

AM10

Notice of administrator's progress report



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1 Company details

Company number 08124207

Company name in full Signature Living Hotel Limited

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

2 Administrator's name

Full forename(s) Matthew

Surname Ingram

3 Administrator's address

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Post town Birmingham

County/Region

Postcode B33PU

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

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Post town Manchester

County/Region

Postcode M21EW

Country United Kingdom

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

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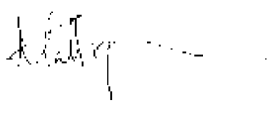
6 Period of progress report

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

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

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

AM10

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Contact name Callum O'Brien

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DUFF & PHELPS

Progress Report to Creditors

Signature Living Hotel Limited (In Administration)

13 November 2020

*Joint Administrators' Progress Report to Creditors
For the period from 15 April 2020 to 14 October 2020*

Duff & Phelps Ltd.
The Chancery
58 Spring Gardens
Manchester
M2 1EW

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1. Introduction

The Joint Administrators were appointed on 15 April 2020 by an order of the High Court in Manchester, Companies Court 002191 of 2020. The application to the Court was made by the holder of a qualifying floating charge, pursuant to Paragraph 14 of the Act.

The purpose of this Progress Report is to accompany the Joint Administrators' request to extend the period of Administration by 12 months to 14 April 2022 by providing details of the progress of the Administration for the Reporting Period.

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 7.

Please also note that an important legal notice about this Progress Report to Creditors is attached at Appendix 8.

2. Creditor summary

This Progress Report covers the period from the Appointment Date to 14 October 2020.

Summary of Proposals

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, were deemed approved by Creditors on 16 June 2020 without modifications.

It is believed that the second objective will be achieved as the Administration provides protection to the Group's hotel and residential assets and provides a platform from which a realisation strategy can be implemented to maximise the value of the assets that otherwise may not be available should the Company have been wound up.

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

A summary of the Proposals is included at Appendix 2. A copy of the Statement of Proposals is available on the Duff & Phelps website at <http://www.duffandphelps.com/ukrestructuring>.

Progress to date

Through their role as Joint Administrators of both the Company and SSL, lines of communication were established with the Group's retail investors / BPRA scheme representatives and other secured lenders to ensure information could be passed to the Joint Administrators in a timely manner and parties were made aware of the appointment.

As a result of the work conducted to date, and the information received from a variety of sources, the Joint Administrators have improved their understanding of the Company's individual property and non-property interests. In addition, the Joint Administrators continue to undertake a full review of the Company's guarantee liabilities granted to a number of different parties prior to their appointment.

As part of the initial review it was found that the shares in both the Company and all of the subsidiary companies had been transferred to a new legal entity that had been set up by the Director to replace the Company as the ultimate parent of the wider Group.

After discussions with the Director, and following legal and tax advice, these transfers were reversed, and the Company has resumed its role as the ultimate shareholder of the majority of the entities in the wider signature group.

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

The Joint Administrators are reviewing the Company's various shareholdings and intercompany and related party debtors within the Group, in order to maximise realisations where possible.

The Joint Administrators are continuing to review whether there are any additional assets owned by the Company which can be realised for the benefit of the estate.

Outcome for Creditors

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

Based on current information, it is anticipated that there will be sufficient realisations to enable a distribution to the preferential creditors.

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

In addition, the contingent unsecured retail creditors were estimated at £10,000,000, although claims to date are in excess of £20,000,000. This contingent liability relates to corporate guarantees granted by the Company.

In addition, there are group intercompany and related party creditors of £97,737,592, the balances of which are subject to an ongoing review.

It is currently anticipated that there will not be sufficient realisations to enable a dividend to unsecured creditors, other than by virtue of the Prescribed Part, which is yet to be determined.

Please note, this Progress Report provides Creditors with an account of the progress of the Administration of the Company in the period. The Joint Administrators' Statement of Proposals and Progress Report are available to view at <http://www.duffandphelps.com/ukrestructuring>, and paper copies can be provided free of charge by writing to Callum O'Brien at Callum.Obrien@duffandphelps.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 Proposals for further information in relation to the background of the Company.

From the outset, the purpose of an Administration is to achieve one of the following hierarchical objectives:

- To rescue the Company as a going concern; or

- Achieve a better result for the Company's creditors than what would be likely if a wind up had been pursued (without first being in Administration); or
- Realising property in order to make a distribution to one or more Secured or Preferential Creditors.

In accordance with Paragraph 49(2) of Schedule B1 to the Act, the Joint Administrators believe that the first objective cannot be met as there are insufficient funds and assets available to enable the Company to be rescued as a going concern.

Despite the Group's significant property interests, the level of secured and unsecured indebtedness to which the Company is directly and indirectly liable for significantly outweighs the initial expectations of the value of the Company's direct and indirect assets.

It is believed that the second objective will be achieved as the Administration provides protection to the Group's hotel and residential assets and provides a platform from which a realisation strategy can be implemented to maximise the value of the assets that otherwise may not be available should the Company have been wound up.

In addition, it is also anticipated that the third objective will be achieved as the Joint Administrators anticipate that a distribution will be made to one or more of the Secured and Preferential Creditors of the Company via the sale of certain freehold and leasehold property interests and intangible assets.

The manner in which the affairs and business of the Company have been managed since the Appointment Date and will continue to be managed and financed, are set out below.

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:

The trading operations of the wider Group were suspended due to the COVID-19 restrictions implemented by the UK Government on 23 March 2020.

The Company provided head office and support services to the operational companies within the Group and, as far as the Joint Administrators are aware, did not carry out any direct trading of any hotel or property assets.

In its role as a central support function, the Company had 176 employees although 10 employees resigned following appointment.

Following their appointment, the Joint Administrators began reallocating the remaining employees under TUPE to the specific trading entity to which their role relates.

On 30 April 2020, three employees were transferred under TUPE to the Cotton Street Project with immediate effect.

During the course of the Administration, a total of 54 employees have transferred under TUPE to The Shankly Hotel Liverpool Ops Limited.

On 31 July 2020, 51 employees were notified of their redundancy from the Company with their contract of employment being terminated with effect from 1 August 2020.

