

In accordance with
Rule 3.35 of the
Insolvency (England &
Wales) Rules 2016 &
Paragraph 49(4) of
Schedule B1 to the
Insolvency Act 1986

AM03

Notice of administrator's proposals



Companies House

WEDNESDAY



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10/06/2020

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COMPANIES HOUSE

1 Company details

Company number 08124207

Company name in full Signature Living Hotel Limited

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

2 Administrator's name

Full forename(s) Matthew

Surname Ingram

3 Administrator's address

Building name/number 35

Street Newhall Street

Post town Birmingham

County/Region

Postcode B33PU

Country United Kingdom

4 Administrator's name

Full forename(s) Michael

Surname Lennon

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

5 Administrator's address

Building name/number The Chancery

Street 58 Spring Gardens

Post town Manchester

County/Region

Postcode M21EW

Country United Kingdom

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

AM03

Notice of Administrator's Proposals

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Statement of proposals



I attach a copy of the statement of proposals

7

Sign and date

Administrator's
Signature

Signature

X



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Signature date

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AM03 Notice of Administrator's Proposals



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 Duff & Phelps Ltd

Address The Chancery

58 Spring Gardens

Post town Manchester

County/Region

Postcode M 2 1 E W

Country United Kingdom

DX

Telephone +44 (0) 161 827 9156



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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 and dated the form.



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



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

Statement of Proposals

10 June 2020

Signature Living Hotel Limited (In Administration)

Joint Administrators' Statement of Proposals for the period from
15 April 2020 to 10 June 2020

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

1. Introduction

The Joint Administrators were appointed on 15 April 2020 by Henslow Trading Limited, the holder of a qualifying floating charge, pursuant to Paragraph 14 of the Act.

This report is the Joint Administrators' statutory Statement of Proposals. It sets out the circumstances leading up to their appointment and their strategy for achieving the purpose of the Administration.

You will find other important information in this report such as the proposed basis of the Joint Administrators' remuneration.

A glossary of the abbreviations and definitions used throughout this document is attached at Appendix 10.

Please also note that an important legal notice about this statement of Proposals is attached at Appendix 11.

These Proposals are deemed delivered to Creditors within 2 business days of the date of this report.

2. Creditor summary

Background

The Company was incorporated on 29 June 2012 under company registration number 08124207.

The Company is the ultimate parent company of the wider Signature Living Group, a group of companies which comprises circa 60 different entities and trades as a hotel operator and residential developer.

Katie Kenwright was appointed as sole director on 8 November 2012. On 27 February 2016, Lawrence Kenwright was also appointed as a director and Katie Kenwright subsequently resigned on 12 December 2019.

The Company owns the freehold or leasehold interest in a number of properties, further details of which are provided at section 5 of this report.

Further details on the background are provided in the main body of the report.

Events leading up to Administration

Historically the Company has been subject to various creditor enforcement actions for non-payment of amounts owed and demanded. These actions have previously been settled prior to the conclusion of the enforcement proceedings.

Amongst its property interests the Company owns the freehold title to the Shankly Hotel and it granted the long leasehold interest in the property to an associated Company, SSL.

SSL had historical ROI arrears with a number of retail investors that purchased rooms in the Hotel. In addition, a number of investors had exercised their option to sell their room after the three year anniversary of their purchase, although SSL failed to meet its contractual obligations in this regard.

Due to the failure of SSL to meet its contractual obligations, an investor submitted an application to the High Court for an Administration Order and the case was due to be heard on 9th April 2020.

Having received notice of the application, Henslow Trading Limited exercised its statutory right as a qualifying floating charge holder and appointed Matthew Ingram and Michael Lennon as Administrators of SSL on the same date.

Due to its financial position, its role as guarantor to a substantial number of Group liabilities, including the bedroom investors party to the Administration Order; and as the Company owns the freehold title to the Shankly Hotel, Henslow Trading Limited exercised its statutory right as a qualifying floating charge holder and appointed Matthew Ingram and Michael Lennon as Administrators of the Company.

Further details of the events leading up to the appointment of the Joint Administrators are provided in the main body of the report.

Appointment

On 15 April 2020, Matthew Ingram and Michael Lennon of Duff & Phelps were appointed Joint Administrators of the Company by the Secured Creditor.

The Joint Administrators were appointed at High Court of Justice, Business and Property Courts of England and Wales. Court reference 2191 of 2020.

Trading

The Company does not directly carry out any trade in relation to the hotels or development sites. However, the Company does provide support services to the wider Signature Group and is responsible for certain actions in respect to its freehold and leasehold interests.

Due to government guidance as a result of the COVID-19 pandemic, the Group's principal trading operations being the bar and hotel operations were temporarily closed on 23 March 2020.

The majority of the staff employed in support roles were subsequently furloughed and all trading operations were reduced to a minimum until such time as operations recommence.

Asset Realisations

The Company holds the shareholding in the majority of the Signature Group entities and has a freehold or leasehold interest in a number of properties.

The Joint Administrators are in the process of obtaining further information to understand the nature of each property asset and entity, the Company's role in the management of the asset or entities and any involvement in the management of the assets by other Signature Group entities or third parties.

It is expected that once the property assets are fully understood, formal valuations can be obtained, and appropriate realisation strategies can be implemented to ensure maximum value is achieved for each asset.

Due to the restrictions of Covid-19, the information required from third parties has not been received and this process is ongoing. The Joint Administrators are not yet in a position to provide a detailed update on the assets beyond that contained in this report.

Further details regarding the Company's interests in the above assets is provided at section 5 of this report.

Fees and expenses

Based on the financial information received to date, the Joint Administrators are unsure of the classes of creditors that will receive a distribution and therefore, will be seeking the authority of the Secured and

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Preferential Creditors to agree the basis of their remuneration, together with their fee estimate of £326,585 at this time.

Dividends

At present, it is too early to provide creditors with anticipated dividend prospects. A further update will be provided in the next report to creditors.

Anticipated exit from Administration

It is anticipated that the Company will be dissolved once all outstanding matters of the Administration have been dealt with.

Approval of Proposals

The Joint Administrators will be seeking approval to the Proposals by way of deemed approval.

This document in its entirety is our Statement of Proposals. A summary list of the Proposals is included in Section 9, together with the relevant statutory information by way of appendices.

Unless otherwise stated, all amounts in these Proposals are stated net of VAT.

3. Background

Statutory information on the Company is included at Appendix 1.

As detailed in the creditor summary, the Company is the ultimate parent company of the wider Signature Group, a group of companies which comprises circa 60 different entities and trades as a bar operator, hotel and residential property operator and developer.

The Signature business model is to set up individual SPV entities to acquire disused and derelict properties through collective investment schemes, BPRA schemes, unsecured loans and secured lending, to bring the properties back into use as either a hotel or residential development.

Signature Group has a number of trading entities and ongoing property developments in England and Wales. The majority of these development are in the North West of England.

The Company acts a guarantor to the majority of the retail investors, BPRA schemes and secured lenders for investments into other Signature Group and connected entities, including loans provided by individuals and investors through the Signature Capital Investment scheme.

From our investigations to date, the Administrators are aware of the following property interests of the Company;

- Shankly Hotel, Millennium House, Victoria Street, Liverpool, L1 6JD (Freehold)
- Daniel House, Trinity Road, Bootle, L20 3RG (Freehold)
- West Africa House, Water Street, Liverpool, L2 0RG (Long Leasehold)
- 17, 19 and 21 Cotton Street, Liverpool L3 7DY (Freehold)
- 28 Carlton Street, Liverpool, L3 7ED (Freehold)
- Flat 11 & Flat 9, 38-40 Victoria Street, Liverpool, L1 6BX (Leasehold)

The individual property interests are discussed in more detail in section 5 of this report.

4. Events leading up to the Administration

4.1 Summary of key events

The Group raises funding via a mix of collective investment schemes / BPRA schemes and secured and unsecured lending, to purchase and develop dilapidated buildings into hotels and residential schemes.

The Group typically set up SPV's that either own a freehold building or long leasehold building and sold off hotel rooms or apartments, ahead of the development commencing, guaranteeing fixed returns.

As part of some of the agreements, there were guaranteed buy back and sell options for periods ranging from 3 to 10 years. This enabled the investor and the Group SPV to exercise the option to sell or buy the room or apartment, known as put and call options. In either scenario, this would result in the investor receiving their capital back with an uplift of circa 10%, in addition to ROI up the date of completion.

There are also SPV entities under Signature Capital Investments, where there is common directors and shareholders to the Group. The SPV entities were set up to purchase properties in the UK and retail investors, such as individuals, company's or pension funds, would provide a loan to the SPV connected to the property, where they would get guaranteed returns of circa 15% on their capital and the loan would be repaid after 12 months. The purpose of the loans was either for a specific property development or the funds advanced could in some cases be used in the wider group.

