



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

1 Company details

Company number 09418371

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 Kroll Advisory Limited

Street 35 Newhall Street

Post town Birmingham

County/Region

Postcode B33PU

Country England

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 Kroll Advisory Limited

Street The Chancery

58 Spring Gardens

Post town Manchester

County/Region

Postcode M21EW

Country England

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 0 | ^d 9 | ^m 0 | ^m 4 | ^y 2 | ^y 0 | ^y 2 | ^y 1 | |
| To date | ^a 0 | ^d 8 | ^m 1 | ^m 0 | ^y 2 | ^y 0 | ^y 2 | ^y 1 | |

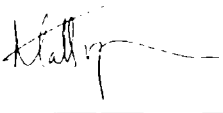
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Progress report

☒ I attach a copy of the progress report

8

Sign and date

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|---------------------------|-------------------------------------------------------------------------------------------------------------------------|--|
| Administrator's signature | <div>Signature</div> <div>  </div> | |
| Signature date | ^d 0 ^d 5 ^m 1 ^m 1 ^y 2 ^y 0 ^y 2 ^y 1 | |

AM10

Notice of administrator's progress report



Presenter information

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

Contact name Daniel Ryan

Company name Kroll Advisory Limited

Address The Chancery

58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country England

DX

Telephone 0161 827 9000



Checklist

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Please make sure you have remembered the following:

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



Important information

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



Where to send

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

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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



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Progress Report to Creditors

5 November 2021

Signature Shankly Limited
(In Administration)

Joint Administrators' Progress Report to Creditors
For the period from 9 April 2021 to 8 October 2021

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 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.

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 Statement of 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 without significant Creditor compromise.

SHLO recommenced trading of the Hotel in July 2020 following the first national lockdown and opened and closed intermittently, following various national and local government lockdowns throughout 2020 and continuing in 2021 until hotels were able to recommence limited trading on 17 May 2021. All COVID restrictions were subsequently lifted on 19 July 2021 and trading has improved as a result. It is believed that continuity of trade will 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.

A copy of the Statement of Proposals is available for viewing on the Kroll website <https://www.kroll.com/ukrestructuring>.

Progress to Date

The Joint Administrators have continued to closely monitor trading performance, noting the requirement under the Right to Manage agreement to make monthly payments to the Company.

The Joint Administrators have 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 Hotel has been marketed extensively to a wide range of potential buyers.

There are a number of interested parties that are now in an advanced phase of the bidding process with the Agents, although detailed vendor due diligence is ongoing to provide the necessary information to all parties in order to solicit best and final bids and progress a sale, should acceptable bids be received.

Outcome for Creditors

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

The Company has no employees and consequently no preferential claims are anticipated in this matter.

According to the Company's records, the Unsecured Creditors total £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, which are subject to an ongoing assessment as part of the ongoing investigations.

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.

3. Progress of the Administration

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

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 progress in relation to ongoing realisations during the Administration are provided below:

3.1.1 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 ownership of the 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, is included in the Proposals.

Due to the ongoing COVID-19 pandemic and localised and national restrictions, the mid to long term trading performance of the Hotel and hospitality sector in general, has been unpredictable.

As outlined in the Previous Progress Reports, there a number of stakeholders in the Hotel, which includes secured creditors, connected long leasehold interests, bedroom investors and BPRA investors. Due to the complexities of the various interests in the Hotel, this caused delays in preparing the Hotel for sale, in addition to COVID uncertainty.

During the previous reporting period, the Joint Administrators formally engaged the Agents to assist in the collation of information into a virtual data room for interested parties, undertake pre-marketing due diligence on the property and compliance matters and prepare marketing literature such as adverts and a brochure.

During the Reporting Period, the Hotel was brought to the open market and has been marketed extensively to a wide range of potential buyers.

There are a number of interested parties that are now in an advanced phase of the bidding process with the Agents, although detailed vendor due diligence is ongoing to provide the necessary information to all interested parties in order to solicit best and final bids and progress a sale, should acceptable bids be received.

The Joint Administrators are not a position to disclose any further details of the bidding process, or the estimated outcome at this stage. An estimated outcome will be put to the various stakeholders for consideration and approval upon receipt of an acceptable offer.

