

The Insolvency Act 1986

Administrator's progress report

Form 2.24B(CH)

Name of Company Sands Hentage Ltd	Company number 09094163
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 002891 of 2016

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

We (a) Benjamin John Wiles and Paul David Williams of Duff & Phelps Ltd , The Shard, 32
London Bridge Street, London SE1 9SG

Administrators of the above Company attach the Progress Report for the period

from

to

(b) Insert dates

(b) 27 May 2016

(b) 26 November 2016

Signed

Joint Administrator

Dated 23 December 2016

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

Duff & Phelps Ltd
The Shard
32 London Bridge Street
London, SE1 9SG

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SATURDAY



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A33 24/12/2016 #406
COMPANIES HOUSE

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Progress Report to Creditors

23 December 2016

Sands Heritage Ltd (In Administration)

Joint Administrators' Progress Report to Creditors
for the period from 27 May 2016 to 26 November 2016
pursuant to Rule 2 47(1) of the Insolvency Rules 1986 (as amended)

**Duff & Phelps Ltd.
The Shard
32 London Bridge Street
London, SE1 9SG**

Definitions

Word or Phrase	Definition
the Act	The Insolvency Act 1986 (as amended)
the Agents	SIA Group (UK) London Limited, independent agents who were instructed to value the plant and machinery and chattel assets of the Company
the Appointment Date	27 May 2016, being the date of appointment of the Joint Administrators
the Bank	Lloyds Bank Plc, with whom the Company banked and the original holder of a fixed charge over the Park
Category 1 Disbursements	The Joint Administrators' external and incidental costs and expenses in dealing with the Administration
Category 2 Disbursements	The Joint Administrators' internal costs and expenses in dealing with the Administration
the Club	Premises located at 49 Marine Terrace, Margate, Kent CT9 1XJ, over which the Company has been granted a 10 year lease commencing on 30 March 2015
the Company	Sands Heritage Ltd (In Administration) (Company Number 09094163)
Cornwall Gardens	26 Cornwall Gardens, Margate, Kent CT9 2JQ, a property which was rented by the Company for a former employee
Cripps	Cripps LLP, solicitors instructed to deal with property matters
CVA	Company Voluntary Agreement
DBEIS	The Department of Business, Energy & Industrial Strategy, formerly The Department of Business, Innovation and Skills
the Directors	John Adams, Nicholas Conington, Robert O'Connor and Christopher Webster, being the non-executive directors of the Company at the Appointment Date
Duff and Phelps	Duff & Phelps Ltd, the Shard, 32 London Bridge Street, London SE1 9SG
EC Regulation	EC Regulation on Insolvency Proceeding 2000
HMRC	HM Revenue and Customs
The Hall by the Sea	An indoor area of the Park which was not operational at the Appointment Date, which has since been fitted out to create an operational event space with a 2,500 person capacity

the Joint Liquidators	Benjamin John Wiles and Paul David Williams of Duff & Phelps, The Shard, 32 London Bridge Street, London SE1 9SG
the Management Team	Rebecca Ellis, Laura McCarthy, Jennie Double, and Steven Mitchell being the Events & Programming Director, Marketing Director, Commercial Director, and Interim Finance Director respectively
the Park	Dreamland, 49-51 Marine Terrace, Margate, Kent CT9 1XJ, the Company's main trading premises over which the Company has been granted a 99 year lease from 18 June 2015 by TDC
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 non-preferential unsecured creditors
the Proposals	The Joint Administrators' Statement of Proposals and Report issued on 19 July 2016
the Pub	Premises located at 50 Marine Terrace, Margate, Kent CT9 1XJ, over which the Company has been granted a 20 year lease commencing on 30 January 2015
the Secured Creditor /Arrowgrass Master Fund	Arrowgrass Master Fund Limited, the holder of a fixed and floating charge over the Company's assets
the Reporting Period	27 May 2016 to 26 November 2016
RPS	Redundancy Payments Service
the Rules	The Insolvency Rules 1986 (as amended)
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 supplied by the Directors outlining the Company's financial position as at the Appointment Date
TDC	Thanet District Council
Undercroft	An area of the Park including the Hall by the Sea, over which the Company has been granted a 99 year lease commencing on 16 December 2016
Wisteria Cottage	Wisteria Cottage, New Street, Margate, Kent CT9 1EG, a property which was rented by the Company under a short term tenancy agreement