On 28 August 2020, a further seven employees were notified of their redundancy from the Company with their contract of employment being terminated with effect from 28 August 2020.

On 1 September 2020, 48 Coal Exchange employees were transferred under TUPE to Eden Grove Properties Limited with immediate effect.

The Administrators have retained three employees to assist with the ongoing Administration.

Throughout this period, the Joint Administrators have utilised the furlough scheme, where required, to ensure that employees required by the operating entities within the Group are retained to preserve their employment status and ensure trading at the relevant entities could commence once the restrictions were lifted.

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

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

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

The Hotel recommenced trading in July 2020 although, on 15 October 2020, the Liverpool region was placed into the highest tier of COVID-19 restrictions, the result of which is impacting on trade due to the Hotel predominantly catering to large groups that are typically from different households. England has subsequently entered a full lockdown until 3 December 2020, which has further impacted trade at the Hotel.

The day to day operations of the Hotel are managed by SHLO under a Right to Manage Agreement. This includes the relationship with the Hotel customers and suppliers. In addition, SHLO employs all the Hotel staff.

Due to the ongoing COVID-19 pandemic, the mid to long term performance of the hospitality sector is unpredictable and therefore, the Joint Administrators are taking a cautious approach, working closely with their appointed legal and property advisors, to finalise the strategy to bring the Hotel, which includes the freehold property, to the open market as soon as possible.

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

Bedroom Investors

The bedroom investors are a key stakeholder in the Hotel due to their leasehold interests in bedrooms, although the direct relationship is with SSL, not the Company, which is where the long leasehold interest in the Hotel is held.

At this stage it is too early to say what the outcome will be for 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.

Unfortunately, due to the ongoing COVID-19 restrictions, it is unclear what value can be achieved when compared to pre COVID-19 suggested valuations, which is why the Administrators are making all of the necessary enquiries, taking legal and valuation advice, to ensure the strategy adopted results in the best possible outcome.

Once the Administrators have a better understanding on the realisable value of the Hotel, primarily based on market appetite and offers received, in conjunction with SSL, the Administrators will be in a better position to put forward their proposal to each bedroom investor in relation to their leasehold interests and provide an estimate of the projected return as part of a sale of the Hotel.

In the meantime, individual Investors are free to discuss any proposal specific to their leasehold interests with third parties, however, the Joint Administrators have not authorised any third party to hold discussions on their behalf.

Further details will be provided in the next report or sooner, if there are material developments in the meantime.

BPRA

Further details of the BPRA scheme is included in the Proposals.

The Company provided Shankly LLP with the debt element of the BPRA scheme of circa £2,750,000 by way of an underwriting loan dated 2 April 2015. Shankly LLP members had a minimum total equity subscription of circa £1,861,363 in order to receive the full tax allowance available under the scheme.

Prior to the Administrators' appointment, the Company was in negotiations to enter into an option agreement to purchase the leasehold interest back from Shankly LLP, which if entered into, would complete before 28 August 2021, which is 6 months after the fifth anniversary of practical completion of the Hotel.

If the Company enters into and exercises an option agreement, then Shankly LLP must sell its leasehold interest back to the Company for an agreed amount or Market Value whichever is the higher.

Whether an option agreement is entered into or not, Shankly LLP must repay the underwriting loan to the Company whenever its interest in the Hotel is sold or by 28 February 2021, whichever is sooner.

All of the above will be factored into the strategy adopted by the Joint Administrators in realising the freehold interest in the Hotel.

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

Retail Investors

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

All investments with retail investors relate to loans provided to Signature Capital Investments entities that are not subject to insolvency proceedings or are linked to property development schemes that fall outside of the scope of this Administration process.

In the first instance, retail investors have been advised to seek repayment of amounts that are due and payable from the Signature entity that the investment or loan agreement is with.

COVID-19 restrictions have caused unavoidable delays with a number of property developments and loan redemption dates have passed as a result. The Joint Administrators are continuing to establish the status of each development and whether any repayment of loans via the corporate guarantee will be possible in the future following a sale or refinance of the developments.

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

- Kingsway, Residential
- Bankfield, Residential

- Shankly Hotel Preston
- Dixie Dean Hotel, Liverpool
- Alma De Cuba, Liverpool
- Loyola Hall, Liverpool
- Waring, Belfast
- Arthouse Square, Liverpool
- Stanley Street Hotel, Liverpool

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

- Old Hall and Victoria Mill – In Administration
- 30 James Street – In Administration
- Exchange Hotel, Cardiff – In Liquidation
- Cavern Walks, Liverpool – In Receivership
- Bling Bling Building, Liverpool – In Receivership

The Joint Administrators are making enquiries with the various Administrators and Receivers to understand their strategy, marketing and estimated realisations. In addition, the Joint Administrators are looking to understand if a sale or refinance of the property assets will settle all liabilities in the respective entities and whether funds will be available to the Company as shareholder, or possibly from a dividend being paid to the Company as an unsecured creditor due an intercompany debt.

It is noted there is likely to be a dilution in value of properties in general following COVID-19 and therefore it is envisaged it will take time for property values to bounce back to pre-COVID numbers which may impact on the ability of the Company to receive any benefit from sale of certain properties.

The Administrators are aware that the director of the Company is in discussions with a group of retail investors with a view to working together to formulate a restructuring plan. To date, the Joint Administrators have not yet received any details or proposal from the director or any third parties in relation to a restructuring plan and are therefore not in a position to comment on its viability or otherwise.

Therefore, the Joint Administrators are continuing to work with their appointed advisors to finalise the strategy to bring the property assets under their control to the open market at the appropriate time.

When approached, the Joint Administrators have advised the retail investors that they are free to discuss any proposal specific to their investment with third parties, however, the Joint Administrators have not authorised any third party to hold discussions on their behalf.

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

In January 2016, the Company acquired the long leasehold interest in West Africa House in Liverpool which includes a bar and a number of luxury residential apartments.

The Company granted a 15-year lease to GS Events Management Limited on 13 June 2013 who trade from the ground floor and mezzanine as a tearoom and bar called Oh Me Oh My.