The stakeholders in the Hotel include the various Secured Creditors, bedroom investors and BPRA investors.

As such, an estimated timeline cannot currently be given due to the complexities of the process, but an update will be provided in the next report to creditors, or sooner.

Bedroom Investors

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

The bedroom investors are a key stakeholder in the Hotel due to their leasehold interests in bedrooms. At this stage it is too early predict the likely outcome in the Administration for the bedroom investors however, the Joint Administrators are duty bound to realise best value for the Hotel for the benefit of all Creditors, including bedroom investors.

It is the Joint Administrators' ongoing strategy, through the 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. The return to bedroom investors would be paid as part of the completion of the sale of the Company's interests in the Hotel.

If the Administrators are not able to sell the Hotel free of investor leasehold interests, it is likely the value of the Hotel will be much lower than envisaged and the Administrators will likely be unable to proceed with the current disposal strategy at this time.

At this stage of the Administration, 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, or sooner, as and when there are material developments in the ongoing marketing process.

BPRA

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

The Shankly LPP leasehold interest is with SLH, not the Company. There is an Option Agreement in place between SLH and Shankly LLP, that enables SLH to purchase the leasehold interest back and collapse the lease. It is the Administrators' intention to exercise the Option Agreement as part of a sale of the Hotel.

Purported CVA Proposal

As previously reported, it was brought to the Joint Administrators' attention 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.

The Director, supported by a third-party entity, UKAG, approached the Joint Administrators to discuss how the Administration of the Company and other Signature entities subject to insolvency proceedings, could exit insolvency proceedings.

In March 2021, the Administrators received a first draft of a CVA proposal. After a brief review it was concluded the proposal, as drafted, was not feasible. The Director did not provide evidence of source of funds to be injected into the CVA or adequately demonstrate the Company's ability to meet contributions in a CVA. The proposal did not demonstrate a CVA exit from Administration would result in a better outcome for the general body of Creditors, specifically bedroom investors, in comparison to the asset disposal strategy being adopted by the Administrators.

The Administrators provided feedback at that time and there has been no further communication with the Director or UKAG on the subject of a CVA.

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

3.1.2 Management Charge Income

As detailed earlier in this report, the Hotel recommenced trading intermittently between July 2020 and May 2021. The day-to-day operations and trading of the Hotel are managed by SHLO under a Right to Manage Agreement.

As per the terms of the Right to Manage Agreement, following the settlement of trading costs, any surplus funds generated by SHLO are to be remitted to the Administration estate each month.

The Joint Administrators undertake a review of monthly management accounts and cashflow forecasts, including a review of the SHLO bank statements in order to assess the quantum of the cash surplus available for the Administration estate by way of management fees.

The Joint Administrators received £11,612 under the Right to Manage agreement during the previous reporting periods. Due to the extended periods of closure and COVID-19 restrictions impeding the Hotel's ability to trade effectively, the Company did not receive any further management fees in the form of a cash surplus of funds.

In the Reporting Period, the Joint Administrators have received a further £100,000 from SHLO under the Right to Manage agreement due to an improved period of trading following the lifting of all COVID-19 restrictions. Subject to the future performance of the Hotel, it is envisaged further management fees will be paid over to the estate in due course.

During the Reporting Period, the Joint Administrators have engaged an independent third party operator to assist SHLO in the management of revenue and cash-flow to ensure the operational aspects and ongoing sales function maintain consistency and operate effectively, in consideration of the terms of the Right to Manage Agreement.

As such, the Company and SHLO have entered into a further variation to the existing Right to Manage Agreement in order to achieve a separation of duties so that the third party operator engaged by the Company controls of the day to day cash-flow management, including collection of revenue and settling trading costs.

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

3.1.3 Debtors

Following a review of the Company's records, it has been established that the intercompany debtor balance totals £10,330,947. Included within this balance is an outstanding debtor balance of £9,898,003 due from SLH, which is also in Administration. This balance is therefore deemed uncollectable.

The Joint Administrators have contacted each of the identified intercompany debtors to demand repayment of the amounts owed, however no realisations have been made to date.

The Joint Administrators are liaising with the Solicitors to serve demand on the intercompany debtors to collect the balances outstanding for the benefit of the Administration estate.