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1 Introduction

- 1 1 The Joint Administrators were appointed on the Appointment Date by the Directors pursuant to Paragraph 22 of Schedule B1 to the Act
- 1 2 The Court Reference number is 2891 of 2016 at the High Court of Justice, Chancery Division, Companies Court
- 1 3 In accordance with Paragraph 100(2) of Schedule B1 to the Act, the functions of the Joint Administrators may be exercised by either of the Joint Administrators
- 1 4 The purpose of this report is to provide creditors with details of the progress of the Administration for the Reporting Period, in accordance with Rule 2 47(1) of the Rules
- 1 5 This report should be read in conjunction with the Proposals
- 1 6 Statutory information on the Company is attached at Appendix 1

2 Joint Administrators' Report and Statement of Proposals

- 2 1 In accordance with Paragraph 51 of Schedule B1 to the Act, a creditors' meeting was held at Level 14, The Shard, 32 London Bridge Street, London SE1 9SG on 4 August 2016. The Joint Administrators' Proposals were approved at that meeting
- 2 2 As advised in the Proposals, the Joint Administrators must perform their functions with the purpose of achieving one of the following objectives
- Rescuing the Company as a going concern, or
 - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration), or
 - Realising property in order to make a distribution to one or more secured or preferential creditors
- 2 3 In accordance with Paragraph 49(2) of Schedule B1 to the Act, the Joint Administrators note the following
- The first objective will not be achieved as there are insufficient funds and assets available to enable the Company to be rescued as a going concern
 - The Joint Administrators are pursuing the second objective as it is likely that a better result for the Company's creditors as a whole will be achieved than if the Company were wound up without first being in Administration. For further details please refer to the Proposals
 - The third objective should be achieved as it is anticipated that a dividend will be paid to the Secured Creditor, and to preferential creditors

3. Progress of the Administration

- 3 1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators will continue to be managed and financed is set out below

Administration Trading Period

- 3 2 As outlined in the Proposals, the Joint Administrators, in consultation with the Secured Creditor, took the decision to continue to trade the business during the 2016 season. The reasons for continuing to trade the business were as follows
- The value of the Company's business and assets would be retained through the continuation of trade, and
 - It would allow the operational and financial restructuring of the Company's business and assets, which was expected to further enhance the value of the Company's business and assets
- 3 3 Further information on the reasons for continuing to trade the business and the initial steps taken by the Joint Administrators immediately after their appointment are set out in the Proposals
- 3 4 In order to enhance the Company's revenues, improvements were made to the Company's offerings and the appearance of the Park
- 3 5 Substantial repairs and maintenance work has been undertaken throughout the Park. A review of the repairs and maintenance program for rides and the Park has been carried out in order to improve the reliability and availability of the rides and the appearance of the Park
- 3 6 Unfortunately, the Scenic Railway had to be closed in mid-June in order to undertake repair work. The lead time in acquiring a replacement rope took significantly longer than expected, which meant the ride was closed throughout the peak season
- 3 7 The closure of the Scenic Railway led to a reduced customer experience, which resulted in lower admission sales during the peak season. However, the Scenic Railway is now in operation. The Joint Administrators are also looking in to submitting a loss of earnings claim for the period during which the Scenic Railway was closed
- 3 8 As at the Appointment Date, the Hall by the Sea was in need of extensive works in order to make it operational as an events venue. The works commenced at the end of July and were completed in September at which time the Hall by the Sea opened as part of By The Sea Festival
- 3 9 In addition to being used as a music venue, the Hall by the Sea has also been used for indoor events, such as Screamlend and the Dreamland Vintage Market, and is planned to be used for a number of events over the next year. In addition, the Hall by the Sea will also be available for private hire
- 3 10 Larger scale events took place in September and October, including Bugged Out, By the Sea and Screamlend, which drew a wider crowd to the Park as well as contributing to the visibility and perception of the Park