The Company granted a 15-year lease to GS Events Terrace Limited on 22 December 2014 who trade from the roof top bar as Goodness Gracious.

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

During the Reporting Period, the tenant paid rent of £13,333 and this was subsequently paid in full directly to the landlord on the same date by the Agents. Rent is shown on the Receipts and Payments Account for the purposes of accounting for VAT only.

The Joint Administrators are in the process of requesting a voluntary surrender from the landlord on the basis there is no investment value in the long leasehold and therefore no benefit to the Administration estate. To date, no surrender has been agreed with the landlord.

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

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

The freehold property has 168 apartments and buyers were granted a 250-year lease. The Company sold the flats on the basis of assured rents over a period of three years. It is the Joint Administrators' understanding there are number of tenants that have assured rent arrears, although the assured rental agreement periods have expired for all of leaseholders.

In addition, the Company has granted long leases in respect of the roof top bar, retail and the car park.

The passing ground rents are £33,600 per annum, with a rent review every five years.

As with the Shankly Hotel, there is a BPRA scheme in place and the Company has granted a 999 year lease commencing 14 December 2017 to Daniel House Refurbishment LLP and there is an underlease granted by Daniel House Refurbishment LLP to Signature Campus Limited for a period of five years, which expired on 28 September 2020. The leases relate to the common parts in the building.

Daniel House Refurbishment LLP appointed Liquidators on the 24 September 2020 on the basis they were unable to repay an underwriting loan of £1,686,677, due to be paid to the Company on 28 September 2020.

Hope Capital held security over the property against a loan of c£160,000, at the date of appointment. Hope appointed Fixed Charge Receivers over Daniel House. Shortly after their appointment they resigned, following an assignment of Hope Capital's debt and security to Investments West Derby Limited.

The director of Investments West Derby Limited currently manages the property under the entity Daniel House Client Account Limited. There is no formal management agreement in place between the Company and the Daniel House Client Account Limited or any other entity controlled by the director, connected to Daniel House.

There are several ongoing service charge disputes between the leaseholders and Daniel House Client Account Limited. The Administrators are assisting the leaseholders in this regard and have requested further information from the director of Daniel House Client Accountant Limited to assist in their ongoing enquiries.

The Joint Administrators continue to investigate ongoing leaseholder disputes, the granting of various long leasehold interests in certain parts of the building, including the lease granted to Daniel House Refurbishment LLP (in Liquidation), with a view to bringing the freehold property to the open market.

In the first instance, the Administrators need to serve a Section 5A notice on the leaseholders, which is a requirement when the landlord intends to sell a freehold. There is a legal obligation on a landlord to serve the Section 5A notice to leaseholders before they sell on the open market. This is called the right to first refusal.

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

The Company owns the freehold title to Cotton Street which was previously occupied by a charity. The charity has recently found alternative premises and vacated the property.

The Joint Administrators have received a request from Stoneygate 2007 Limited's legal advisors to consent to the appointment of an LPA Receiver over the property and consent has been granted, although to date, the Receiver has not been appointed.

In the event a Receiver is not appointed, the Administrators will market the property for sale at the earliest opportunity.

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

The Company owns the freehold interest in Carlton Street and granted a fixed charge over the property to Stoneygate 2007 Limited in consideration for monies advanced to the Company.

It is the Administrators' understanding the property was previously used as a storage facility by the Signature Group.

The Joint Administrators have received a request from Stoneygate 2007 Limited's legal advisors to consent to the appointment of an LPA Receiver over the property and consent has been granted, although to date, the Receiver has not been appointed.

In the event a Receiver is not appointed, the Administrators will market the property for sale at the earliest opportunity.

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

The Company has an indirect interest in a cruise liner, MV Funchal, which is currently moored in Lisbon, Portugal. Further details regarding the Company's interest in the vessel were provided in the Proposals.

Whilst not legally required, the Joint Administrators have provided their consent to SLG Cruise Limited to dispose of the vessel.

Should the vessel be sold, Albenden will be repaid their debt of circa £1,400,000, subject to accruing interest and costs, with any surplus payable to the Company, up to circa £3,000,000.

Should the vessel be chartered, the Company will not receive any of the proceeds and the debt of circa £3,000,000 will not payable for 19 years or until the vessel is sold.

The other option being considered is to scrap the vessel, although due to COVID-19 restrictions around the world, there is a large number of vessels being scrapped and there are long waiting lists at breakage yards. This option will not result in any realisations for the Company.

Therefore, it is the Administrators preference that the vessel is sold, and discussions are ongoing with the Albenden and SLG Cruise Limited in this regard.

It is understood that SLG Cruise Limited have had parties interested in both purchasing and chartering the vessel although no offers have been received to date.

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

The Company owns the shares in over 60 Group entities.

Further details regarding the Company's shareholding in other Group entities were provided in the Proposals.

According to the Company's books and records, the outstanding debts due to the Company in respect of trade debtors and other debtors, including prepayments and accrued income, is circa £25,274,208.

It is also understood that there are intercompany and related party debtor balances of circa £63,357,939 due from other entities within the group, with corresponding intercompany and related party creditor balances totalling £97,737,592.

The Administrators are working with the Director and senior management team within the group in preparing updated balance sheets for each entity and reconciling the position in relation to the intercompany debtors and intercompany creditors. Due to the complexities of the group structure this exercise is going to take time.

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

The Company has provided an underwriting loan of c£8,600,000 in respect of the development of the Coal Exchange Hotel.

The Administrators are in discussions with The Coal Exchange LLP in relation to this loan, which would be due for repayment in six to seven years if the hotel reaches practical completion.

Due to the current incomplete status of the hotel, there is no fixed repayment date for the loan and there are unlikely to be any realisations unless the hotel is finished at a considerable cost.

The Company is the developer of this hotel and is subject to various unsecured damages claims for non-performance and monies that were paid to the Company to be used for the completion that have been used elsewhere around the Group.

Discussions are ongoing and a further update will be provided in the next progress report to creditors.

The Company received funds totaling £9,030 during the Reporting Period to cover wages for management costs within the wider Signature Group.

During the Reporting Period, the Company received a refund totaling £18,960 from a utility provider in relation to electricity supply.