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

3.1.4 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 DBEIS 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 60+ connected companies within the Signature Group, the ongoing financial analysis and investigations process has been extensive and is expected to take some time.

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.

3.2 Costs

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

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

3.2.1 Consultancy Advice

In the Reporting Period, the Joint Administrators have incurred and paid expenses in full of £1,800 in relation to consultants assisting in the review of trade forecasts and COVID-19 re-opening planning.

3.2.2 Licence Fees

A further £1,409 was incurred and paid in the Reporting Period, relating to the licence holding facility for the Hotel premises licence.

3.2.3 Marketing Fees

In the Reporting Period, the Joint Administrators incurred and paid £2,865 in relation to marketing services provided in designing an interactive marketing brochure and undertaking professional photography to assist in marketing the Hotel property for sale.

3.2.4 Property Agent's Fees

The Joint Administrators incurred costs of £17,000 and have paid £8,500 of this amount during the Reporting Period in relation to work carried out by the Agents in inspecting the property and the preparation of a Technical Due Diligence and Environmental Report for the Hotel.

The outstanding £8,500 will be settled in the next reporting period with the Agents other costs incurred to be settled as a percentage of the value achieved in the realisation of the Hotel.

The Agents are engaged on a joint basis between the Company and SLH and therefore these costs will be apportioned according to the asset class realised, as SLH holds the freehold title to the Hotel and the Company holds the leasehold titles and owns the chattel assets.

3.2.5 Legal Fees

In the Reporting Period, the Joint Administrators incurred costs of £19,909 in respect of providing legal advice regarding the sale of the Hotel, variations of the Right to Manage Agreement, investigations into the Company, the various leasehold interests and other ad-hoc legal matters.

No legal fees have been paid during the Reporting 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.

The Secured Creditor's outstanding indebtedness in relation to a loan secured against the long leasehold interest in the Hotel was £1,581,829 at the Date of Appointment, which is subject to accruing interest and charges.

The Secured Creditor 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 was approximately £4,800,000, subject to accruing interest and charges.

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 Secured Creditor and Albenden Limited.

It is anticipated the Secured Creditor will be repaid its direct indebtedness in full from the realisation of the leasehold interest in the Hotel, although it is not clear whether the additional guaranteed debts of the Secured Creditor will be repaid in full.

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 and Stanley Street Hotel Limited.

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 the Secured Lender to cover any shortfall.

4.2 Preferential Creditors

The Company had no employees, and so no preferential claims are anticipated in this matter.

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 £4,352,384, an additional £253,874 from the trade and expense creditors and £44,054 from an intercompany creditor.

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: -

| | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Net property less than £10,000: | 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 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 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 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

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 £138,360, which represents 321 hours at an average hourly rate of £431.

Time incurred in the Administration as a whole total £527,337, which represents 1,206 hours at an average hourly rate of £437.

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 represents 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 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.

The Joint Administrators will seek further fee approval from the Secured Creditors as appropriate in due course.

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 Administrations, totalling £63,959. 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 for the Reporting Period and the period of Administration to 8 October 2021.

In the Reporting Period, Category 1 Expenses of £39,996 were incurred and of this amount, £11,365 has been paid. In the same period, no Category 2 Expenses were incurred.

For the whole period of the Administration to 8 October 2021, Category 1 Expenses incurred totalled £120,782 and of this amount, £12,460 has been paid. Category 2 Expenses incurred for the same period totalled £120, however these have not yet been paid.

In the Reporting Period, Category 1 trading expenses of £11,778 were incurred and paid for in full. In the same period, no Category 2 trading expenses were incurred.

For the whole period of the Administration to 8 October 2021, Category 1 trading expenses incurred totalled £129,139, which includes SHLO management charges, consultancy advice and licence fees for the licence holding facility for the Hotel premises. This amount has been paid for in full.

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 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's fees | - | 13,635 | 13,635 |
| Solicitors' fees | - | 21,013 | 21,013 |
| Solicitors' disbursements | - | 149 | 149 |
| Total | - | 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 yet during the Reporting Period or Administration as a whole.

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;
- Finalising the collection of the book debts;

- Conducting further investigations into the intercompany creditor / debtor position;
- 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 12 months in order to deal with the final outstanding matters detailed at section 7.1 above.