It is the Administrators understanding, the Company acted as corporate guarantor on all of the Signature Capital Investments loans, as well as providing corporate guarantees to other secured and unsecured lenders within the Group and companies connected by way of common ownership. The Group has received a number of demands for payment in respect to overdue investment schemes and loans.

Prior to Administrators appointment, the Group had commenced a marketing exercise in respect of two of the Group's hotels which, if the Group had been successful in achieving the values attributed to the two hotels, this would have provided the funds to meet the direct liabilities of the hotel assets being sold and other indirect guaranteed liabilities of the Group, such as bedroom and retail investors.

Due to the protracted nature of the marketing exercise and a number of payment defaults, a bedroom investor made an application at the High Court for an Administration Order against SSL and the hearing was due to be held on 9th April 2020.

Henslow Trading Limited is a secured lender to SSL and the Company and opted to exercise its statutory right to appoint an Administrator having been made aware of the pending creditor application.

The Joint Administrators were also appointed as Joint Administrators of SSL on 9th April 2020.

Due to its financial position and its role as guarantor to a substantial number of Group liabilities, and as the Company owns the freehold title to the Shankly Hotel, Henslow Trading Limited exercised its statutory right as a qualifying floating charge holder and appointed Matthew Ingram and Michael Lennon as Administrators of the Company on 15th April 2020.

4.2 Actions prior to appointment

The Joint Administrators actions prior to the appointment was limited to communication with the Secured Creditor.

4.3 Pre-Administration work

Prior to the appointment of the Joint Administrators, Duff & Phelps held discussions with the Secured Creditor to provide advice in respect to the options available to them to protect their financial interest in SSL and the Company.

The work undertaken by Duff & Phelps prior to the Administration involved providing contingency planning advice to the Secured Creditor to consider potential restructuring options and prepare for a formal appointment.

The Joint Administrators are satisfied that the work carried out by Duff & Phelps prior to their appointment, including the Pre-Administration work detailed above, has not created a conflict of interest or threat to our independence.

4.4 Appointment of Joint Administrators

A NOA was filed on 15 April 2020 to appoint Matthew Ingram and Michael Lennon as Joint Administrators of the Company.

The Joint Administrators considered the position prior to accepting the appointment and having regard to the Insolvency Practitioners' Association's ethical guidelines, considered that there were no circumstances preventing them from accepting the appointment.

5. Strategy and progress of the Administration to date

5.1 Purpose of the Administration

The purpose of an Administration is to achieve one of the following hierarchical objectives:

- Rescuing a Company as a going concern, or
- 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), 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 is unlikely to 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 interests.

The Joint Administrators' Proposals for achieving the purpose of the Administration are set out in the remainder of this report.

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5.2 Progress of the Administration

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

5.2.1 Initial actions

Following their appointment, the Joint Administrators undertook an immediate review of the financial and operational information available in the public domain and held by the secured lender with the objective to establish the position of the Company in relation to the wider Group and its asset base.

A call was scheduled with the director and senior management team to validate the findings of the initial review, seek further clarification and to establish the true position of certain assets and trading arrangements.

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 by the Joint Administrators and the information received from a variety of sources, we have an understanding of the Company's individual property and non-property interests. In addition, the Joint Administrators are undertaking a review of the Company's guarantee liabilities provided prior to the appointment.

Further details regarding these assets is provided below.

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 wider group.

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

5.2.2 Trading

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 support services to the operational companies within the Group and as far as we 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 has 172 employees, of which 162 had been placed on furlough prior to the appointment of the Joint Administrators. This has made access to information difficult and more time consuming.

The Company was in the process of reallocating the remaining employees under TUPE transfer to the specific trading entity to which their role relates. This process was part complete and following legal advice and further discussions with the Director of the wider Group companies. It is anticipated that upon their return to work these employees will be transferred to the relevant Group entity pursuant to TUPE regulations.

The Joint Administrators are continuing to utilize the furlough scheme to ensure that employees required by the operating entities within the Group are retained to preserve their employment status and ensure trading can commence once restrictions are lifted.

5.3 Asset realisations

5.3.1 The Hotel

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

There are a number of other leases in place in the Hotel as follows:

- 999 year lease in favour of Signature Living Lifestyle Limited on 26 February 2015. Signature Living Lifestyle Limited has granted a 10 year lease in favour of Liverpool City Council on 9 May 2017 relating to the operation of a Council run gym in the building.
- 999 year lease in favour Signature Car Park Limited on 26 February 2015 relating to the car park operations within the building.
- 999 year lease in favour of Signature Core Offices Limited on 26 February 2015. This was previously the Signature Group head office, which has now been turned into bedrooms.
- 999 year lease in favour of Shankly Hotel LLP on 24 February 2016. This is part of the BPRA scheme and not under common control, further details below.

Please note the entities above are not subject to insolvency proceedings.

Henslow Trading Limited has provided loans to various Signature Group entities secured against the freehold property. The property has been pledged as further security to Albendan Limited for loans advanced to other entities within the Group.

Bedroom Investors

SSL has granted a long leasehold interest for certain rooms to investors and the bedroom investors have subsequently granted an underlease back to SSL.

Based on current information, it is understood that there are 137 bedroom investors with a combined initial capital invested of circa £13,800,000. With the uplift due on sale or buy back (excluding ROI) the total is circa £14,650,000.

The Joint Administrators were also appointed as Joint Administrators of SSL on 9th April 2020.

The Joint Administrators continue to review the status of each investment and have invited all of the investors to provide further information on the amounts that are due to them, depending on what steps they have taken to date.

The bedroom investors are located worldwide. The strategy adopted by the Administrators in relation to the realisation of the freehold interest of the Hotel and the leasehold interest in SSL, along with the Hotel overall will be a complicated process.

BPRA

The Business Premises Renovation Allowance scheme is a tax allowance for individuals for certain spending when converting or renovating unused building into a business premises in a disadvantaged area. SSL sought investment via this scheme in 2014 / 2015 to raise capital for the development costs for the Hotel.

The BPRA investment vehicle, Shankly LLP, is made up of a number of members who were invited to make a minimum equity subscription investment of £100,000, of which 45% is paid by the member as their equity subscription and 55% is raised as debt.

The Company provided the debt element of circa £2,275,000 by way of an underwriting agreement dated 2 April 2015 (albeit the total loan facility stated on the face of that agreement is £3,700,000) and the 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.

The Company entered into a development agreement on 5 April 2015 with the LLP in relation to the Hotel for a development sum which is fixed in the agreement at £6,655,000 but which we understand was later reduced to circa £4,136,363 and following practical completion of the Hotel on 29 February 2016, the Company (jointly with other signature entities) granted a long leasehold for certain areas within the hotel to Shankly LLP for a term starting on 5 April 2015.

The BPRA scheme is required to be in place for 5 years from practical completion so that the members get the full benefit of the tax allowances.

Prior the Administrators' appointment, the Company was in negotiations with Shankly LLP to enter into an option agreement to purchase the leasehold interest back from Shankly LLP with repayment of the underwriting loan agreement part of any transaction. In the event the terms of the option can be agreed, then Shankly LLP must sell its interest to SLH for an agreed amount or Market Value whichever is the higher by 28 August 2021.

Obtaining a better understanding of the overall position with bedroom investors and the BPRA will be key to the strategy adopted by the Joint Administrators in realising the freehold interest in the Hotel.

5.3.2 West Africa House

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 freeholder.

The Joint Administrators are in the process of reviewing the options available in order to realise the Company's leasehold interest the property and a further update will be provided in the next report.

5.3.3 Daniel House

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

On 24 September 2019, the Company granted a fixed charge over the property to Hope Capital in consideration for monies advanced to the Company.

The freehold property has 168 studios and buyers were granted a 250 year lease. The flats were sold on the basis of assured rents over a typical period of 3 years. It is the Joint Administrators understanding there a number of tenants that have assured rent arrears, although the assured rental agreement periods have expired for the majority of leaseholders.

The passing ground rents are £33,600 per annum, with a rent review every 5 years.

In addition, the Company has granted three 250 year leases commencing on 1 February 2016 to Investments Daniel House Limited for a retail unit, gym and roof terrace bar within the property.

The Company has granted a 250 year lease commencing on 1 February 2016 on the car park within the building to a connected signature entity, Signature Campus Limited.

As with the Shankly Hotel, there is a BPRA agreement 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 5 years. The leases relate to the common parts in the building.

The Joint Administrators are reviewing the various leases and agreements in place on the property in order to take further advice on the estimated realisable value of the freehold.

The Joint Administrators are trying to establish the position in relation to management of the building and await further details to be provided by the management company.

The Joint Administrators have received a request from Hope Capital's legal advisors to consent to the appointment of an LPA Receiver over the freehold property.

Based on initial advice, the estimated market value of the freehold property is in excess of the amount due to Hope Capital under its security.

The Joint Administrators have not yet confirmed whether or not they consent to the appointment of an LPA Receiver and are considering the position with their legal advisors prior to doing so.

5.3.4 Cotton Street

The Company owns the freehold title to Cotton Street which is currently occupied by a charity. The charity is the Cotton Street Project, which provides accommodation and support to the homeless.