No further realisations are anticipated from this source

In order to facilitate the TUPE transfer of Coal Exchange staff, the Joint Administrators were required to retain those employees for the month of August. Due to changes to the furlough scheme, this would have resulted in the Company being liable for PAYE / NIC and pension contributions during this period.

As such, it was agreed that Eden Grove Properties Limited would make a cost contribution equal to the PAYE / NIC and pension liabilities falling due.

Funds totalling £5,065 were received during the Reporting Period in this regard. No further realisations are anticipated from this source.

During the Reporting Period, the Company received £448 from E-Compressing in respect of the Company's merchant services facility.

The Company's previous merchant services provider has retained circa £312,000 of credit card receipts. Customers can apply for a chargeback via their bank in the event a booking or service is not fulfilled.

A risk assessment is ongoing between the Company and Fiserv to establish whether hotel bookings and events have been fulfilled and the risk associated with chargebacks.

Further details will be provided in the next report to creditors.

As at the Appointment Date, the Company had cash at bank of £16,221 which was held at Santander.

The Company also previously operated an account with Lloyds which had cash at bank of £116.

These funds were transferred to the Administration estate during the Reporting Period.

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

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

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

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

The Joint Administrators are continuing to review the affairs of the Company to identify any action which can be taken that 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.

The Joint Administrators' investigations into the Company are ongoing. Given the complexity of the Administration and its entanglement with associated companies, this process 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 emailing Callum.O'Brien@DuffandPhelps.com or jen.harrison@duffandphelps.com or writing to Duff & Phelps 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.

A separate Receipts and Payments Account has been prepared for the Administration trading period. This is also attached at Appendix 3.

4. Outcome for Creditors

4.1 Secured Creditors

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

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

As at 6 May 2020, the principal indebtedness to Albendan in respect of SSSH was £2,249,704, subject to accruing interest and legal costs.

As at 6 May 2020, the principal indebtedness to Albendan in respect of SLCE loan facility was £10,376,811, subject to accruing interest and costs.

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

Based on current information, it is not known whether Albenden will receive a distribution under their fixed charge and guarantees as this will be dependent on whether the loans to SLCE and SSSH are repaid in full and whether there are sufficient realisations in this Administration and/or the Administration of SSL.

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

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

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

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

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

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

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

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

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

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

On 21 October 2019, in consideration for monies advanced to a subsidiary, the Company granted LT Prime Secured SPC Limited a fixed charge over its shareholding in Harrington Street Hotel Limited.

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

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

It is anticipated Investments West Derby Limited will be repaid in full, although this is subject to the realisable value of the freehold property.

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

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

On 13 December 2019, in consideration for monies advanced to a subsidiary, the Company granted Cortland Trustees Limited a fixed charge over its shareholding in Signature Living Residential Limited

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

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

The amount outstanding under this facility is £182,700, subject to accruing charges and interest.

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

The Company granted security over the above properties as part of a loan facility provided to Signature Campus Limited, which includes two other properties in Daniel House. The amount outstanding under this facility is £341,185, subject to accruing charges and interest.

The Administrators have consented to the appointment of Fixed Charge Receivers.

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

4.2 Preferential Creditors

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

The preferential claims are expected to relate to wage arrears and outstanding holiday pay, although the Administrators have not received the claim from the RPS.

Based on current information, it is anticipated that there will be sufficient realisations to enable a distribution to the preferential creditors.

4.3 Unsecured Creditors

According to the Company's records, the unsecured creditors totaled £111,921,594 at the Appointment Date. The unsecured creditors can be summarised as follows:

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

The Joint Administrators have requested from the director of Signature Capital Investments Limited full details of retail investors and loans provided to subsidiaries of Signature Capital Investments Limited, in order to establish the potential exposure to the Company where it acts as corporate guarantor. Claims to date are in the region of £20,000,000.

Creditors should note that circa £97,737,592 of the unsecured debt is intercompany, connected and related party creditors within the Group and it is estimated that there are trade, intercompany, related party and other debtors of circa £88,632,147 in the Group.

As highlighted at section 3.2.8 in the report, the Administrators are working with the Director and senior management team to reconcile the position in relation to the intercompany debtors and creditors, although due to the complexities of the group structure this exercise is going to take time.

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. This position may change dependent on future realisations, quantum of claims from secured and preferential creditors and the costs of the Administration.

An update will be provided in the next report to creditors.

4.4 Prescribed part

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

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

5. Other matters

5.1 Creditors' Committee

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

5.2 Joint Administrators' Receipts and Payments account

A detailed Receipts and Payments Account for the Company during the Reporting Period is shown at Appendix 3.

5.3 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, Statement of Creditors Rights.

6. Joint Administrators' fees and expenses and pre-Administration costs

6.1 Fees and expenses

The Joint Administrators are seeking approval from the Secured and Preferential Creditors that their remuneration will be drawn on the basis of time properly given by the Joint Administrators and their staff in accordance with the fee estimate provided in the Joint Administrators' Proposals and Duff & Phelps Ltd.'s usual charge out rates for work of this nature.

Time has been charged in six-minute units. Details of the time charged for the Reporting Period are attached at Appendix 4.

Time costs incurred in the Reporting Period total £436,620, which represents 1,078 hours at an average hourly rate of £405.

In accordance with SIP 9, the Joint Administrators have provided further narrative detail of the time costs incurred at Appendix 5.

Included within the Proposals was a Fee Estimate of £763,950 which represents the total time costs expected to be incurred by Joint Administrators during the initial 12 months of the Administration. Further details in this regard were included within the Proposals.

Approval to this Fee Estimate is being sought from the Secured and Preferential Creditors.

Attached at Appendix 9 is a Notice of Decision Procedure by Correspondence with which Preferential Creditors can vote on the relevant resolutions relating to the Joint Administrators' Fees.

Please note that the above notice relates to Preferential Creditors only. The Joint Administrators are continuing to liaise with the Secured Creditors to obtain the necessary consents.

No remuneration has been drawn to date.

Trading expenses incurred in the Reporting Period total £993,073, which relates to wages, salaries and PAYE/NIC.