-
- 3 11 It is noted that a trading deficit of £1,067,939 is currently shown in the Receipts and Payments Account
- 3 12 As outlined in the Proposals, the bad weather and flooding during May and June had a detrimental impact on the business due to loss of revenue and an increase in unexpected repair costs. In addition, the closure of the Scenic Railway meant that admissions revenue was lower than expected during the peak season. As a result, income for the Reporting Period was below forecast.
- 3 13 It should also be noted that included within the trading deficit, is capital expenditure of £367,712 and wages totalling £150,491 which related to the month prior to the Administration Date. It should be noted that the trading deficit has been supported by funding provided by the Secured Creditor.
- 3 14 In addition to looking into a claim for loss of earnings in relation to the closure of the Scenic Railway, the Joint Administrators are also liaising with their insurers in relation to repair costs and loss of earnings caused by the flooding.
- 3 15 The Joint Administrators have continued to develop the Company's business plan in consultation with the Management Team, in order to enhance the value of the Company's business and assets. Having reviewed the business plan and discussed the business plan with the Secured Creditor, it was decided that, in order to obtain a better return to the creditors as a whole, the trading period should be extended into the 2017 season.
- 3 16 Accordingly, the Joint Administrators will continue to trade the business during the 2017 season and will continue to work with the Management Team to enhance the Company's financial performance.
- 3 17 The continued trading of the business will enable further operational and financial restructuring of the Company's business and assets. However, it should be noted that the enhancement of the Company's financial performance is dependent upon substantial investment in the Park over the winter months.
- 3 18 The Administrators have worked closely with the Management Team to propose a substantial investment plan for the Park over the winter months.
- 3 19 The Secured Creditor has confirmed that they will continue to support the Company's trading and investment plan during 2017.
- 3 20 It is still intended that the eventual outcome of the Administration will be a sale of the business and assets of the Company. However, an immediate sale is not being pursued.

Leasehold Property

- 3 21 As previously advised, the Company entered into a 99 year lease with TDC for the Park. The Secured Creditor holds a fixed charge over the Park in consideration of a loan facility.
- 3 22 As outlined in the Proposals, the Company leases the Pub and Club. During the Reporting Period, the Pub was sublet to Ale Caesar on a six month fixed term contract at 25% of turnover which generated revenue of £5,180. The Club was sublet to a dance studio which generated revenue of £11,667 during the Reporting Period.
- 3 23 The Joint Administrators advised in the Proposals that interest was received from a local organisation to sub-let the unused part of the Club. However, no agreement was reached and the Club continues to be sublet to the dance studio only.
-

- 3 24 As previously advised, the Joint Administrators received an amount of £2,406 in respect of the rent deposit for Wisteria Cottage

Cash On Hand

- 3 25 As at the Appointment Date, an amount of £18,762 was held by the Company's merchant services provider. The Joint Administrators have been in correspondence with the merchant services provider who advised that they are gradually releasing the funds held at the Appointment Date to the Administration Estate.
- 3 26 As at the end of the Reporting Period, the merchant service provider had paid £6,577 into the Administration estate leaving a balance held by them of £12,193. The Joint Administrators will continue to monitor the release of the remaining balance.

Debtors

- 3 27 As at the Appointment Date, the Company's debtors totalled £21,597 and a total of £19,270 has been recovered during the Reporting Period. An amount of £2,327 remains outstanding and the Joint Administrators are currently establishing the likelihood of any recovery.

Sundry Receipts

- 3 28 As at the Appointment Date, an amount of £8,966 was held by Cripps in respect of fees paid on account prior to the Appointment Date. This was recovered during the Reporting Period. An amount of £542 was also received from a supplier during the Reporting Period in relation to an overpayment.

4. Investigations

- 4 1 The Joint Administrators' investigations into the Company's affairs have been completed following a review of the Company's records.
- 4 2 The Joint Administrators have complied with their statutory obligation to file a report with DBEIS concerning the conduct of all directors of the Company that served in the three years prior to the Joint Administrators' appointment. The report is confidential and was submitted to DBEIS on 26 August 2016.

