

The Insolvency Act 1986

Administrator's progress report

Pursuant to Rule 2.38 of the Insolvency (Scotland) Rules 1986

Name of Company

Wow Leisure Limited

Company number

SC351752

(a) Insert full
name(s) and
address(es) of
administrator(s)

I (a)
Kenneth Wilson Pattullo
Begbies Traynor (Central) LLP
7 Queens Gardens
Aberdeen
AB15 4YD

administrator of the above company attach a progress report for the period

from

to

(b) Insert date(s)

(b) 25 August 2018

(b) 24 February 2019

Signed



Administrator

Dated

27 February 2019

Contact Details:

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form.

The contact information that you give will be visible to searchers of the public record

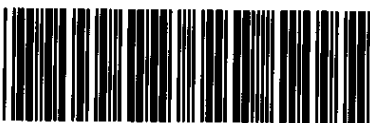
Kenneth Wilson Pattullo
Begbies Traynor (Central) LLP
7 Queens Gardens
Aberdeen
AB15 4YD

DX Number

01224 619 354
DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-
Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF
DX 235 Edinburgh / LP 4 Edinburgh-2

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COMPANIES HOUSE

Neil Dempsey and Kenneth Wilson Pattullo were appointed joint administrators on 25 August 2015

The affairs, business and property of the Company are being managed by the joint administrators, who act as the Company's agents and without personal liability.

WOW Leisure Limited (In Administration) Formerly t/a South Links Holiday Park

**Progress report of the joint administrators pursuant to
Rule 2.38 of The Insolvency (Scotland) Rules 1986**

Period: 25 August 2018 to 24 February 2019

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1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	Wow Leisure Limited (In Administration)
"the administration"	The appointment of administrators under Schedule B1 to the Insolvency Act 1986 on 25 August 2015.
"the administrator"	Neil Dempsey, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 7 Queens Gardens, Aberdeen, AB15 4YD and Kenneth Wilson Pattullo of Begbies Traynor (Central) LLP, 7 Queens Gardens, Aberdeen, AB15 4YD
"the Act"	<i>The Insolvency Act 1986</i>
"the Rules"	The Insolvency (Scotland) Rules 1986
"secured creditor" and "unsecured creditor"	Secured creditor, in relation to a company, means a creditor of the company who holds in respect of his debt a security over property of the company, and "unsecured creditor" is to be read accordingly (Section 248(a), Insolvency Act 1986)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security and (ii) in relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off). (Section 248(b), Insolvency Act 1986)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Insolvency Act 1986

2. STATUTORY INFORMATION

Name of Company	Wow Leisure Limited
Trading name(s):	South Links Caravan Park
Date of Incorporation:	25 November 2008
Company registered number:	SC351752
Company registered office:	7 Queen's Gardens, Aberdeen, AB15 4YD

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of joint administrators:	Neil Dempsey, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 7 Queens Gardens, Aberdeen, AB15 4YD and Kenneth Wilson Pattullo, a Licensed Insolvency Practitioner of Begbies Traynor (Central) LLP, 7 Queens Gardens, Aberdeen, AB15 4YD Neil Dempsey resigned as Joint Administrator on 28 September 2017.
Date of administrators' appointment:	25 August 2015
Date of administrators' resignation:	n/a
Court:	Court of Session
Person(s) making appointment / application:	Angus Council as a qualifying floating charge holder
Acts of the joint administrators:	The joint administrators act as officers of the court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an administrator may be done by any one or more persons holding the office of administrator from time to time.
EC Regulation on Insolvency:	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are main proceedings' within the meaning of Article 3 of the Regulation.

4. PROGRESS DURING THE PERIOD

Attached at Appendix 1 is our abstract of receipts and payments for the period from 25 August 2018 to 24 February 2019.

Statement of Affairs

The directors provided a Statement of Affairs for the Company as at the date the company entered Administration, being 25 August 2015. This information was received by the Joint Administrators on 29 February 2016. A summary of the assets per this Statement and the realisations made to date is provided below.

	Directors' Statement of Affairs	Realisations to date
	£	£
Leasehold Property	730,185	Nil
Plant, Machinery & Vehicles	4,098	Nil
Furniture & Fittings	11,065	Nil
Cash on site and at Bank	2,100	2,975
Book Debts	24,837	Nil
Others	Nil	2,025
Unfair Preference	Nil	60,000
Trading deficit	Nil	(1,363)
Total	772,285	63,637

It should be noted that the Statement of Affairs lists the book values only and did not provide estimated realisable values.