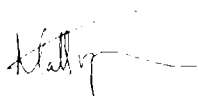
Approval to the extension was granted by the Secured Creditors on 25 November 2020. Consequently, the revised end date for the Administration is 8 April 2022.

The Joint Administrators anticipate that the period of the Administration will be extended by a further 12 months to 9 April 2023 to allow for the proper handling of all outstanding matters. Consent for this extension will be sought from the Court 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 Daniel Ryan 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 Shankly Limited | |
| Date of incorporation | 3 February 2015 | |
| Registered Number | 09418371 | |
| Company Director | Lawrence Kenwright | |
| Shareholders | Signature Living Hotel Limited (In Administration) | |
| 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: Millennium House 60 Victoria Street Liverpool L1 6JD |

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 2022 | |
| Prescribed part | The Prescribed Part is not 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 Duff & Phelps, 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 Duff & Phelps, 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 09/04/2021 To 08/10/2021 £ | From 09/04/2020 To 08/10/2021 £ |
|-------------------------------------|---------------------------------------|---------------------------------------|
| POST APPOINTMENT SALES | | |
| E-Comprocessing - Merchant Acc Prov | NIL | 230,000.00 |
| SHLO - Management Charges Income | 100,000.00 | 111,612.00 |
| | 100,000.00 | 341,612.00 |
| OTHER DIRECT COSTS | | |
| SHLO - Management Charges | 8,568.12 | 21,210.84 |
| | (8,568.12) | (21,210.84) |
| TRADING EXPENDITURE | | |
| Utilities | NIL | 99,874.67 |
| Consultancy Advice | 1,800.00 | 5,143.80 |
| Licence Fees | 1,409.40 | 2,909.40 |
| | (3,209.40) | (107,927.87) |
| TRADING SURPLUS/(DEFICIT) | 88,222.48 | 212,473.29 |

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

| Statement of Affairs £ | | From 09/04/2021 To 08/10/2021 £ | From 09/04/2020 To 08/10/2021 £ |
|---------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| SECURED ASSETS | | | |
| Uncertain | Tangible Fixed Assets | NIL | NIL |
| | | NIL | NIL |
| SECURED CREDITORS | | | |
| (1,581,829.00) | Henslow Trading Limited | NIL | NIL |
| | | NIL | NIL |
| ASSET REALISATIONS | | | |
| 9,698.00 | Cash at Bank | NIL | 9,697.73 |
| Uncertain | Debtors | NIL | NIL |
| Uncertain | Intercompany Debtors | NIL | NIL |
| | Trading Surplus/(Deficit) | 88,222.48 | 212,473.29 |
| | | 88,222.48 | 222,171.02 |
| COST OF REALISATIONS | | | |
| | Legal Fees | NIL | 1,000.00 |
| | Marketing Fees | 2,865.00 | 2,865.00 |
| | Property Agents Fees | 8,500.00 | 8,500.00 |
| | Statutory Advertising | NIL | 94.50 |
| | | (11,365.00) | (12,459.50) |
| 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) | | 76,857.48 | 209,711.52 |
| REPRESENTED BY | | | |
| | Floating/main current account | | 185,884.06 |
| | VAT Receivable | | 23,827.46 |
| | | | 209,711.52 |