5. Dividend Prospects / Prescribed Part

Secured Creditors

- 5 1 In consideration for the monies advanced under a loan facility, the Company granted the Bank a fixed charge over the Park dated 25 June 2015.
- 5 2 In addition, the Company granted the Bank a debenture dated 8 October 2015, which confers fixed and floating charges over all assets of the Company.
- 5 3 Prior to the Appointment Date, Arrowgrass Master Fund acquired the secured debt and took an assignment of the fixed charge.
- 5 4 As at the Appointment Date, the Company's indebtedness to Arrowgrass Master Fund was £2,342,826, subject to accruing interest, charges, and costs.

- 5 5 In addition, in order to facilitate the continued trading of the business, Arrowgrass Master Fund also provided the Joint Administrators with a funding facility to enable them to fund the costs and expenses incurred during the trading period, which is secured by a debenture dated 27 May 2016
- 5 6 In addition to providing funding to support the Company's trading, Arrowgrass Master Fund have also provided funding for capital expenditure in order to make improvements to the Park to enhance the value of the Company's business and assets
- 5 7 Total funding provided by Arrowgrass Master Fund during the Reporting Period was £2,000,000

Preferential Creditors

- 5 8 Pursuant to the SOA, the estimated preferential claims were £149,652. As previously advised, this related to accrued salary and wages for the period from 1 May 2016 to 26 May 2016, together with accrued and unused holiday which was subsequently paid by the Joint Administrators following their appointment in order to facilitate ongoing trading. Accordingly, the outstanding amount due to preferential creditors has been significantly reduced.
- 5 9 To the extent that there are further preferential claims, it is anticipated that there will be sufficient funds to repay the preferential creditors in full.

Prescribed Part

- 5 10 The Prescribed Part is calculated as a percentage of net property, as follows -

Net property less than £10,000	50% unless the Joint Administrators consider that the costs of making a distribution to the non-preferential unsecured creditors would be disproportionate to the benefit
Net property greater than £10,000	50% up to £10,000 plus 20% thereafter to a maximum of £600,000

- 5 11 Based on current information available to the Joint Administrators, they are of the opinion that the Prescribed Part will apply.

Non-Preferential Unsecured Creditors

- 5 12 According to the SOA, non-preferential unsecured creditors total £5,790,954 and claims received to date total £5,254,314. A breakdown of the non-preferential unsecured creditors is provided below.

	SOA (£)	Claims Received (£)
Trade & Expenses Creditors	3,111,049	1,663,164
Connected Creditors	1,920,653	2,899,737
HMRC	696,122	680,189
Employees / RPS	63,130	11,224
Total	5,790,954	5,254,314

- 5 13 Based on the current information, it is uncertain whether there will be sufficient realisations to enable a dividend to the non-preferential unsecured creditors of the Company, other than via the Prescribed Part, if any. This will be dependent on the outcome from the sale of the business during 2017.
- 5 14 If not already done so, creditors of the Company should complete the proof of debt form attached at Appendix 4 and return the same to this office.

6. Joint Administrators' Receipts and Payments Account

- 6 1 A detailed receipts and payments account, for the Reporting Period is shown at Appendix 2. A separate Trading Account is also provided.
- 6 2 As referred to above, the Secured Creditor has provided funding to support the ongoing trading and investment strategy. At the end of the Reporting Period, the consolidated balance of (£1,069,097) included £2,000,000 of funding.

7. Pre-Administration Costs

- 7 1 On 4 August 2016, the following amounts in respect of Pre-Administration costs (plus VAT) were approved by the Creditors, to be paid out of the assets of the Company:

Name of Recipient	Brief Description of Services Provided	Total Amount Approved (£)
Duff & Phelps Ltd	Initial strategic review, assistance with the preparation of appointment documents, associated discussions with Directors and key stakeholders, planning for the Company to be placed into Administration, and planning in relation to the trading strategy	55,385
Duff & Phelps Ltd	Disbursements	1,040
Total		56,425

- 7 2 To date, no payment has been made to Duff & Phelps in respect of pre-administration costs.