It is understood that the charity has recently found alternative premises and will be vacating the property shortly.

On 9 February 2017, the Company granted a fixed charge over the property to Stoneygate in consideration for monies advanced to the Company.

The Joint Administrators have received a request from Stoneygate's legal advisors to consent to the appointment of an LPA Receiver over the property. The Joint Administrators have sought valuation advice prior to making a decision on whether to consent to the appointment of an LPA Receiver.

The Joint Administrators have not yet confirmed whether or not they consent to the appointment of an LPA Receiver and are considering the position with their legal advisors prior to doing so.

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

5.3.5 Carlton Street

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

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

The Joint Administrators have received a request from Stoneygate's legal advisors to consent to the appointment of an LPA Receiver over the property. The Joint Administrators have sought valuation advice prior to making a decision on whether to consent to the appointment of an LPA Receiver.

The Joint Administrators have not yet confirmed whether or not they consent to the appointment of an LPA Receiver and are considering the position with their legal advisors prior to doing so.

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

5.3.6 SLG Cruise Limited / MV Funchal

The Company has an interest in a cruise liner, MV Funchal, which is currently moored in Lisbon, Portugal. The vessel was purchased by the SLG Cruise Limited part of the wider Signature Group at an auction with a view to converting it into a Signature branded party / hotel vessel.

The cruise liner is owned by SLG Cruise, which is wholly owned by Albendan. SLG Cruise is indebted to Albendan in the sum of £1,096,817, subject to accruing interest and charges. SLG Cruise is in turn indebted to the Company in the sum of £2,983,226 and this debt is subordinated to Albendan.

The Joint Administrators have been approached by Albendan and SLG Cruise for consent to dispose of the vessel.

The Joint Administrators sought the advice of the Agents who confirmed that the boat sales and cruise markets are currently stagnant and unlikely to return in any significant capacity in 2020. The vessel is also a work in progress and the project would require considerable investment in order to be reclassified as a party / hotel vessel. Furthermore, there are significant holding costs associated with docking and maintaining the vessel.

In view of the above, it was established that the realisable value of the vessel would most likely be insufficient to enable a return to the Administration estate, following repayment of Albendan's indebtedness. Consequently, the Joint Administrators have provided consent to Albendan and SLG Cruise for the disposal of the vessel.

A further update on the disposal of the vessel will be provided in the next report to creditors.

5.3.7 Group Companies and Shareholding

As detailed in the creditor summary, the Company forms part of a wider group of companies which trades as a hotel and residential property operator.

As such, the Company owns the shares in over 60 Group entities. A group structure with a list of entities in the Group is provided at Appendix 12.

There is a complex inter-company loan position across the various Group entities. The total debtor and creditor inter-company balances are shown on the Estimated Statement of Affairs at Appendix 3.

Based on the books and records, there are trade, related party, intercompany and other debtors totalling £87,949,679. There are corresponding intercompany and related party creditors of £92,735,374.

The intercompany debtor and creditor balances need to be reviewed in detail in order to determine whether there is value to be realised for the benefit of the Administration estate.

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

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

5.4 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 date of appointment and the content of this report is confidential.

The Joint Administrators are reviewing the affairs of the Company to identify any action which can be taken against third parties in respect of antecedent transactions or other litigation that would increase recoveries for Creditors.

Investigations into the Company's affairs are currently ongoing. The Joint Administrators also have a duty to investigate antecedent transactions which include transactions to defraud Creditors, preference payments and transactions at an undervalue.

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 Signaturelivinghotel@DuffandPhelps.com or Duff & Phelps Ltd., The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

5.5 Cost of realisations

Payments made from the Appointment Date are set out in the Receipts and Payments account provided at Appendix 2 which is self-explanatory.

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

6.1 Estimated fees and expenses

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

<http://duffandphelps.com/uk-restructuring/creditor-guides>

(click on the document 'Administration' appointment from 1 October 2015). Should you require a copy, please contact this office.

6.1.1 Fees

It is proposed that the Joint Administrators' fee basis is based on time costs. The time costs already charged since the date of appointment are analysed at Appendix 4. Time is charged in six-minute units.

Time costs of £129,935 have been incurred since the Appointment Date, representing 336 hours at an average hourly charge out rate of £387.

The Joint Administrators propose to seek fee approval from the Secured and Preferential Creditors.

The amount proposed to be drawn in fees by the Administrators over the life of the case is shown in the 'Fee Estimate' at Appendix 5. The total amount indicated effectively acts as a cap on the level of fees to be drawn by the Joint Administrators. If circumstances change and the Joint Administrators propose to draw further fees in the future, they will seek the appropriate approval from creditors at a later date.

Also attached at Appendix 6 is the 'Fees Narrative', a summary of key issues, to assist creditors in understanding the strategy of the Administrators, the associated costs and expenses of the related activities and the financial benefit to creditors. Further details of assets and liabilities and the estimated return to creditors, if any, are in the body of this report.

6.1.2 Expenses

The Joint Administrators' estimate the expenses of the Administration to total approximately £183,980 as detailed in the 'Expenses Estimate' at Appendix 7. This illustrates the estimated expenses for the whole of the Administration and is for information purposes only. No approval is required by creditors.

This Estimate may change over the course of the Administration, but creditors will be informed of any variations with associated reasons in future progress reports.

6.1.3 Disbursements

No disbursements have been incurred or paid during the Reporting Period.

6.1.4 Additional Information

Details of how to obtain further information relating to the fees and disbursements of the Joint Administrators is set out in Appendix 8.

6.2 Statement of Pre-Administration Costs

Pre-Administration costs are defined in the Rules as 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.

6.2.1 Fees

The Pre-Administration time costs incurred by the Joint Administrators for the period leading up to the Appointment Date total £2,890 representing 6 hours at an average charge out rate of £498 per hour.

A detailed breakdown of the time costs incurred Pre-Administration is detailed at Appendix 4.

6.2.2 Expenses

The Joint Administrators have incurred total Pre-Appointment expenses of £5,165. A breakdown of the fees and expenses incurred is provided below.

Creditor	£
Duff & Phelps – Fees	2,890
Solicitors – Fees	2,275
Total	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.

7. Dividends prospects

7.1 Secured Creditors

7.1.1 Albendan

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, SSSH and SLCE, 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. Albendan appointed Joint Administrators over SLCE on 6 May 2020.

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

7.1.2 Lyell Trading

In consideration for monies advanced to various subsidiary companies, the Company granted fixed charges to Lyell trading in respect of its shareholding in the respective subsidiary entity. Further details are provided below:

<u>Date</u>	<u>Charge</u>	<u>Subsidiary</u>
19 October 2018	Fixed charge	Signature Eden Limited
26 February 2019	Fixed charge	SLG Manchester 1 Limited
21 January 2020	Fixed charge	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.

7.1.3 SW Construction

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 SLCE. Further details regarding the debentures is provided below:

<u>Date</u>	<u>Charge</u>	<u>Lender</u>
11 October 2019	Fixed and floating charge	SW Construction (No. 2) Limited
11 October 2019	Fixed and floating charge	SW Construction (Residential) Limited
18 December 2019	Fixed and floating charge	SW Construction (No. 2) Limited
18 December 2019	Fixed and floating charge	SW Construction (Residential) Limited

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.

7.1.4 Henslow

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.

7.1.5 LT Prime Secured SPC Limited

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.

7.1.6 Hope Capital

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 and provided a fixed charge over the property in favour of Hope Capital.

It is anticipated Hope Capital will be repaid in full, although this is subject to advice on the realisable value of the freehold property

7.1.7 Mount Street Mortgage Servicing Limited

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 and 30 JS Property Limited

7.1.8 Cortland Trustees 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

7.1.9 Stoneygate

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

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 amount outstanding under this facility is £341,185, subject to accruing charges and interest.

Stoneygate's legal advisors have requested the consent of the Joint Administrators to appoint an LPA Receivers to manage and sell the above properties.

The Joint Administrator are considering their position prior to responding to the request to appointment LPA Receivers. A further update will be provided in the next report to creditors.

7.1.10 The Coal Exchange Hotel LLP

The Company granted a fixed charge on 5th April 2017 in relation to the development of The Coal Exchange Hotel in Cardiff.

The Joint Administrators will review this security once further details have been provided as it our understanding this relates to the BPRA scheme in place.

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

7.2 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.

The preferential claims are expected to relate to wage arrears and outstanding holiday pay of circa £10,000.

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

7.3 Unsecured Creditors

According to the Company's records, the unsecured creditors totalled £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 details of retail investors and loans provided to subsidiaries of Signature Capital Investments, in order to establish the current exposure to the Company where it acts as guarantor. The loans were provided for specific property developments and the majority of the entities that own the properties, are not subject to insolvency proceedings.

A large number of retail investors have contacted the Administrators to date, either seeking an update on their investment or serving demand on the Company due a breach in their facility or the redemption date having passed, and the debt remains unpaid. From our initial enquiries to date, there are total outstanding retail investor loans of circa £10,000,000 and it is expected the final figure will much higher.