Appendix 4 – Analysis of Expenses Incurred

Joint Administrators' Expenses: comparison with estimate

| Expenses | Original expenses estimate £ | Actual expenses incurred in the Reporting Period £ | Actual expenses incurred to date £ | Reason for any excess (if the expenses are likely to, or have, exceeded the original estimate) |
|-------------------------------|---------------------------------|-------------------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Legal costs and disbursements | 60,000 | 19,909 | 92,582 | Legal costs have exceeded the expenses estimate to date as the Administration has been extended due to delays in asset realisations caused by COVID-19 restrictions, as well as significant legal advice required in completing a sale of the Hotel and understanding each stakeholders legal ranking. |
| Consultancy | 0 | 1,800 | 5,144 | Consultancy advice in respect of the Hotel re-opening was not originally forecast as the lockdown measures were not expected to go on for as long or on multiple occasions. |
| Management charges | 0 | 0 | 21,211 | Management charges are in respect of the net wages for employees working for the Company but on the payroll of SLH. The gross element of this will be paid in the next reporting period. |
| Storage | 500 | 0 | 0 | All filing has been done electronically due to COVID-19 pandemic. As such, no costs have been incurred in respect of file storage. |
| Data room costs | 600 | 0 | 0 | Data room costs would relate to sale of business and the Hotel. As this has not commenced, expenses have not yet been incurred. |
| Advertising | 85 | 0 | 95 | Initial estimate was based on average cost of advertising. Actual charge was more due to increased costs charged by advertiser. |
| Bonding | 225 | 0 | 225 | Bonding has not exceeded the original estimate. |
| Insurance of assets | 2,000 | 222 | 625 | Insurance of assets has not exceeded the original estimate. |
| Bank charges | 50 | 0 | 0 | No bank charges have been incurred to date. |
| Sundry expenses | 300 | 0 | 0 | No sundry costs have been incurred. |
| Mileage (own car usage) | 200 | 0 | 120 | Mileage has not exceeded the previous estimate. |
| Marketing fees | 0 | 2,865 | 2,865 | This expense was not included in the initial estimate as was not anticipated that costs would be incurred in respect marketing. |

| 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) |
|----------------------|---------------------------------|-------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property Agents Fees | 0 | 17,000 | 8,500 | This expense was not included in the initial estimate as the strategy regarding the sale of the Hotel was not yet known due to COVID. |
| License fee | 0 | 1,409 | 2,909 | This expense was not included in the initial estimate as was not anticipated that costs would be incurred in respect of a license fee. |
| Utilities | 0 | 0 | 99,875 | This expense was not included in the initial estimate as it was not expected that the Company would settle this cost on behalf SHLO to maintain supply. |
| TOTAL | 63,960 | 43,205 | 234,151 | |

The above costs exclude VAT. The Previous Reports have informed creditors of increases in the original estimates.

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 | 222 | 0 | 625 | 0 |
| | Blaze Marketing Limited | Marketing fees incurred in the process of the sale of the Hotel | As incurred | 2,865 | 2,865 | 2,865 | 2,865 |
| | 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 | 17,000 | 8,500 | 17,000 | 8,500 |
| | Courts Advertising | Statutory advertising of notice of Administration in London Gazette | Fixed fee | 0 | 0 | 95 | 95 |
| | Eversheds Sutherland | Security Review | Time costs | 0 | 0 | 7,390 | 0 |
| | Shakespeare Martineau LLP | Legal advice on in assisting with the Appointment, BPRA issues, management and underwriting agreements, deed of variation, IP disputes and dealing with the sale of the Hotel | Time costs | 19,909 | 0 | 84,764 | 1,000 |
| | Shakespeare Martineau LLP | Counsel, BPRA advice, company search fees, land registry search fees and court fees | Disbursements | 0 | 0 | 7,818 | 0 |
| Total | | | | 39,996 | 11,365 | 120,782 | 12,460 |

| 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 | 120 | 0 |
| Total | | | 0 | 0 | 120 | 0 |

The above expenses exclude Pre-Administration costs and 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 | |
|---------------------------------------|--------------------------------------------------------------------|--------------------|------------------|----------|-------------------|----------|
| Company | Activity | Fee Basis | Incurred (£) | Paid (£) | Incurred (£) | Paid (£) |
| Avensis Hospitality Solutions Limited | Assisting with COVID re-opening plan and premises licensing issues | Fixed fee | 1,800 | 1,800 | 3,893 | 3,893 |
| Avensis Hospitality Solutions Limited | Providing a license holding facility for the site | Fixed fee | 1,409 | 1,409 | 2,909 | 2,909 |
| Signature Living Hotel Limited | Management charges for employee on the SLH payroll | Net wages | 8,568 | 8,568 | 21,211 | 21,211 |
| P M Consultancy | Consultancy advice in respect of trading of the Hotel | Fixed fee | 0 | 0 | 1,250 | 1,250 |
| Opus Energy (Corporate) Ltd | Gas and electricity bills at the Hotel | Daily usage of KWH | 0 | 0 | 99,875 | 99,875 |
| Total | | | 11,777 | 11,777 | 129,138 | 129,138 |

No Category 2 trading expenses have been incurred.

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.

