Second Home shareholders wiped out as ex-Cameron adviser targets rescue deal

Investors in the shared-office company founded by a former aide to David Cameron are to be wiped out as part of an imminent rescue deal.

Sky News understands that Rohan Silva, who set up Second Home in 2014, has told shareholders that they will see their investment in the company "reduced…to zero" if a proposed funding injection takes place.

Under Mr Silva's plan, the family office of Riaz Valani, a Silicon Valley billionaire who was an early investor in Juul, the e-cigarette manufacturer, would provide funding to keep Second Home afloat.

Mr Valani's vehicle, Global Asset Capital, would be joined in the rescue deal by Jeremy Coller, the London-based financier.

The deal requires the approval of the government because the Future Fund venture set up during the pandemic participated in Second Home's previous capital-raising.

Mr Silva told investors this week that the Future Fund had rejected a proposal last month that would have given existing shareholders a 10% stake in the company on the basis that the state-controlled vehicle would be disadvantaged.

He added that the resulting shareholder wipeout was not the outcome he had been seeking.

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It was unclear on Thursday how much taxpayers’ money was being put at risk by the latest restructuring proposal.

‘Given it my best’

Second Home is one of a multitude of ventures which have hoped to take advantage of post-pandemic shifts in labour markets, with a greater focus for many major employers on hybrid working patterns.

The company, which operates four sites in London and one each in Lisbon and Hollywood, has been working with FRP Advisory, the restructuring and insolvency firm, to advise it on its future.

Sky News revealed in April that Second Home had told investors that it needed £6m in emergency funding to stay alive.

Mr Silva, an adviser to Mr Cameron during the latter’s tenure as prime minister, has raised tens of millions of pounds to fund Second Home since setting up the company with Sam Aldenton.

Despite denying in 2019 that Mr Aldenton was stepping down after a massive cost overrun at its inaugural American site, Mr Silva subsequently told investors that his partner had indeed been removed from the business.

In his latest communication with shareholders, he said the pandemic had been “terrible” for the company, although he said demand had returned strongly across its sites.

Mr Silva apologised for the outcome and said he had “given it my best”.

He did not respond to an enquiry on Monday.