Investors or unsecured lenders should contact this office immediately with details of loans provided to Signature Capital Investments entities, where the Company acts as guarantor.

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; however this remains uncertain as this will be dependent upon (1) the level of asset realisations, (2) the costs of Administration and (3) whether the secured and preferential creditors are repaid in full.

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

7.3.1 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 post 15 September 2003, therefore the Prescribed Part provisions will apply.

The anticipated quantum of the Prescribed Part that may be available to 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 signaturelivinghotel@DuffandPhelps.com or Duff & Phelps Ltd, The Chancery, 58 Spring Gardens, Manchester, M2 1EW.

8. End of Administration

8.1 Exit from Administration

You will note from the Proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time.

The Joint Administrators have formed the view that once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies to the effect that the Company has no remaining property to realise which might permit a further distribution to its Unsecured Creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.

Due to complex nature of the Signature Group including inter-company loans, its assets, outstanding liabilities, secured and unsecured loans across the various entities within the Signature Group, it is not anticipated the Administration will be concluded within 12 months. The Administrators will seek the consent of creditors to extend the Administration at the appropriate time, if required.

8.2 Discharge of liability

The Joint Administrators propose to seek approval from Secured and Preferential Creditors that they will be discharged from 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.

Discharge does not prevent the exercise of the Court's power in relation to any misfeasance action against the Joint Administrators.

Should the circumstances of the Administration change, the Joint Administrators reserve the right to revert to the Unsecured Creditors in order to obtain discharge of liability.

9. Joint Administrators' Proposals

9.1 Approval of Proposals

The Joint Administrators' Proposals shall be deemed approved by the creditors on the expiry of the period in which a decision can be requisitioned by creditors as detailed in the Appendix 8. The Joint Administrators are seeking deemed approval from creditors in respect of the proposals.

Further information of the steps required to convene a procedure are detailed at Appendix 8.

9.2 Creditors' Committee

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

The minimum number of committee members is three and the maximum is five.

The Creditors' Committee represents the interest of the Creditors as a whole rather than the interests of individuals.

The statutory function of the Creditors' Committee is to assist the Joint Administrators with discharging their responsibilities, including the approval of:

- The basis of remuneration;
- The drawing category 2 disbursements;
- The payment of unpaid pre-Administration costs;
- The discharge from liability of any actions taken as Joint Administrators.

Please note that members of the Creditors' Committee are not paid for their time. In order to enable Creditors to make an informed decision, a guidance note on the rights, duties and the functions of Committees can be found at the following link:

<https://www.duffandphelps.co.uk/-/media/assets/pdfs-international/uk/creditors-guide/a-guide-for-creditors-march-2017.ashx?la=en-gb&hash=33FCAF379D2B3977216E2D41DB2FFC2F762522E1>

If you would prefer to be sent a paper copy, please contact Jamie Maddox of this office.

9.3 Creditors' rights

The Joint Administrators will use a decision making procedure to seek approval of their Proposals if requested by Creditors whose debts amount to at least 10% of the total debts of the Company and the relevant procedures are followed.

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 proposed decision(s). The statutory thresholds for requesting a meeting are 10% in value of creditors, 10% in number of creditors, or 10 creditors.

Further information on Creditors' rights to request a decision or physical meeting and the relevant procedures required is provided on Appendix 8, Statement of Creditors Rights.

In addition, the statement also sets out information on the remuneration and disbursements of the Joint Administrators.

9.4 Summary of Proposals

In addition to the specific itemised proposals detailed below, this document in its entirety constitutes the Joint Administrators' Proposals. The Joint Administrators propose the following:

9.4.1 General

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

9.4.2 Distributions

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

9.4.3 End of Administration

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

- Apply to Court for the Administration order to cease to have effect from a specified time and for the return of control to the Directors;
- Place the Company into Creditors' Voluntary Liquidation if deemed appropriate. It is proposed that the Joint Administrators, currently Matthew Ingram and Michael Lennon of 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 will be seeking specific agreement to the following Proposals from the Secured and Preferential Creditors which do not form part of these Proposals.

9.4.4 Remuneration and Pre-Administration costs

- 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.
- That the Joint Administrators' Fee Estimate provided in Appendix 5 in the total sum of £326,585, is approved;
- That 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, as set out in Appendix 7;
- That the unpaid Pre-Administration costs totalling £5,165, as detailed in the Joint Administrators' statement of Pre-Administration costs, is approved for payment as an expense of the Administration.
- Where a Creditors' Committee is formed, the Joint Administrators will seek to obtain approval from the Creditors' Committee.

9.4.5 Discharge of Liability

- 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.
- Where a Creditors' Committee is formed, the Joint Administrators will seek to obtain approval from the Creditors' Committee.

If you require further information or assistance, please do not hesitate to contact Daniel Ryan of this office.



Matthew Ingram
Joint Administrator

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

Appendix 1 – Statutory information

COMPANY INFORMATION

Company and trading name	Signature Living Hotel Limited	
Date of incorporation	29 June 2012	
Registered Number	08124207	
Company Director(s)	Lawrence Kenwright	
Shareholders	Lawrence Kenwright – One ordinary £1 share Katie Kenwright – One ordinary £1 share	
Trading address	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 Stree Liverpool L2 6RE

ADMINISTRATION INFORMATION

Administration Appointment	The Administration appointment granted in the High Court of Justice, Business and Property Court in Manchester 2191 of 2020	
Appointor	Henslow Trading Limited, 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 – Receipts and Payments account

**Signature Living Hotel Limited
(In Administration)
Joint Administratorss' Trading Account
To 10/06/2020**

S of A £	£	£
POST APPOINTMENT SALES		
HMRC JRS Grant	499,952.65	499,952.65
OTHER DIRECT COSTS		
Wages & Salaries	388,857.89	(388,857.89)
TRADING SURPLUS/(DEFICIT)		111,094.76

Signature Living Hotel Limited
(In Administration)
Joint Administratorss' Summary of Receipts & Payments
To 10/06/2020

S of A £	£	£
ASSET REALISATIONS		
Utilities Refund	18,959.54	
Trading Surplus/(Deficit)	111,094.76	
West Africa House - Rent Receivable	13,333.33	
		143,387.63
COST OF REALISATIONS		
Premises Licence Cost	448.00	
West Africa House - Ground Rent	13,333.33	
		(13,781.33)
		129,606.30
REPRESENTED BY		
VAT Receivable		2,751.67
Floating/main current account		129,521.30
VAT payable		(2,666.67)
		129,606.30

Appendix 3 – Estimated Statement of Affairs

This is the Estimated Statement of Affairs for the Company as at the Appointment Date.

A schedule of the known Creditors' names, addresses, debts and details of any security held is included with the Estimated Statement of Affairs.

Creditors should be aware that some creditor amounts shown may differ from the actual amount owed. This does not affect their final claim and the Joint Administrators invite Creditors to submit their claim using the proof of debt form attached at Appendix 9.

The information provided in the Estimated Statement of Affairs and in the Statutory information in Appendix 1, has been extracted from the Company's books and records. The Joint Administrators have not carried out any audit or detailed verification work on the information provided and the figures do not include the costs of the Administration.

The Joint Administrators have requested that the Director prepares a Statement of Affairs and once received, will be filed at the Registrar of Companies.

The actual level of asset recoveries and claims against the Company might differ materially from the amounts included in the financial information in this statement.

INSOLVENCY ACT 1986

ESTIMATED STATEMENT OF AFFAIRS

A - Summary of Assets

Assets	Notes	Book Value £	Estimated to realise £
Assets Specifically Pledged			
The Shankley Hotel (Freehold)		2,500,000	Uncertain (700,000)
Henslow Trading Limited			(700,000)
Albendan Limited (Contingent)			TBC
Deficiency c/d			(700,000)
Daniel House (Freehold)		1,063,118	Uncertain (152,000)
Hope Capital 2 Limited			(152,000)
Deficiency c/d			
Cotton Street & Carlton Street (Freehold)		313,033	Uncertain (182,700)
Stoneygate 2007 Limited			(182,700)
Deficiency c/d			
9 & 11 Victoria Street		95,956	Uncertain (341,185)
Stoneygate 2007 Limited			(341,185)
Deficiency c/d			
Assets Subject to Fixed Charge			
Investments		991,452	Uncertain
West Africa House (Long Leasehold)		691,248	Uncertain
Fixtures & Fittings		532,988	Uncertain
		2,215,687	Nil
Uncharged assets:			
Trade Debtors		1,202,012	Uncertain
Prepayments & Accrued Income		682,467	Uncertain
Related Party Debtors		51,036,909	Uncertain
Other Debtors		23,389,729	Uncertain
Intercompany Debtors		12,321,030	Uncertain
		88,632,146	Nil
Estimated total assets available for preferential creditors	£		Nil