117851 SIGNATURE SHANKLY LIMITED

ANALYSIS OF TIME COSTS FOR THE PERIOD 06/04/2020 to 09/04/2020

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 | | | | | | | | |
| Dealing with notice of intention to appoint | 2.80 | 0.00 | 0.00 | 0.00 | 0.00 | 2.80 | 1,820.00 | 650.00 |
| Strategy planning & control | 5.10 | 11.00 | 0.00 | 0.00 | 0.00 | 16.10 | 9,475.00 | 588.51 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 2.30 | 0.00 | 0.00 | 0.00 | 0.00 | 2.30 | 1,495.00 | 650.00 |
| Investigations | | | | | | | | |
| Financial review and investigations (S238/239 etc) | 1.30 | 0.00 | 0.00 | 0.00 | 0.00 | 1.30 | 845.00 | 650.00 |
| Total Hours: | 11.50 | 11.00 | 0.00 | 0.00 | 0.00 | 22.50 | | 606.00 |
| Total Fees Claimed: £ | 7,475.00 | 6,160.00 | 0.00 | 0.00 | 0.00 | | 13,635.00 | |

117851 SIGNATURE SHANKLY LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 09/04/2020 to 08/10/2021

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 | 7.10 | 0.00 | 12.70 | 0.00 | 19.80 | 6,334.00 | 319.90 |
| Cashiering & accounting | 0.60 | 19.35 | 1.50 | 13.75 | 0.00 | 35.20 | 13,815.50 | 392.49 |
| Dealings with Directors and Management | 1.70 | 94.30 | 0.00 | 0.90 | 0.00 | 96.90 | 48,885.00 | 504.49 |
| IPS set up & maintenance | 0.00 | 0.60 | 0.00 | 0.90 | 0.00 | 1.50 | 486.00 | 324.00 |
| Insurance | 0.00 | 2.10 | 0.00 | 2.30 | 0.00 | 4.40 | 1,767.00 | 401.59 |
| 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 | 133.00 | 0.00 | 73.60 | 0.00 | 211.15 | 82,194.50 | 389.27 |
| Strategy planning & control | 23.50 | 120.10 | 8.25 | 14.35 | 0.00 | 166.20 | 83,160.00 | 500.36 |
| Tax Compliance / Planning | 0.00 | 0.00 | 0.00 | 2.20 | 0.00 | 2.20 | 500.00 | 227.27 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 0.00 | 84.60 | 0.00 | 94.45 | 0.00 | 179.05 | 66,045.50 | 368.87 |
| Creditors committee | 3.50 | 0.00 | 0.00 | 0.20 | 0.00 | 3.70 | 2,325.00 | 628.38 |
| Non Pref Creditors / Employee claims handling | 0.00 | 0.00 | 0.00 | 19.70 | 0.00 | 19.70 | 4,553.00 | 231.12 |
| Secured Creditors | 11.35 | 97.95 | 0.00 | 2.30 | 0.00 | 111.60 | 58,758.50 | 526.51 |
| Investigations | | | | | | | | |
| CDDA & reports & Communication | 0.00 | 9.40 | 0.00 | 20.95 | 0.00 | 30.35 | 9,535.50 | 314.18 |
| Financial review and investigations (S238/239 etc) | 1.00 | 13.70 | 0.00 | 20.15 | 0.00 | 34.85 | 13,437.50 | 385.58 |
| 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 | 0.00 | 0.20 | 0.00 | 0.20 | 50.00 | 250.00 |
| Freehold and Leasehold Property | 11.50 | 81.65 | 0.00 | 49.90 | 0.00 | 143.05 | 62,341.50 | 435.80 |
| Other Intangible Assets | 0.00 | 2.30 | 0.00 | 0.00 | 0.00 | 2.30 | 1,150.00 | 500.00 |
| Sale of business | 0.00 | 80.55 | 0.00 | 3.05 | 0.00 | 83.60 | 41,934.50 | 501.61 |
| Trading | | | | | | | | |
| Trading - Accounting | 0.00 | 22.85 | 0.00 | 4.95 | 0.00 | 27.80 | 13,365.50 | 480.77 |
| Trading - Employees | 0.00 | 0.40 | 0.00 | 0.70 | 0.00 | 1.10 | 431.00 | 391.82 |
| Trading - Insurance | 0.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 325.00 | 650.00 |
| Trading - Operations | 3.40 | 23.50 | 0.00 | 0.50 | 0.00 | 27.40 | 14,505.00 | 529.38 |
| Total Hours: | 62.60 | 793.45 | 9.75 | 340.50 | 0.00 | 1,206.30 | | 437.15 |
| Total Fees Claimed: £ | 40,890.00 | 399,717.50 | 3,305.50 | 83,424.00 | 0.00 | | 527,337.00 | |