Other expenses incurred in the Reporting Period total £13,876, which have been paid in full.

Details of the expenses charged for the Reporting Period are attached at Appendix 4.

In the Reporting Period, the Joint Administrators have incurred Category 1 Disbursements of £225 for payments to independent third parties where the specific expenditure is directly referable to the Administration.

In the Reporting Period, the Joint Administrators have incurred Category 2 Disbursements of £207 for services provided by Duff & Phelps Ltd (defined as Category 2 Disbursements in the Statement of Insolvency Practice 9).

Also attached at Appendix 5 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 6.

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 (£)
Duff & Phelps Ltd fees	-	£2,890	£2,890
Legal fees	-	£2,275	£2,275
Total	-	£5,165	£5,165

The above costs exclude VAT.

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

Approval of Pre-Administration costs is to be sought from the Secured and Preferential Creditors.

Attached at Appendix 9 is a Notice of Decision Procedure by Correspondence with which Preferential Creditors can vote on the relevant resolution relating the Pre-Administration costs.

Please note that the above notice relates to Preferential Creditors only. The Joint Administrators are continuing to liaise with the Secured Creditors to obtain the necessary consents.

7. Future strategy

7.1 Future conduct of the Administration

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

- Completing a sale of the Shankly Hotel freehold;
- Realise all other the property assets;
- Seek to realise the Company's interests in the Coal Exchange and MV Funchal;
- Continuing to establish the status of each property development and whether repayment of loans will be forthcoming in the future following a sale or refinance of the property in question, resulting in a surplus for the estate;
- Finalising the reconciliation and collection of the intercompany debtors and book debts;
- Obtaining fee approval;
- Conducting further investigations into the affairs of the Company including the intercompany creditor and debtor position and the Company's historical trading activity;
- Continuing to communicate with all classes of creditors, including retail investors / loan note holders in order to understand the Company's exposure and liabilities;
- Adjudication of claims and distribution should sufficient funds become available for any class of creditor;
- Settling all outstanding costs of the Administration; and
- Completing all other statutory matters prior to finalising the Administration.

7.2 Extension of the Administration

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

The Joint Administrators anticipate that the period of the Administration will need to be extended in order to deal with several outstanding matters.

In view of the above, and for the sake of prudence, the Joint Administrators are seeking approval from the Secured and Preferential Creditors to extend the period of the Administration for a period of 12 months.,

Attached at Appendix 10 is a Notice of Decision Procedure by Deemed Consent with which Preferential Creditors can vote on the relevant resolutions relating to the extension of the Administration.

Please note that the above notice relates to Preferential Creditors only. The Joint Administrators are continuing to liaise with the Secured Creditors separately to obtain their necessary consents for extension.

If the Secured and Preferential Creditors have no objection to extension of the Administration, no further action is required.

Should consent to the extension be obtained the revised automatic end date will be 14 April 2022.

If an extension is granted, a notice of the extension will be made available for viewing and downloading from the from the Duff & Phelps website at:

<http://www.duffandphelps.com/ukrestructuring>

An update will also be provided in the next report to creditors.

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 of this office.

Matthew Ingram
Joint Administrator

Enc.

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

Appendix 1 – Statutory information

COMPANY INFORMATION		
Company and trading name	Signature Living Hotel Limited	
Date of incorporation	29 June 2012	
Registered Number	08124207	
Company Director	Lawrence Kenwright	
Shareholders	Lawrence Kenwright – One ordinary £1 share Katie Kenwright – One ordinary £1 share	
Trading address	Millennium House 60 Victoria Street Liverpool L1 6JD	
Registered office	Current: c/o Duff & Phelps Ltd The Chancery 58 Spring Gardens Manchester M2 1EW	Former: Cavern Court 1st Floor 8 Mathew Street Liverpool L2 6RE
Any Other trading names	N/A	
ADMINISTRATION INFORMATION		
Administration Appointment	The Administration appointment granted in the High Court of Justice, Business and Property Court in Manchester 2191 of 2020	
Appointor	Henslow Trading Limited, the Secured Creditor	
Appointment Date	15 April 2020	
Joint Administrators	Matthew Ingram and Michael Lennon	
Original purpose	Achieving a better result for a Company’s creditors as a whole than would be likely if a Company were wound up (without first being in Administration)	
Functions	The functions of the Joint Administrators are being exercised by them individually or together in accordance with Paragraph 100(2) of Schedule B1	
Current Administration expiry date	14 April 2021	
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; and
 - 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.

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

Appendix 3 – Receipts and Payments account

Signature Living Hotel Limited
(In Administration)
Joint Administratorss' Trading Account
To 14/10/2020

S of A £	£	£
POST APPOINTMENT SALES		
HMRC JRS Grant	1,000,215.13	1,000,215.13
OTHER DIRECT COSTS		
Wages & Salaries	822,649.50	
PAYE/NIC	170,423.26	(993,072.76)
TRADING SURPLUS/(DEFICIT)		7,142.37

Signature Living Hotel Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments
To 14/10/2020

S of A £	£	£
ASSET REALISATIONS		
Management Charges Income	9,029.85	
Cash at Bank	16,337.13	
Utilities Refund	18,959.54	
PAYE/NIC and Pension Contributions	5,065.32	
Trading Surplus/(Deficit)	7,142.37	
West Africa House - Rent Receivable	13,333.33	
ECP PDQ	447.53	
		70,315.07
COST OF REALISATIONS		
Premises Licence Cost	448.00	
West Africa House - Ground Rent	13,333.33	
Statutory Advertising	94.50	
		(13,875.83)
		56,439.24
REPRESENTED BY		
VAT Receivable		10,272.70
Floating/main current account		56,335.34
VAT payable		(10,168.80)
		56,439.24

Appendix 4 – Analysis of time charges and expenses incurred

118037 SIGNATURE LIVING HOTEL LIMITED

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

ADP-Admin. - Pre Appt.