INSOLVENCY ACT 1986

ESTIMATED STATEMENT OF AFFAIRS

B -Summary of liabilities

		Estimated to realise
Estimated total assets available for preferential creditors (carried from page A)	£	Nil
Liabilities		
Preferential creditors	£	(10,000)
Estimated deficiency/surplus as regards preferential creditors:	£	(10,000)
Estimated prescribed part of net property where applicable (to carry forward)	£	Nil
Estimated total assets available for floating charge holders	£	(10,000)
Debts secured by floating charges:		
Henslow Trading Limited	(700,000)	
Albendan Limited (Contingent)	TBC	
	£	(700,000)
Estimated deficiency/surplus of assets after floating charges	£	(710,000)
Estimated prescribed part of net property where applicable (brought down)		Nil
Total assets available to unsecured creditors	£	(710,000)
Unsecured claims (excluding any shortfall to floating charge holders)		
- Trade & Expense Creditors	(1,520,549)	
- Intercompany Creditor - Shankly LLP	(147,815)	
- Intercompany Creditors - Signature Living Residential Limited (Contingent)	(14,084,405)	
- Intercompany Creditors - 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)	
		(111,921,594)
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	(112,631,594)
Shortfall to floating charge holders (brought down)		(700,000)
Estimated deficiency/surplus as regards creditors	£	(113,331,594)
		(2)
Issued and called up capital	£	(112,631,596)
Estimated total deficiency/surplus as regards members		

Appendix 4 – Analysis of time charged 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	

118037 SIGNATURE LIVING HOTEL LIMITED
ANALYSIS OF TIME COSTS FOR THE PERIOD 15/04/2020 to 06/06/2020

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	1.00	4.00	2.00	10.00	17.00	4,280.00	251.76
Cashiering & accounting	0.00	1.20	0.60	4.75	0.00	6.55	1,908.50	291.37
Dealings with Directors and Management	1.00	9.15	0.00	0.00	0.00	10.15	5,480.00	539.90
IPS set up & maintenance	0.00	0.00	0.00	0.15	0.00	0.15	37.50	250.00
Insurance	0.00	0.00	0.00	0.50	0.00	0.50	125.00	250.00
Statement of affairs	0.00	0.60	0.00	0.60	0.00	1.20	384.00	320.00
Statutory matters (Meetings & Reports & Notices)	1.50	41.55	0.00	6.20	0.00	49.25	21,393.00	434.38
Strategy planning & control	8.90	14.05	0.00	11.85	0.00	34.80	15,175.50	436.08
Tax Compliance / Planning	0.00	0.00	0.00	1.10	0.00	1.10	245.00	222.73
Creditors								
Communications with Creditors / Employees	0.00	20.65	0.00	33.55	0.00	54.20	17,802.50	328.46
Creditors committee	0.60	0.00	0.00	0.00	0.00	0.60	390.00	650.00
Non Pref Creditors / Employee claims handling	0.00	6.30	0.00	27.55	0.00	33.85	9,087.50	268.46
Secured Creditors	4.90	5.20	0.00	2.00	0.00	12.10	6,450.00	533.06
Investigations								
CDDA & reports & Communication	0.00	1.25	0.00	5.25	0.00	6.50	1,802.50	277.31
Financial review and investigations (S238/239 etc)	2.20	40.80	4.75	13.00	0.00	60.75	23,993.75	394.96
Realisation of Assets								
Book debts	0.00	0.75	0.00	0.00	0.00	0.75	420.00	560.00
Freehold and Leasehold Property	0.00	29.25	0.00	0.50	0.00	29.75	14,195.00	477.14
Other Intangible Assets	0.00	1.65	0.00	0.00	0.00	1.65	856.00	518.79
Sale of business	0.00	1.70	0.00	3.95	0.00	5.65	1,610.50	285.04
Trading								
Trading - Accounting	0.00	1.20	0.00	0.00	0.00	1.20	600.00	500.00
Trading - Employees	0.00	4.20	0.00	2.45	0.00	6.65	2,853.50	429.10
Trading - Operations	1.30	0.00	0.00	0.00	0.00	1.30	845.00	650.00
Total Hours:	20.40	180.50	9.35	115.40	10.00	335.65		387.11
Total Fees Claimed: £	13,260.00	87,480.50	2,854.25	24,440.00	1,900.00		129,934.75	

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; Reviewing and authorising junior staff correspondence and other work; 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 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	<ul style="list-style-type: none">• Collating information from the Company's records regarding assets, specifically relating to the properties;• Liaising with agents regarding the sale of assets;• Reviewing outstanding debtors and intercompany balances;• Seeking legal advice in relation to the properties and various lease agreements; and• Communicating with relevant parties regarding rent; property occupation and other property issues.
Trading	<ul style="list-style-type: none">• Reviewing the operation position of Company;• Discussing the strategy and consideration of commencing trade post government restrictions being lifted;• Reviewing the right to manage agreement and liaising with the SHLO; and• Dealing with retained employee matters and payroll.

Appendix 5 – Fee estimate

Administration - Post Appointment (New)										
Avg.	Classification of Work Function	Managing Director	Director	Hours				Total Hours	Time Cost	Rate
				Manager	Senior	Assistant	Support			
	Admin & Planning									
300.56	Case review and Case Diary management	4.00	6.00	6.00	0.00	10.00	10.00	36.00	10,820.00	300.56
352.82	Cashiering & accounting	0.00	10.00	10.00	30.00	20.00	1.00	71.00	25,050.00	352.82
469.84	Dealings with Directors and Management	3.00	40.00	15.00	0.00	4.00	0.00	62.00	29,130.00	469.84
220.00	Insurance	0.00	0.00	0.00	0.00	3.00	0.00	3.00	660.00	220.00
220.00	IPs set up & maintenance	0.00	0.00	0.00	0.00	0.50	0.00	0.50	110.00	220.00
220.00	Statement of affairs	0.00	0.00	0.00	0.00	1.50	0.00	1.50	330.00	220.00
387.86	Statutory matters (Meetings, Reports and Notices)	10.00	40.00	40.00	0.00	50.00	0.00	140.00	54,300.00	387.86
414.71	Strategy planning & control	10.00	60.00	60.00	0.00	40.00	0.00	170.00	70,500.00	414.71
220.00	Creditors				0.00			2.50	550.00	220.00
391.18	Communications with Creditors / Employees	10.00	60.00	40.00	0.00	60.00	0.00	170.00	66,500.00	391.18
0.60	Creditors committee	0.00	10.00	2.00	0.00	5.00	0.00	17.60	7,330.00	0.60
326.67	Non Pref Creditor claims adjudication and dist'n	0.00	2.00	2.00	0.00	5.00	0.00	9.00	2,940.00	326.67
300.00	Non Pref Creditors/Employee claims handling	0.00	10.00	10.00	0.00	40.00	0.00	60.00	18,000.00	300.00
300.00	Pref claims adjudication and distribution	0.00	1.00	1.00	0.00	4.00	0.00	6.00	1,800.00	300.00
541.14	Secured Creditors	50.00	50.00	20.00	0.00	3.00	0.00	123.00	66,560.00	541.14
	Investigations									
398.70	CDDA, reports & Communication	5.00	20.00	40.00	30.00	20.00	0.00	115.00	48,850.00	398.70
430.38	Financial review and investigations (S238/239 etc)	10.00	100.00	80.00	40.00	30.00	0.00	260.00	111,900.00	430.38
489.72	Realisation of assets	40.00	100.00	60.00	10.00	8.00	0.00	218.00	106,760.00	489.72
466.60	Freehold and Leasehold Property	5.00	100.00	25.00	30.00	2.00	0.00	162.00	75,590.00	466.60
453.72	Other Intangible Assets	10.00	30.00	25.00	15.00	6.00	0.00	86.00	39,020.00	453.72
	Sale of Business									
	Trading - Accounting	0.00	4.00	4.00	0.00	5.00	0.00	13.00	4,780.00	367.69
288.57	Trading - Employees	0.00	6.00	6.00	0.00	30.00	0.00	42.00	12,120.00	288.57
220.00	Trading - Insurance	0.00	10.00	10.00	0.00	5.00	0.00	5.00	1,100.00	220.00
437.50	Trading - Operations	3.00	10.00	10.00	0.00	5.00	0.00	28.00	12,250.00	437.50
	Total Hours	160.60	659.00	456.00	155.00	359.50	11.00	1,801.10		
	Total Estimated Fees	80,300.00	276,780.00	191,520.00	58,900.00	79,090.00	550.00		763,950.00	

Appendix 6 – Fee narrative

Signature Living Hotel Limited (In Administration)

The Joint Administrators' Fee Estimate from 15 April 2020 to 14 April 2021

Matthew Ingram and Michael Lennon were appointed Joint Administrators of the Company on 15 April 2020.

Introduction

The following information is provided to creditors to enable them to consider and approve the Joint Administrators' remuneration. It is a summary of key issues to assist creditors in understanding the strategy of the Joint Administrators, the associated costs and expenses of the related activities, and, the financial benefit to creditors.