117851 SIGNATURE SHANKLY LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 09/04/2021 to 08/10/2021

ADM-Admin. - Post Appt.

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Avg Hourly Rate £ |
|----------------------------------------------------|-------------------|-------------------|--------------|------------------|-------------|---------------|-------------------|-------------------|
| | Managing Director | Manager | Senior | Assistant | Support | | | |
| Administration and Planning | | | | | | | | |
| Case review & Case Diary management | 0.00 | 1.90 | 0.00 | 2.35 | 0.00 | 4.25 | 1,766.50 | 415.65 |
| Cashiering & accounting | 0.00 | 13.55 | 0.20 | 2.70 | 0.00 | 16.45 | 7,582.00 | 460.91 |
| Dealings with Directors and Management | 0.00 | 18.35 | 0.00 | 0.00 | 0.00 | 18.35 | 9,175.00 | 500.00 |
| IPS set up & maintenance | 0.00 | 0.00 | 0.00 | 0.15 | 0.00 | 0.15 | 28.50 | 190.00 |
| Insurance | 0.00 | 0.00 | 0.00 | 1.40 | 0.00 | 1.40 | 462.00 | 330.00 |
| Statutory matters (Meetings & Reports & Notices) | 2.25 | 12.50 | 0.00 | 26.05 | 0.00 | 40.80 | 13,083.00 | 320.66 |
| Strategy planning & control | 0.50 | 22.90 | 0.00 | 1.10 | 0.00 | 24.50 | 13,491.00 | 550.65 |
| Tax Compliance / Planning | 0.00 | 0.00 | 0.00 | 1.10 | 0.00 | 1.10 | 255.00 | 231.82 |
| Creditors | | | | | | | | |
| Communications with Creditors / Employees | 0.00 | 8.70 | 0.00 | 17.90 | 0.00 | 26.60 | 9,361.00 | 351.92 |
| Non Pref Creditors / Employee claims handling | 0.00 | 0.00 | 0.00 | 0.85 | 0.00 | 0.85 | 280.50 | 330.00 |
| Secured Creditors | 3.25 | 27.95 | 0.00 | 0.20 | 0.00 | 31.40 | 16,941.00 | 539.52 |
| Investigations | | | | | | | | |
| Financial review and investigations (S238/239 etc) | 0.00 | 12.10 | 0.00 | 9.40 | 0.00 | 21.50 | 9,152.00 | 425.67 |
| Realisation of Assets | | | | | | | | |
| Freehold and Leasehold Property | 0.00 | 9.20 | 0.00 | 41.60 | 0.00 | 50.80 | 15,334.00 | 301.85 |
| Sale of business | 0.00 | 53.20 | 0.00 | 0.10 | 0.00 | 53.30 | 27,008.00 | 506.72 |
| Trading | | | | | | | | |
| Trading - Accounting | 0.00 | 12.30 | 0.00 | 2.15 | 0.00 | 14.45 | 6,859.50 | 474.71 |
| Trading - Employees | 0.00 | 0.40 | 0.00 | 0.70 | 0.00 | 1.10 | 431.00 | 391.82 |
| Trading - Operations | 0.00 | 13.70 | 0.00 | 0.00 | 0.00 | 13.70 | 7,150.00 | 521.90 |
| Total Hours: | 6.00 | 206.75 | 0.20 | 107.75 | 0.00 | 320.70 | | 431.43 |
| Total Fees Claimed: £ | 3,900.00 | 105,900.50 | 89.00 | 28,470.50 | 0.00 | | 138,360.00 | |