Classification of Work Function	Hours					Total Hours	Time Cost £	Avg Hourly Rate £
	Managing Director	Manager	Senior	Assistant	Support			
Administration and Planning Strategy planning & control	0.90	1.80	0.00	0.20	0.00	2.90	1,535.00	529.31
Investigations Financial review and investigations (S238/239 etc)	1.10	0.00	0.00	1.00	0.00	2.10	835.00	397.62
Realisation of Assets Freehold and Leasehold Property	0.80	0.00	0.00	0.00	0.00	0.80	520.00	650.00
Total Hours:	2.80	1.80	0.00	1.20	0.00	5.80		498.28
Total Fees Claimed: £	1,820.00	900.00	0.00	170.00	0.00		2,890.00	

ANALYSIS OF TIME COSTS FOR THE PERIOD 15/04/2020 to 14/10/2020

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	7.60	4.00	8.30	10.00	29.90	8,664.00	289.77
Cashiering & accounting	0.00	2.70	3.40	30.20	0.00	36.30	8,349.00	230.00
Dealings with Directors and Management	5.00	27.95	0.00	0.90	0.00	33.85	18,121.00	535.33
IPS set up & maintenance	0.00	0.00	0.00	0.15	0.00	0.15	37.50	250.00
Insurance	0.00	0.60	0.00	0.60	0.00	1.20	450.00	375.00
Statement of affairs	0.00	4.70	0.00	2.70	0.00	7.40	2,763.00	373.38
Statutory matters (Meetings & Reports & Notices)	1.50	63.25	0.00	15.05	0.00	79.80	33,892.50	424.72
Strategy planning & control	16.70	41.50	0.00	17.55	0.00	75.75	34,950.50	461.39
Tax Compliance / Planning	0.00	0.00	0.00	1.90	0.00	1.90	445.00	234.21
Creditors								
Communications with Creditors / Employees	0.00	102.30	0.00	119.35	0.00	221.65	78,316.50	353.33
Creditors committee	2.90	0.00	0.00	0.20	0.00	3.10	1,935.00	624.19
Non Pref Creditor claims adjudication & dist'n	0.00	0.90	0.00	0.75	0.00	1.65	637.50	386.36
Non Pref Creditors / Employee claims handling	0.00	32.60	0.00	63.05	0.00	95.65	27,946.50	292.17
Secured Creditors	11.10	24.65	0.00	3.00	0.00	38.75	20,950.00	540.65
Investigations								
CDDA & reports & Communication	0.00	15.15	0.00	19.45	0.00	34.60	11,911.50	344.26
Financial review and investigations (S238/239 etc)	10.70	116.55	15.35	20.85	23.50	186.95	88,132.25	471.42
Forensic Sales Ledger Investigation	6.80	2.50	0.00	0.00	0.00	9.30	6,375.00	685.48
Realisation of Assets								
Book debts	0.00	1.25	0.00	0.20	0.00	1.45	750.00	517.24
Freehold and Leasehold Property	3.80	102.70	0.00	1.00	0.00	107.50	52,912.00	492.20
Hire Purchase and Lease Assets	0.00	0.00	0.00	0.25	0.00	0.25	47.50	190.00
Other Intangible Assets	0.70	16.45	0.00	0.00	0.00	17.15	8,781.00	512.01
Other Tangible Assets	0.00	5.75	0.00	0.00	0.00	5.75	3,220.00	560.00
Sale of business	0.00	1.70	0.00	5.50	0.00	7.20	1,929.00	267.92
Trading								
Trading - Accounting	0.00	9.95	0.00	2.90	0.00	12.85	6,225.00	484.44
Trading - Employees	0.00	7.90	0.00	59.00	0.00	66.90	18,577.00	277.68
Trading - Operations	1.30	0.75	0.00	0.65	0.00	2.70	1,406.50	520.93
Total Hours:	60.50	589.40	22.75	373.50	33.50	1,079.65		405.43
Total Fees Claimed: £	41,175.00	295,035.50	7,351.25	83,568.00	10,595.00		437,724.75	

Signature Living Hotel Limited (In Administration)
Analysis of the Joint Administrators' Expenses for the Reporting Period

Note	Company	Type of Expenses	Activity	Fee Basis	Amount Incurred during the Reporting Period (exc. VAT) (£)	Total Paid during the Reporting Period (exc. VAT) (£)	Anticipated Total Future Cost (exc. VAT) (£)
1	Professional Advisors						
2	Avensis Hospitality Solutions Limited	Legal fees	Transfer of premises licence	Fixed Fee	448.00	275.00	0.00
3	Mason Owen & Partners	Asset Realisations	Remitting ground rent received from GS Evants for the period 15.4.20 - 14.7.20 to the freeholder	Fixed Fee	13,333.33	13,333.33	0.00
Total Professional Advisors Costs					13,781.33	13,608.33	0.00
Other Expenses							
4	Sundry Expenses	Travel costs	Ground travel to client meetings	As Incurred	206.50	206.50	200.00
5	ADN UK Ltd	Bordereau	Bonding costs	Fixed Premium	225.00	0.00	0.00
6	Courts Advertising Limited	Statutory Compliance	Statutory Advertising of notice of Administration in the London Gazette	Fixed Fee	94.50	94.50	0.00
Total Other Expenses					526.00	301.00	200.00
TOTAL					14,307.33	13,999.33	200.00

- Notes to Expenses Schedule**
- 1 The Administrators' choice of professional advisors is based on their perception of the experience and ability of the respective firm / individual to perform their work, the complexity and nature of the assignment and the basis of their fee.
- 2 Avensis Hospitality Solutions Limited were instructed to assist the Joint Administrators in the transferring the premises licence at the Shankly Hotel where the Company owns the freehold interest.
- 3 Masown Owen & Partners acted for the freeholder to receive remittance of the Ground Rent for West Africa House.
- 4 Expenses incurred in travelling to client meetings.
- 5 A statutory requirement for Insolvency Practitioners to have a bond on each case to which they are appointed. The cost is based on the value of assets.
- 6 Statutory advertising in the London Gazette is required under insolvency legislation.

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. The above costs exclude VAT.