This document should be read in conjunction with the Joint Administrators' Statement of Proposals which provides further details of the assets, liabilities and estimated return to creditors, if any. Particular reference is made to the Appendices entitled 'Fee Estimate' and 'Estimated Expenses'.

Should the Joint Administrators anticipate further time costs in addition to the above, they will issue a further Fee Estimate for approval.

Estimated Fees and Expenses

The Joint Administrators propose that their fees will be based on time costs, being fixed by reference to the time given by them and their staff in attending to matters arising in the Administration, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken.

Creditors are asked to approve the Fee Estimate, which effectively acts as a cap on the fees that can be drawn (subject to the Joint Administrators' ability to seek an increase in the approved amount from creditors if appropriate). The Fee Estimate is enclosed at Appendix 5.

The Expenses Estimate for the Administration are as shown at Appendix 7 to this narrative, this illustrates the incurred and anticipated expenses for the whole of the Administration and is for information purposes only (and does not require approval by any class of creditor).

It should be noted that the Fee Estimate is an estimate of time costs that the Joint Administrators expect to incur, and the level of fees drawn will be dependent on the asset realisations and agreement of creditors.

Estimated Return to Creditors

The outcome for all classes of creditor is referred to in detail in the main body of the report, the contents of which have been summarised for reference below.

Secured Creditors

Based on current information it is anticipated that there will be sufficient realisations to enable a distribution to one or more secured creditors.

Preferential Creditors

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

Unsecured Creditors

Based on current information it is anticipated that there will be insufficient realisations to enable a dividend to unsecured creditors, aside from the Prescribe Part, if applicable.

Joint Administrators' Estimated Time Costs

Administration & Planning

The role of a Joint Administrator is highly regulated, being required to conform to insolvency legislation, industry best practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, the Joint Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors.

In addition, throughout the course of the Administration, the Joint Administrators regularly review the strategy and complete case reviews at week one, after three months, and every six months thereafter. These activities do not necessarily provide a direct financial benefit to creditors; however, these are necessary to ensure that the Administration runs efficiently.

Administration & Planning

Total time costs estimated to be incurred for Administration & Planning total £191,450 including the time costs incurred to date. This process will include the following future tasks:

- Complying with anti-money laundering checks, bribery act and ethical checks;
- Setting up the Administration on our internal systems and on the Duff & Phelps website;
- Companies House filings;
- Calculating and obtaining the Insolvency Practitioners' bond;
- Undertaking treasury functions in setting up the Administration;
- Internal strategic discussions and meetings and completing case reviews;
- Advertising the Joint Administrators' appointment and notifying relevant stakeholders;
- Opening Administration bank accounts and facilitating a transfer of funds to the Administration;
- Preparing the Joint Administrators' progress reports.
- Performing periodic and strategic case reviews;
- Undertaking ongoing cashiery and accounting functions;
- Filing notices with Companies House and the Court at relevant intervals;
- Dealing with tax compliance and returns;
- Dealings with the directors and management;
- Ensuring that all insurance and bonding requirements are appropriate;
- Preparing progress reports to all creditors of the Company;
- Preparing a final report to all creditors of the Company; and
- Internal strategic discussions and meetings.

Statutory Matters

Total time costs estimated to be incurred for statutory matters total £37,500, including the time costs incurred to date. Much of this is in respect of statutory compliance.

The role of an Administrator highly regulated, being required to conform to insolvency legislation, industry Best Practice policies (Statements of Insolvency Practice) and relevant case law. Consequently, the Joint Administrators are obliged to undertake many activities that do not provide a financial benefit to creditors. Such matters will include, but are not restricted to Anti Money Laundering, Bribery Act and Ethical considerations and checks, statutory advertising, regular reporting to creditors including fee agreement procedures, regular case reviews, obtaining and securing company books and records, Companies House filing, completion and release of insolvency bond and various treasury functions.

Creditors

Total time costs estimated to be incurred in relation to dealing with creditors total £163,130, including the time costs incurred to date. The Joint Administrators will deal with all creditor queries as appropriate.

With regard to Unsecured Creditors, mainly being loan note holders for investments in hotel or residential developments that have been guaranteed by the Company, the Joint Administrators and case staff will liaise accordingly to assist them in submitting their claims in the Administration. This will include explaining how to submit a claim in the Administration, what information the Joint Administrators require and reasons behind the Administration of the Company.

Should it be considered that there are sufficient asset realisations to enable either a dividend to the Unsecured Creditors, the Joint Administrators will then adjudicate on all submitted claims to agree or reject the claims (in part or in full) prior to declaring and paying any dividend distribution, if applicable.

The Joint Administrators time costs incurred for Creditors to date total £33,730. This includes dealing with the Secured Creditor in confirming the amounts due in respect of the fixed and floating charges held following the application of any relevant interest and charges and will arrange a distribution following the completion of all asset realisations. The Joint Administrators have also been reporting back to the Secured Creditor with updates in respect of the general matters, the proposed trading of the Hotels and property developments the Company holds the freehold title of, as well as the sale of business and assets of the Company.

To date, the Joint Administrators have dealt with a large number of investor queries and have been requesting information from each investor. This includes discussing their leases, contracts, ROI arrears, and whether a put or call option has been exercised in order to clarify the amounts paid by each investor. This includes a review of all correspondence received regarding their investment and liaising with investors with regards to whether the Company has provided a guarantee to their investment, whether the facility is in default and whether they have served formal demand on the Company to call upon their guarantee in order to crystallise their debt and become an Unsecured Creditor of the Company. In addition, the Joint Administrators have spent time liaising with the Company and investors to prepare a master schedule of all investments to get a better understanding of the wider picture of the Company's liabilities.

The Joint Administrators have also dealt with other queries and lodging creditors' claims that have been submitted onto the case management system, as well as assisting former employees who were made redundant prior to the Joint Administrators appointment to claim for holiday and notice pay. This also included liaising with the RPS and the Company's payroll provider to ensure claims were processed correctly and in a timely manner.

Going forward, the Joint Administrators will be dealing with creditor matters as above, as and when queries and claims are presented. Total time costs in respect of creditors are estimated to be £59,380, including the costs incurred to date and are expected to comprise of the following future tasks:

- Dealing with correspondence, emails and telephone conversations regarding claims in the Administration;
- Dealing with any claims submitted;
- Maintaining up to date creditor information and claims status on the case management system;
- Maintaining the Duff & Phelps website for creditor information;
- Sending letters to investors to provide supportive updates in relation to the progress of the Administration and status of their investment
- Adjudicating and agreeing creditor claims, in the event a dividend will become payable;
- Declaring, calculating and paying a dividend or Prescribed Part dividend, if applicable;
- Distributing dividends to creditors, in the event that dividends will be payable; and
- Reporting to the Secured Creditor.

Total estimated time costs in respect of all classes of creditor are detailed above.

Investigations

It is a statutory requirement that the Joint Administrators provide a report to the DBEIS on the conduct of the all directors who have held office in the three years prior to the Joint Administrators' appointment to determine their fitness to act in such a role.

This will entail a broad level of investigation to ensure that best practice standards are met, and the Fee Estimate reflects this standard. If DBEIS then instigates Directors' Disqualification proceedings, further time may be expended in providing supporting documents, witness statements etc. Such investigations may or may not lead to further asset recovery, so creditors should not assume that this activity will provide a monetary benefit to the Administration estate.

Total time costs in respect of Investigations are estimated to be £157,750. This process will include the following future tasks:

- Securing the Company's books and records and taking a backup of the Company's accounting system;
- Writing to the Bank to request historic bank statements for the Company;
- Seeking the completion of a questionnaire by the directors;
- Completing a detailed bank statement analysis;
- Investigation of any potential claims with regard to antecedent or preferential transactions;
- Determining an inter-company position and whether any inter-company debts are made up of funds received from the investors and utilised in the Group. However, it should be noted a number of associated companies are in formal insolvency processes and therefore it is uncertain the inter-company debts are recoverable;
- Completing a detailed review of all of the Company's financial accounts available;
- Reviewing the structure of the investments the collective investment schemes operated by associated companies that have been guaranteed by the Company;
- Land Registry and Companies House searches;
- Logging, reviewing and actioning upon any investor and creditor complaints and concerns regarding the Directors' conduct;
- Internet and social media searches;
- Completion of the Duff & Phelps investigation work program; and
- Statutory reporting requirements to the DBEIS in respect of the Directors' conduct and any resulting correspondence.

The above time estimate assumes that high level investigations are required. In the event, however, that further investigations are required, the time costs involved are expected to be higher. In such a scenario, the Joint Administrators will advise creditors in future progress reports.

It should be noted that full details of the investigations cannot be disclosed in order to avoid prejudicing any potential recovery or action in this regard.

Realisation of Assets

The fundamental duty of an Administrator is that of the recovery and realisation of the Company's assets. The Joint Administrators' powers are designed to ensure the effective discharge of this duty. The Joint Administrators must recover the assets of the Company for the benefit of the creditors and ultimately the members and must realise the same to affect the best possible outcome.