Leasehold Property

This represents the site at South Links Caravan Park which has reverted to Angus Council.

Plant, Machinery & Vehicles

Furniture & Fittings

No detailed breakdown of these assets has been provided by the directors.

As previously advised, the directors refused to co-operate with the Joint Administrators and items including assets had been removed from the site before our arrival on 25 August 2015.

Our investigations into the fate of these assets are continuing.

Book Debts

Information on book debts was provided by the director but, on review, these were considered to be uncollectable.

Trading Deficit

This represents charges for gas supplied from 25 August 2015 to 4 September 2015 being the date that Angus Council assumed control of the running of the caravan park.

Cash at Bank

Cash on site

The bank balance was ingathered and petty cash uplifted.

Unfair Preference

As previously advised, information on the company's financial position including assets was provided by the Company's external accountants.

This information together with the Statement of Affairs from the director were reviewed with a view to establishing the fate of the Company's assets. A number of issues arose and the director was requested to provide explanations. A response was received from the director but, in the Joint Administrator's view, a number of questions remained unanswered.

Similarly, copy bank statements were obtained from the Bank and a number of transactions required explanation. The director was requested to provide explanations but, as with the Company's assets, a number of questions remain unanswered.

In the circumstances, legal agents were approached to consider whether legal action was appropriate and their report was received.

As a first step, legal agents were instructed on a contingency basis to raise an action against the director in respect of a motor vehicle which was transferred from the company to himself within the six month period prior to our appointment. This action was defended and a Court Hearing took place on 7 September 2018. The outcome of this was that a minuted agreement was completed with the director to pay a total of £60,000.00 to the administration and these funds were duly received.

Others

This is made up of Electricity Card Payments from residents; Bank interest and sundry refunds.

Joint Administrators' Proposals

As a meeting to consider our proposals was not requisitioned in accordance with paragraph 52(2) of the Insolvency Act 1986 and Rule 2.31 of the Insolvency (Scotland) Rules 1986, our proposals are deemed to have been approved.

Joint Administrators' remuneration and outlays

As previously reported, the joint administrators' remuneration is fixed by reference to the time properly given by the joint administrators (as administrators) and the various grades of their staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters arising in the administration and they are authorised to draw disbursements, including disbursements for services provided by their firm (defined as Category 2 disbursements in Statement of Insolvency Practice 9 (Scotland)), in accordance with their firm's policy, details of which accompanied the *Statement of Proposals of the Joint Administrators for Achieving the Purpose of the Administration pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986 and Rule 2.25 of the Insolvency (Scotland) Rules 1986* dated 20 October 2015.

In accordance with Rule 2.39, where there is no creditor's committee, and the proposals include a statement in accordance with paragraph 52(1)(b) of Schedule B1 to the Act, the agreement of the joint administrators' remuneration and outlays shall be decided by the preferential and secured creditors of the company.

Given the paucity of asset realisations we have not sought approval for remuneration and outlays since the period ended 24 February 2017.

Fees and Outlays approved to 24 February 2017 are:

Period 25 August 2015 to 24 February 2016:

Fees £56,895.50 (excluding VAT)

Period 25 February 2016 to 24 August 2016

Fees £8,741.00 plus Outlays £406.52 (Both excluding VAT)

Period 25 August 2016 to 24 February 2017

Fees £4,839.50 plus Outlays £146.26 (Both excluding VAT)

Following receipt of the aforementioned funds from the director, we have drawn fees of £32,000.00 plus VAT.

5. ASSETS THAT REMAIN TO BE REALISED

Following the legal action in respect of the vehicle transferred to the director questions remain over the fate of other assets. In addition, no acceptable explanations have been provided for a number of withdrawals from the company bank account.

Accordingly, further legal action is appropriate.

It will be necessary, however, to convert the Administration to a Liquidation and a Notice re this is incorporated in the next section of this report.

6. OTHER RELEVANT INFORMATION

The report required to be submitted on the conduct of the directors who served at any point in the three years leading up to the Company's liquidation, under the terms of the Company Directors Disqualification Act 1986, has been prepared and submitted. The contents of this report are legally privileged, and no disclosure of the report can be made.