Appendix 5 – Narrative of work carried out for the Reporting Period

The key areas of work have been:

SIP 9 narrative for the period 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 retail investors / loan note holders regarding the Administration and submission of their claims; • Reviewing completed forms and questionnaires submitted by Creditors, recording claim amounts and maintaining claim records; • Providing written and oral updates to the Secured Lenders regarding the progress of the Administration and cases strategy; • Monitoring the enquires 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; • 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 agents regarding the sale of assets;
- 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 Company;
- Completing all payments and journals required to meet trading obligations of the Company;
- Discussing the strategy with regards to the outstanding property developments;
- Ensuring the appropriate insurance cover is in place for the properties in order to protect the property interests; and
- Dealing with retained employee matters and payroll, as well as assisting all employees that have been made redundant with submitting their redundancy claims to the RPS.

Appendix 6 – 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 Callum.O'Brien@Duffandphelps.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 7 – Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	SIA Group, independent agents who were instructed to value and sell the Company's assets
Albendan	Albendan Limited, the holder of fixed charges over the assets of the Company
the Appointment Date	15 April 2020, being the date of appointment of the Joint Administrators
BPRA	Business Premises Renovation Allowance
Carlton Street	28 Carlton Street, Liverpool, L3 7ED
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Company	Signature Living Hotel Limited (In Administration) (Company Number: 08124207)
Cotton Street	17 – 21 Cotton Street, Liverpool, L3 7DY
Daniel House	Daniel House, Trinity Road, Bootle, L20 3RG
DBEIS	Department for Business, Energy & Industrial Strategy
the Director	Lawrence Kenwright, the sole director of the Company
Duff & Phelps	Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester M2 1EW
the Group	The wider Group of companies, as detailed in the Proposals
Henslow	Henslow Trading Limited, the holder of fixed and floating charges over the assets of the Company
Hope Capital	Hope Capital 2 Limited, the holder of a fixed charge over assets of the Company
HMRC	HM Revenue and Customs
the Joint Administrators	Matthew Ingram and Michael Vincent Lennon of Duff & Phelps
Lyell Trading	Lyell Trading Limited, the holder of fixed charges over the assets of the Company
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 Reporting Period	The period from 15 April 2020 to 14 October 2020

RPS	Redundancy Payments Service
SLCE	Signature Living Coal Exchange Limited
SHLO	The Shankly Hotel Liverpool Ops Limited
SSL	Signature Shankly Limited (in Administration)
SSSL	Signature Stanley Street Hotel Limited
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
West Africa House	West Africa House, 25 Water Street, Liverpool, L2 0RG

Appendix 8 – Notice about this report

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

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

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

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

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

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

The Joint Administrators act as agents for the Company and contract without personal liability. The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, Duff & Phelps 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 9 – Notice of Seeking a Decision by Correspondence

The Insolvency Act 1986

Notice of seeking a decision of Creditors by correspondence

Name of Company Signature Living Hotel Limited	Company Number 08124207
In the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)	Court case number CR-2020-002191

(a) Insert full
name(s) and
address(es) of
the administrators

We (a)
Matthew Ingram, and
Michael Lennon

(b) insert full name
and address of
registered office
of the company

hereby give notice to the creditors of (b) Signature Living Hotel Limited,
The Chancery, 58 Spring Gardens, Manchester, M2 1EW

(c) insert number of
decisions enclosed

that, enclosed are (c) proposed decisions for your consideration. Please indicate below
whether you are in favour or against each proposed decision.

Repeat as
necessary for
the number of
decisions required

Proposed Decision 1
That a creditors' committee will not be established unless requested by the creditors and
sufficient creditors are willing to act as members of the Committee.

I am *in Favour/Against

*delete as
applicable

Proposed Decision 2
That the Joint Administrators' remuneration be fixed by reference to the time properly
given by them and their staff in attending to matters arising in the Administration.

I am *in Favour/Against

Proposed Decision 3
That the Joint Administrators' Fee Estimate in the total sum of £763,950 for the life of the
Administration is approved.

I am *in Favour/Against

Proposed Decision 4
The Joint Administrators be authorised to draw their company's internal costs and
expenses in dealing with the Administration ("Category 2 Disbursements"), which have
been charged in accordance with Duff & Phelps policy.

I am *in Favour/Against

Proposed Decision 5

That the unpaid pre-Administration costs totalling £5,165 plus VAT as detailed in the Joint Administrators' statement of pre-Administration costs is approved for payment as an expense of the Administration.

I am *in Favour/Against

Proposed Decision 6

That the Joint Administrators be discharged from all liability in respect of any actions as Joint Administrators upon filing their final Receipts and Payments account with the Registrar of Companies or their appointment otherwise ceasing.

I am *in Favour/Against

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor: _____

Signature: _____

Only to be
completed if the
creditor has not
signed in person

Dated: _____

Name in CAPITAL LETTERS and position with creditor or relationship to creditor or other authority for signature

Decision Date

(d) insert
closing/decision
date

The decisions date is (d) 27 November 2020

(e) insert address to
which form is to be
delivered

This form must be received at (e) Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW, by 23:59 hours on 27 November 2020 in order to be counted.

Further Information and Guidance

Copies of the following documents are available on the Duff & Phelps website:

- Committee Nomination form
- Proof of Debt form
- Document three e.g. Physical Meeting Requisition form

Creditors can access the website at www.duffandphelps.com/ukrestructuring.

Alternatively, paper copies of these documents can be requested free of charge. Requests can be made in writing to Callum O'Brien at The Chancery, 58 Spring Gardens, Manchester, M2 1EW or by email to Callum.O'Brien@duffandphelps.com or on +44 (0) 161 827 9156.

Creditors Committee

Should you wish for a creditors' committee be established, you must also submit your nomination(s) for membership. Nominations can be submitted using a paper form which is available on the Duff & Phelps website.

Any nominations for membership can only be accepted if they are received by 23:59 on the decision date and the Joint Administrators are satisfied as to the creditors' eligibility under Rule 17.4.

Please note that where a Creditors' Committee is formed as part of this decision procedure, any votes cast by creditors in relation to proposed decision(s) will be disregarded and requisite approval(s) will be sought from the Committee.

Voting

In order to be entitled to vote we must receive from you by 23:59 hours on the decision date, a proof in respect of your claim in accordance with the Insolvency (England and Wales) Rules 2016, failing which your vote will be disregarded. A proof of debt form is available on the Duff & Phelps website.

