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 Shankly Limited – In Administration Company No. 09418371	
Date of Administration: 9 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
	Contact telephone number of creditor
	Email address of creditor
	REF
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	