The Joint Administrators' actions and ongoing strategy in respect of the Company's assets is detailed below. The Joint Administrators estimate total time costs of £221,370 in dealing with asset realisations, including the time already incurred in this regard. This has and will include the following:

Freehold and Leasehold Property

The Joint Administrators estimate total time costs of £106,760 in dealing with the Freehold and Leasehold Property, including any time already incurred.

This time includes establishing the position of the entities and individual investors that have either purchased suites and rooms in Hotels in the form of long leasehold agreements granted by the Company or are loan note holders for a number of development schemes within the Signature Group.

The Joint Administrators have therefore currently incurred time during the Reporting Period of £14,195 in working with the Directors and management of the Company and the investors in order to determine the position in relation to outstanding investments, including ROI arrears and other connected adhoc matters.

The Joint Administrators will incur additional time in creating a strategy for the sale of the Company's freehold title to the Shankly Hotel and other residential properties including the Cotton Street, MV Funchal cruise liner, Carlton Street and Daniel House, as well as the leasehold title in West Africa House in order to maximise the return to all stakeholders.

Intangible Assets

The Joint Administrators estimate total time costs of £75,590 in dealing with the Intangible Assets, including any time already incurred.

As detailed in the Proposals, the Company forms part of a wider group of companies which trades as a hotel and residential property operator. As such, the Company owns shares in a number of the Group entities and a group structure is provided at Appendix 12.

The Joint Administrators will incur time costs in continuing to review the Company's various shareholdings within the Group in order to create a strategy to maximise the realisation where possible.

Sale of Business

As detailed in the Proposals, the Joint Administrators' are planning to recommence trading of the Shankly Hotel once the Government has lifted restrictions as a result of the Covid-19 pandemic in order to enhance the value of the asset, with a view to executing a sale of the business and assets as a going concern.

It is estimated that total time costs of £39,020 will be incurred in relation to the Sale of Business. This includes time spent in negotiating with the interested parties and liaising with the Agents, the Solicitors and the Secured Creditors in respect of finalising a sale agreement and dealing with any further queries from previous interested parties.

Trading

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 support services to the operational companies within the Group and as far as we are aware did not carry out any direct trading of any hotel or property assets.

Timcosts will be incurred in respect of Employees in assisting former employees in submitting claims for holiday and notice pay in order to deal with employee claims, including liaising with the RPS and the Company's payroll provider to ensure claims were processed correctly. This also includes enabling all employees to reclaim any outstanding pre-Administration pension contributions from the RPS and ensuring all post-appointment pension contributions during any Trading period are paid across to the relevant pension scheme.

Time incurred will also include liaising with the Company and HMRC in order to receive the grant to pay for the wages of furloughed employees in order to run the payroll to ensure all furloughed and retained staff are paid their post-appointment wages owed, with all PAYE and NI being deducted from the payroll.

Furthermore, the Joint Administrators have anticipated Trading time costs under Accounting to be £4,780 in relation to completing all accounting functions in respect of journaling in receipts from the completion of sales, whilst ensuring all agreed expenses due are paid promptly. These payments will relate to professional advisors' costs and trading costs as detailed above and in the Proposals.

Furthermore, the Joint Administrators are incurring time costs during the Trading Period in arranging for the appropriate insurance cover to be in place whilst continuing to trade the business. Additionally, time is being incurred in completing all accounting functions in respect of journaling in receipts from, whilst ensuring all agreed expenses due are paid promptly. These payments will relate to professional advisors' costs and trading costs as detailed above and in the Proposals.

There are no other known assets of the Administration at this time, however the Joint Administrators will seek to identify any additional assets for the benefit of the Administration.

Should you have any queries, please contact this office on 0161 827 9000 or at signaturelivinghotel@duffandphelps.com

Appendix 7 – Expenses estimate

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

Note	Company	Type of Expenses	Activity	Date of Instruction	Fee Basis	Anticipated Total Cost
1	Professional Advisors					
2	TBC	Statutory Compliance	Preparation of Corporation Tax return and other taxation matters	15-Apr-20	Fixed Fee	10,000.00
4	Shakespeare Martineau LLP	Statutory Compliance	Solicitors - engaged to provide legal advice to the Joint Administrators on an ad-hoc basis, including strategic meetings, completing a security review, offering validity advice and assisting with the position with the bedroom investors	15-Apr-20	Time cost plus disbursements	150,000.00
5	Property Valuation Agents	Asset Realisations	Agents - instructed to the assist in the valuation and realisation of the Company's assets	15-Apr-20	Fixed Fee plus Disbursements	TBC
Total Professional Advisors Costs						160,000.00
Other						
6	Total Data Management	Statutory Compliance	Storage Agents - instructed to store the Company's books and records as well as Joint Administrators' records.	15-Apr-20	Cost per unit	500.00
7	Ansarada UK Limited	Sale of Business	Data rooms costs to hold material information of the Company for interested parties to review	15-Apr-20	Fixed Fee	600.00
8	Courts Advertising Limited	Statutory Compliance	Statutory Advertising of notice of Administration in the London Gazette	15-Apr-20	Fixed Fee	105.00
Total Other Expenses						1,205.00
Disbursements						
9	Category 1 Disbursements					
10	Willis Towers Watson	Bond Premium		15-Apr-20	Fixed Fee	225.00
11	Insolvency Risk Services	Insurance of Assets		15-Apr-20	Fixed Premium	20,000.00
	Barclays Bank plc	Bank Charges		15-Apr-20	Per Facility	50.00
12	Sundry Expenses	Travel and Subsistence Costs		15-Apr-20	As incurred	1,000.00
Total Category 1 Disbursements						21,275.00
13	Category 2 Disbursements					
14	Mileage @ 45p per mile	Travel Costs		15-Apr-20	As incurred	1,500.00
Total Category 2 Disbursements						1,500.00
TOTAL						183,980.00

Notes to Estimated Expenses Schedule

- 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.
- A tax accountant may be potentially instructed to provide advice in relation to Corporation Tax matters and VAT.
- Shakespeare Martineau are engaged by the Joint Administrators to act in relation to the appointment of the Joint Administrators and if required, to prepare the relevant documentation in respect of the asset sale agreement. In addition, they are engaged to review the validity of the Secured Creditor's security and validity of appointment. It is not anticipated that further legal advice may be required throughout the course of the Administration.
- SIA Group (UK) Limited were instructed to assist with the valuation and realisation of all tangible assets as part of a sale of the business as a going concern, or on a piecemeal basis via private treaty or auction.
- Books and records of the Company will be stored offsite with an external provider for at least the duration of the Administration plus one year. In addition, it is a statutory requirement that books and records of the Joint Administrators must be kept for six years after the conclusion of the Administration.
- The Joint Administrators instructed Ansarada UK Limited to set up a virtual data room to hold material information of the Company for any interested parties to review for the potential sale of the business and assets.
- Statutory advertising in the London Gazette is required under Insolvency legislation.
- Category 1 Disbursements are payments to independent third parties where the specific expenditure is directly referable to the Administration.
- It is 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.
- This is a statutory requirement to have open cover insurance of all assets and liabilities and the cost is based on the value of the assets.
- Sundry expenses may be incurred during the Administration of which an estimate has been provided above.
- Category 2 disbursements are costs that are directly referable to the Administration but not to a payment to an independent third party.
- Mileage is the reimbursement of staff expenses, at a specified rate, travelling by car to attend the company's premises and meetings.

Appendix 8 – 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@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 9 – Proof of Debt form

PROOF OF DEBT - GENERAL FORM

Signature living Hotel Limited – In Administration Company No. 08124207	
Date of Administration: 15 April 2020	
1.	Name of Creditor (If a company please also give company registration number and if non-UK, country of registration)
2.	Address of Creditor for correspondence <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Contact telephone number of creditor</div> <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">Email address of creditor</div>
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
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Name in BLOCK LETTERS</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">DATE</div>
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Are you the sole member of the creditor?</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">YES / NO</div>
	Position with or in relation to creditor <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Address of person signing (if different from 2 above)
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Admitted to vote for £</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Admitted for dividend for £</div>
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Date</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Date</div>
	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Administrator</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Administrator</div>

Appendix 10 – 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
the Bank	HSBC Bank plc, with whom the Company banked
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 Directors	Lawrence Kenwright, the sole director of the Company
EC Regulation	EC Regulation on Insolvency Proceedings 2000
the Group	The wider Group of companies – a Group structure is provided at Appendix 12
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 Ltd, The Chancery, 58 Spring Gardens, Manchester M2 1EW
Lyell Trading	Lyell Trading Limited, the holder of fixed charges over the assets of the Company
NOA	Notice of Appointment of Administrators

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
Reporting Period	The period from 15 April 2020 to 10 June 2020
RPS	Redundancy Payments Service
the Rules	The Insolvency (England & Wales) Rules 2016 (as amended)
the Hotel	The Shankly Hotel, Millennium House, 60 Victoria Street, Liverpool, L1 6JD
SHLO	Signature Hotel Liverpool Ops Limited
SLG Cruise	SLG Cruise Limited
SIP 9	Statement of Insolvency Practice 9 – Industry best practice for Insolvency Practitioners in relation to disclosure of remuneration and disbursements
SOA	Statement of Affairs, documentation prepared by the Joint Administrators estimating the Company's financial position as at the Appointment Date
Stoneygate	Stoneygate 2007 Ltd, the holder of fixed and floating charges over the assets of the Company
SW Contraction	SW Construction (No. 2) Limited and SW Constriction (Residential) Limited, the holders of fixed and floating charges over assets of the Company
TUPE	The Transfer of Undertaking (Protection of Employment) Regulations 2006
West Africa House	West Africa House, 25 Water Street, Liverpool, L2 0RG

Appendix 11 – Notice about this Statement of Proposals

This Statement of Proposals has been prepared by Matthew Ingram and Michael Lennon, the Joint Administrators of the Company, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before Creditors a statement of their Proposals for achieving the purpose 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.