Small debts

Any creditor whose debt is treated as a small debt (i.e. £1,000 or less) must still deliver a proof of debt by 23:59 hours on the decision date if they wish to vote.

Opted out creditors

Any creditor who has opted out from receiving notices may still vote if they submit their vote and provide a proof of debt by 23:59 hours on the decision date.

Delivery of documents

Please allow sufficient time for documents to be delivered by the stated deadlines.

Unless there are exceptional circumstances, a creditor will not be entitled to vote unless a proof of debt, clearly setting out the name and address of the creditor and the amount claimed, has been lodged and admitted for voting purposes.

Unless the contrary is shown, an email is treated as delivered by 9am on the next business day after it was sent.

Request for a Physical Meeting

Creditors who meet one of the thresholds set out in the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical or virtual meeting to be held to consider the proposed decision(s).

In order to do so a creditor must complete and return the physical meeting requisition form, available on the Duff & Phelps website. The statutory thresholds for requesting a meeting are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

Termination of Correspondence Procedure

If sufficient creditors request a physical meeting, the decision by correspondence procedure will be terminated without a decision being made. The Joint Administrators will then take the necessary steps to convene a physical meeting.

Appeals

A creditor may appeal a decision in accordance with Rule 15.35 by applying to court not later than 21 days after the decision date.

If you require any further details or clarification prior to returning your votes, please contact my office at the details shown.

Authentication

Signed

Matthew Ingram
Joint Administrator

Dated

13 November 2020

Address and
contact details for
correspondence

Administrators' postal address: Duff & Phelps Ltd., The Chancery, 58 Spring Gardens,
Manchester, M2 1EW

Alternative contact name and details:
Callum O'Brien
signaturelivinghotel@duffandphelps.com
+44 (0) 161 827 9000

References in this notice to rules and sections are, unless expressly provided otherwise, respectively references to rules of the Insolvency Rules (England and Wales) 2016 and to sections of the Insolvency Act 1986

Appendix 10 – Notice of Seeking a Decision by Deemed Consent

Rule 15.7

The Insolvency Act 1986

Notice of seeking a decision of Creditors by deemed consent

Name of Company

Signature Living Hotel Limited

Company Number

08124207

In the

**High Court of Justice, Business and Property
Courts of England and Wales, Insolvency and
Companies List (ChD)**

Court case number

CR-2020-002191

(a) Insert full
name(s) and
address(es) of
the administrators

We (a)

Matthew Ingram, and

Michael Lennon

(b) insert full name
and address of
registered office
of the company

hereby give notice to the Creditors of (b) Signature Living Hotel Limited,

The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

(c) insert reasons
for using deemed
consent

That, pursuant to Rule 15.7 we are seeking a decision(s) using deemed consent. We consider that the deemed consent procedure is the most appropriate method for seeking a decision of Creditors in this instance for the following reasons:

- The decision(s) to be made is/ are not contentious;
- It is the most cost effective and efficient way of obtaining a decision; and
- We believe it is in the best interests of Creditors to do so.

The decision(s) being sought using deemed consent are:

Repeat as
necessary for
the number of
decisions required

Proposed Decision 1

That the period of Administration be extended for a period of 12 months to 14 April 2022, by way of deemed consent.

Proposed Decision 2

That a Creditors' committee will not be established unless requested by the Creditors and sufficient Creditors are willing to act as members of the Committee.

(d) decision date

The decision date will be 27 November 2020.

If the decision date expires without 10% in value of Creditors objecting to deemed consent, or one of the thresholds for requisitioning a physical meeting being met, the Creditors will be treated as having made the proposed decision(s) at 23:59 hours on the decision date.

If you agree with the proposed decision(s), no further action is required.

Appeals A Creditor may appeal a decision in accordance with Rule 15.35 by applying to court not later than 21 days after the decision date.

Objections **What you need to do if you wish to object to the deemed consent decision(s)**

Creditors who wish to object to the proposed decision(s) must do so, in writing, by sending notice stating their objection together with a proof of debt form, not later than the decision date detailed above, failing which the objection will be disregarded.

Any Creditor whose debt is treated as a small debt (i.e. £1,000 or less) must still deliver a proof of that debt, not later than the decision date detailed above, if they wish to object to deemed consent, failing which the objection will be disregarded.

Any Creditors who has opted out from receiving notices may still object to deemed consent, provided they provide a proof of debt not later than the decision date, failing which the objection will be disregarded.

Please note, if objecting to no Creditors' Committee being formed, please also provide any nominations for membership of the committee. Such nominations for membership must be delivered to the Joint Administrators by the decision date and can only be accepted if we are satisfied as to the Creditors' eligibility under Rule 17.4.

It is our responsibility to aggregate any objections to see if 10% or more in value of Creditors have objected to deemed consent.

If this threshold is met, the deemed consent procedure will terminate without a decision(s) being made. If a decision(s) is sought on the same matter(s), it/they will be sought by a decision procedure.

Physical meeting request **What you need to do if you wish to request a physical meeting to consider the proposed decision(s)**

Creditors who meet one of the thresholds set out in the Insolvency Act 1986 may, within five business days from the date of delivery of this notice, require a physical meeting to be held to consider the decision(s). In order to do so a Creditor must complete and return the physical meeting requisition form, available at:

<https://micro.duffandphelps.com/ukrestructuring/cases?caseId=1641>.

The relevant thresholds are 10% in value of Creditors, 10% in number of Creditors, or 10 Creditors.

If one of these thresholds is not met, the deemed consent procedure will continue as outlined above.

If you require any further details, wish to lodge an objection or want to request a physical meeting, please contact my office at the details shown.

Signed

Matthew Ingram
Joint Administrator

Dated

13 November 2020

Address and
contact details for
correspondence

Administrators' postal address: Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester M2 1EW

Alternative contact name and details:
Callum O'Brien
Signaturelivinghotel@duffandphelps.com
+44 (0) 161 827 9000

References in this notice to rules and sections are, unless expressly provided otherwise, respectively references to rules of the Insolvency Rules (England and Wales) 2016 and to sections of the Insolvency Act 1986