Extension to administration process

As previously advised investigations into the company's affairs were continuing and would not have been completed within one year of the date of our appointment.

Pursuant to paragraph 76 of Schedule B1 of the Act, creditors agreed an extension until 24 August 2017 by written resolution.

Similarly, the aforementioned legal action against the director was continuing and would not have been completed within the extended expiry date of 24 August 2017.

Pursuant to paragraphs 76(2) & 77(1) of Schedule B1 to the Insolvency Act 1986, the Court agreed an extension until 24 August 2018. A further extension to 24 August 2019 has also been agreed by the Court.

Move to Liquidation

Notice is hereby given of my intention to lodge an application under paragraph 79 of Schedule B of the Insolvency Act 1986 to the Court of Session seeking the appointment of Kenneth Wilson Pattullo as Liquidator of the company as provided for in Section 140 of the Act.

Should any creditor wish to object to the proposed move to liquidation, such objection must be lodged in writing within 14 days of receipt of this progress report.

7. CONCLUSION

Preferential creditors

The Administrator is not aware of any claims against the Company which would rank as preferential.

Floating Charge creditor

The Company had granted a Bond and Floating Charge to Angus Council. The level of distribution to the Floating Charge holder would primarily be dependent on the amount realised from floating charge assets and the confirmation of the costs of the Administration process, including the remuneration and outlays of the Joint Administrators, discussed above.

No dividend will be payable via the Administration although a successful outcome to the further legal action via the proposed Liquidation may result in improved prospects of a future dividend being payable.

Unsecured creditors

To date, unsecured claims totalling £607,457 have been received, although no adjudication on these claims has been carried out at this time.

As with the Floating Charge creditor there is no prospect of a dividend being payable to unsecured creditors via the Administration. In the event that a dividend becomes payable to unsecured creditors via the proposed Liquidation, as advised in our proposals document this will, in any event, be restricted to a distribution as defined in section 176A(6) of the Insolvency Act 1986



Ken Pattullo
Administrator

Dated: 27 February 2019

JOINT ADMINISTRATORS' ACCOUNT OF
RECEIPTS AND PAYMENTS


Period: 25 August 2018 to 24 February 2019

**WOW Leisure Limited Formerly t/a South Links Holiday Park
(In Administration)
Administrator's Trading Account**

Statement of Affairs £	From 25/08/2018 To 24/02/2019 £	From 25/08/2015 To 24/02/2019 £
TRADING EXPENDITURE		
Heat & Light	NIL	1,362.94
	NIL	(1,362.94)
TRADING SURPLUS/(DEFICIT)	NIL	(1,362.94)

**WOW Leisure Limited Formerly t/a South Links Holiday Park
(In Administration)
Administrator's Summary of Receipts & Payments**

Statement of Affairs £	From 25/08/2018 To 24/02/2019 £	From 25/08/2015 To 24/02/2019 £
SECURED ASSETS		
Unfair Preference	60,000.00	60,000.00
	<u>60,000.00</u>	<u>60,000.00</u>
ASSET REALISATIONS		
Cash at Bank	NIL	2,300.93
Electricity card	NIL	1,976.00
Cash on site	NIL	673.74
Bank Interest Net of Tax	9.00	11.96
Trading Surplus/(Deficit)	NIL	(1,362.94)
Other Refunds	NIL	37.50
	<u>9.00</u>	<u>3,637.19</u>
COST OF REALISATIONS		
Specific Bond	NIL	20.00
Office Holders Fees	32,000.00	32,000.00
Office Holders Expenses	60.14	60.14
Registers of Scotland Fee	NIL	15.00
Other Property Expenses	NIL	3.00
Agents/Valuers Fees (1)	NIL	135.00
Legal Fees	15,519.00	21,161.50
Legal Outlays	2,467.39	2,467.39
Investigation Fee	NIL	500.00
Statutory Advertising	NIL	127.44
Other Property Expenses	NIL	3.00
	<u>(50,046.53)</u>	<u>(56,492.47)</u>
	<u>9,962.47</u>	<u>7,144.72</u>
REPRESENTED BY		
Bank 2 Current		8,312.12
Office		(5,167.40)
Vat Control Account		4,000.00
		<u>7,144.72</u>


 Kenneth Wilson Pattullo
 Administrator