These Proposals have not been prepared in contemplation of them being used, and are 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 these Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for Creditors.

Any person that chooses to rely on these Proposals for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 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 these Proposals.

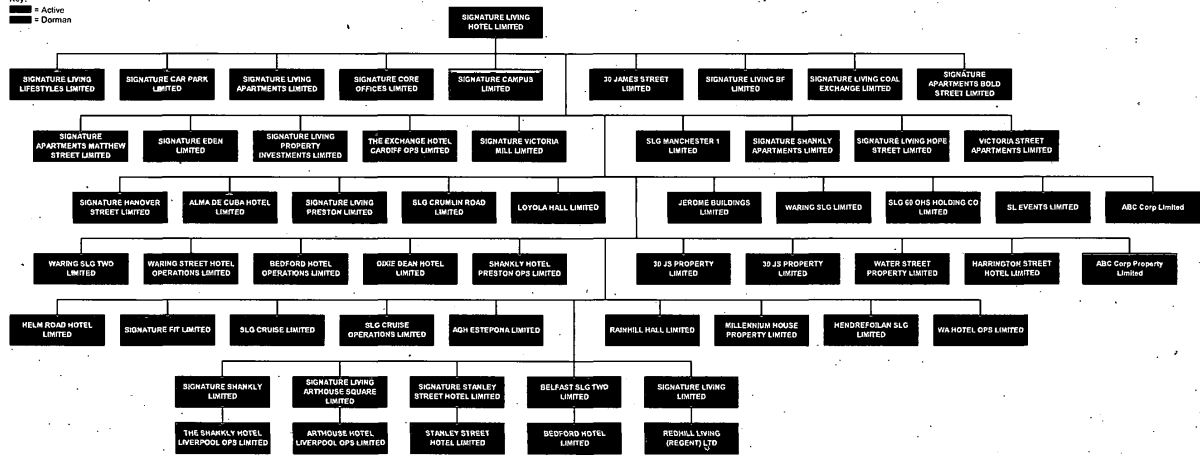
Matthew Ingram and Michael Lennon are authorised to act as insolvency practitioners by the Insolvency Practitioners Association.

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

The Joint Administrators act as agent 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 these Proposals or the conduct of the Administration.

Appendix 12 – Group Structure

Key:
 ■ = Active
 ■ = Dormant



Level	Company Name	Registration Number	Trading Status
1 - Topco	SIGNATURE LIVING HOTEL LIMITED	8124207	Active
2 - Subsidiary	SIGNATURE LIVING LIFESTYLES LIMITED	9418251	Active
2 - Subsidiary	SIGNATURE SHANKLY LIMITED	9418371	Active
3 - Subsidiary of Signature Shankly Limited	THE SHANKLY HOTEL LIVERPOOL OPS LIMITED	19972017	Active
2 - Subsidiary	SIGNATURE CAR PARK LIMITED	9418427	Active
2 - Subsidiary	SIGNATURE LIVING APARTMENTS LIMITED	9418480	Active
2 - Subsidiary	SIGNATURE CORE OFFICES LIMITED	9418537	Active
2 - Subsidiary	SIGNATURE CAMPUS LIMITED	9527609	Active
2 - Subsidiary	30 JAMES STREET LIMITED	9670656	Active
2 - Subsidiary	SIGNATURE LIVING ARTHOUSE SQUARE LIMITED	9908164	Active
3 - Subsidiary of Signature Living Arthouse Square Limited	ARTHOUSE HOTEL LIVERPOOL OPS LIMITED	110183911	Active
2 - Subsidiary	SIGNATURE LIVING BF LIMITED	9914268	Active
2 - Subsidiary	SIGNATURE LIVING COAL EXCHANGE LIMITED	9942018	Active
2 - Subsidiary	SIGNATURE APARTMENTS BOLD STREET LIMITED	9971880	Active
2 - Subsidiary	SIGNATURE APARTMENTS MATTHEW STREET LIMITED	9971919	Active
2 - Subsidiary	SIGNATURE EDEN LIMITED	9971999	Active
2 - Subsidiary	SIGNATURE LIVING PROPERTY INVESTMENTS LIMITED	10037116	Dormant
2 - Subsidiary	THE EXCHANGE HOTEL CARDIFF OPS LIMITED	10057355	Active
2 - Subsidiary	SIGNATURE VICTORIA MILL LIMITED	10099833	Active
2 - Subsidiary	SLG MANCHESTER 1 LIMITED	10183880	Dormant
2 - Subsidiary	SIGNATURE SHANKLY APARTMENTS LIMITED	10278372	Active
2 - Subsidiary	SIGNATURE STANLEY STREET HOTEL LIMITED	10325488	Liquidated/Receivership
3 - Subsidiary of Signature Stanley Street Hotel Limited	STANLEY STREET HOTEL LIMITED	19670743	Active
2 - Subsidiary	SIGNATURE LIVING HOPE STREET LIMITED	10394763	Active
2 - Subsidiary	VICTORIA STREET APARTMENTS LIMITED	10441710	Active
2 - Subsidiary	SIGNATURE HANOVER STREET LIMITED	10531489	Active
2 - Subsidiary	ALMA DE CUBA HOTEL LIMITED	10567991	Active
2 - Subsidiary	SIGNATURE LIVING PRESTON LIMITED	10599088	Active
2 - Subsidiary	SLG CRUMLIN ROAD LIMITED	10652325	Active
2 - Subsidiary	BELFAST SLG TWO LIMITED	10652489	Active
3 - Subsidiary of Belfast SLG Two Limited	BEDFORD HOTEL LIMITED	110616670	Active
2 - Subsidiary	LOYOLA HALL LIMITED	10723786	Active
2 - Subsidiary	JEROME BUILDINGS LIMITED	10735718	Dormant
2 - Subsidiary	WARING SLG LIMITED	10736367	Dormant
2 - Subsidiary	SLG 60 OHS HOLDING CO LIMITED	10959941	Dormant
2 - Subsidiary	SL EVENTS LIMITED	11010924	Active
2 - Subsidiary	WARING SLG TWO LIMITED	11231661	Active
2 - Subsidiary	WARING STREET HOTEL OPERATIONS LIMITED	11426103	Dormant
2 - Subsidiary	BEDFORD HOTEL OPERATIONS LIMITED	11426151	Active
2 - Subsidiary	DIXIE DEAN HOTEL LIMITED	11480460	Active
2 - Subsidiary	SHANKLY HOTEL PRESTON OPS LIMITED	11480911	Active
2 - Subsidiary	30 JS PROPERTY LIMITED	11710868	Active
2 - Subsidiary	WATER STREET PROPERTY LIMITED	11714078	Dormant
2 - Subsidiary	HARRINGTON STREET HOTEL LIMITED	11716977	Active
2 - Subsidiary	HELM ROAD HOTEL LIMITED	11811712	Active
2 - Subsidiary	SIGNATURE FIT LIMITED	11836457	Active
2 - Subsidiary	SLG CRUISE LIMITED	11843905	Active
2 - Subsidiary	SLG CRUISE OPERATIONS LIMITED	11843940	Active
2 - Subsidiary	SIGNATURE LIVING LIMITED	11844676	Active
3 - Subsidiary of Signature Living Limited	REDHILL LIVING (REGENT) LTD	10827858	Active
2 - Subsidiary	AGH ESTEPONA LIMITED	11853067	Active
2 - Subsidiary	RAINHILL HALL LIMITED	11945232	Active
2 - Subsidiary	MILLENNIUM HOUSE PROPERTY LIMITED	12010632	Active
2 - Subsidiary	HENDREFOILAN SLG LIMITED	12050234	Active
2 - Subsidiary	ABC Corp Property Limited	11713617	Active
2 - Subsidiary	ABC Corp Limited	11682105	Active
2 - Subsidiary	WA HOTEL OPS LIMITED	12125044	Active