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 | <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. |
| Investigations | <ul style="list-style-type: none"> • 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; • Reviewing pre-appointment transactions; and • Documenting investigations. |
| Statutory and compliance | <ul style="list-style-type: none"> • Ensuring compliance with all statutory obligations within the relevant timescales; • Reviewing time costs to date and producing analysis of time incurred which is compliant with SIP 9; and • Preparing this report and the associated documents. |
| Cashiering | <ul style="list-style-type: none"> • Preparing statutory receipts and payments accounts; and • Renewing bonding and complying with statutory requirements. |

Asset realisations

- 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;
- Reviewing and varying the Right to Manage agreement and liaising with SHLO on the Deed of Variation;
- Review monthly management accounts and cashflow forecasts, including a review of the SHLO bank statements to assess the quantum of the cash surplus available for the estate;
- 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.

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 Daniel Ryan at Daniel.O.Ryan@Kroll.com.

Information for Creditors on remuneration and disbursements of Administrators

Information regarding the fees and disbursements of Administrators, including details of the Duff & Phelps' disbursements policy and hourly charge out rates for each grade of staff that may undertake work on this case, is in a document called "A Creditors' Guide to Administrators' Fees". This can be viewed and downloaded from the Joint Administrators' website at:

<https://www.duffandphelps.co.uk/-/media/assets/pdfs-international/uk/creditors-guide/administration-a-creditors-guide-to-insolvency-practitioner-fees-updated.ashx?la=en-gb&hash=007D99D0FCC2E1AAADA98AA36B09E2D94292DBA9>

Should you require a copy, please contact this office.

Creditors may requisition a physical meeting of Creditors for approval of the Joint Administrators' Proposals under Rule 15.6 of the Insolvency (England and Wales) Rules 2016

The Joint Administrators shall summon a physical meeting (1) if asked to do so by (a) creditors whose debts amount to at least 10% of the total debts of the Company or (b) 10% in number of creditors, or (c) 10 creditors, and (2) if the following procedures are followed:

The request for a requisitioned physical meeting must be made within five business days of the date on which the Joint Administrators' Proposals were delivered and include either:

(a) a statement of the requesting creditor's claim together with—

- a list of the creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each creditor; or

(b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

If you wish to request a physical Creditors' meeting, please complete and return the physical meeting requisition form available on the website.

Creditors may requisition a decision to be made by all of the Creditors for approval of the Joint Administrator' Proposals under para 52(2) Schedule B1 Insolvency Act 1986

The Joint Administrators shall seek a decision from the Company's Creditors as to whether they approve the Proposals if requested by Creditors of the Company, whose debts amount to at least 10% of the total debts of the Company. Such a request must be received by the Joint Administrators within eight business days of the date on which the Joint Administrator's statement of Proposals is delivered.

The request for a requisitioned decision must include a statement of the purpose of the proposed decision and either—

(a) a statement of the requesting Creditor's claim together with—

- a list of the Creditors or contributories concurring with the request and of the amounts of their respective claims or values, and
- confirmation of concurrence from each Creditor; or

(b) a statement of the requesting Creditor's debt and that that alone is sufficient without the concurrence of other Creditors

Creditor/s may be requested to meet the costs of a requisitioned decision and a deposit will be required for this purpose. These costs may be ordered to be paid as an expense of the Administration if the Creditors so resolve.

A requisitioned decision must be made within 28 days of receiving the deposit or the expiry of 14 days without the Administrator informing the requesting Creditor of the deposit sum.

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 |
| the Appointment Date | 9 April 2020, being the date of appointment of the Joint Administrators |
| 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) |
| DBEIS | Department for Business, Energy & Industrial Strategy |
| the Director | Lawrence Kenwright, the director of the Company |
| the Hotel | The Shankly Hotel, Millennium House, 60 Victoria Street, Liverpool, L1 6JD |
| the Joint Administrators | Matthew Ingram and Michael Lennon of Kroll, The Chancery, 58 Spring Gardens, Manchester, M2 1EW |
| Kroll | Kroll Advisory Ltd (formerly Duff & Phelps Ltd), The Chancery, 58 Spring Gardens, Manchester, M2 1EW |
| 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 and 7 May 2021 |
| the Reporting Period | The period from 9 April 2021 to 8 October 2021 |
| 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 |
| UKAG | UK Accommodation Group Limited (Company Number: 12580383) |

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 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 Registration 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 | |