8. Joint Administrators' Costs and Expenses

- 8 1 The Joint Administrators' basis of remuneration was approved on the basis of time properly given by them and their staff in attending to matters arising in the Administration, at the creditors meeting held at Duff & Phelps' office on 4 August 2016. In addition, the Joint Administrators were authorised to draw Category 2 Disbursements.
- 8 2 The total time costs incurred by the Joint Administrators for the Reporting Period are £1,199,162, representing 3,807 hours and an average charge out rate of £315. The time costs charged since appointment by Duff & Phelps are as analysed at Appendix 3. Time has been charged in six minute units.
- 8 3 As per the Proposal, the Joint Administrators approved fee estimate was £893,750.

- 8 4 As you will note, the time costs has exceeded the fee estimate of £893,750. The cost overrun predominantly relates to time spent by the Joint Administrators in relation to the Company's ongoing trading. At the time of preparing the time cost estimate, it was intended that the Company would be traded during the 2016 peak season only. However, following a review of the business plan as outlined in section 3, it is considered by the Joint Administrators that a better return for the Company's creditors will be achieved if the Joint Administrators continue to trade the business during 2017. In anticipation of the continued trading of the business during 2017, additional planning work has required to be undertaken by the Joint Administrators. It is anticipated that there will be a further increase in the Joint Administrators time costs due to the extension to the trading period. An update on the total anticipated time costs of the Administration and fees which are to be drawn will be provided in the next report to creditors.
- 8 5 To date, no fees have been drawn in respect of the Joint Administrators' time costs.
- 8 6 The Joint Administrators' disbursements totalling £10,673 are also detailed at Appendix 3. To date no disbursements have been drawn.
- 8 7 The Joint Administrators have incurred expenses in dealing with the Administration of the Company and these are detailed in Appendix 3.
- 8 8 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 <http://www.duffandphelps.com/uk-restructuring/creditor-guides>. Should you require a copy, please contact this office.
- 8 9 In accordance with Rule 2.48A of the Rules, Secured Creditors and non-preferential unsecured creditors (with the concurrence of at least 5% in value of total non-preferential unsecured creditor claims) or with the permission of the court, may make a request in writing for further information about the remuneration or expenses set out in this progress report. This should be done within 21 days receipt of this report, after which the Joint Administrators have 14 days to respond.
- 8 10 In addition to the above, any Secured Creditor, or any non-preferential unsecured creditor (with the support of at least 10% in value of the total non-preferential unsecured creditors) or with the permission of the court, may apply to the court on the grounds that the remuneration or basis fixed for the Administrators' remuneration or the expenses incurred by the Joint Administrators are considered to be excessive. In accordance with Rule 2.109 of the Rules, this application must be made no later than eight weeks after receipt of the Progress Report, where the charging of the remuneration or the incurring of expenses in question occurs.

9. Conclusion and Ending the Administration

- 9 1 An Administration automatically comes to an end after one year, unless an extension is granted by the Court or with the creditors' consent.
- 9 2 The Joint Administrators' Proposals left the choice of exit route from Administration open so that an alternative strategy can be adopted, at the appropriate time.

- 9 3 Given the intention to continue to trade the business for the 2017 season, the Administration will need to be extended. The Joint Administrators are likely to request the extension from the Secured Creditor.

10. Next Report

- 10 1 Should the Joint Administrators request an extension of the Administration, then they are obliged to send a copy of their report to all known creditors within one month of the date of the report. Any extension report would be prepared prior to the last month of the Administration and therefore, if applicable, the next progress report would be sent within the next six months.
- 10 2 If you have any queries or require any further assistance, please do not hesitate to contact my colleague Anthony Connolly of this office.



Benjamin Wiles
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Benjamin John Wiles and Paul David Williams, who act as agents for the Company and without personal liability. Both are licensed by the Insolvency Practitioners Association and are bound by the Insolvency Code of Ethics.

Appendix 1

Statutory Information

Statutory Information

Date of Incorporation	19 June 2014
Registered Number	09094163
Company Director(s)	John Adams Nicholas Conington Robert O'Connor Christopher Webster
Company Secretary	Vacant
Shareholders	See Below
Trading Address	Dreamland, 49-51 Marine Terrace, Margate, Kent, United Kingdom, CT9 1XJ
Registered Office	Current The Shard 32 London Bridge Street London SE1 9SG Former 49 Marine Terrace, Margate, Kent, United Kingdom, CT9 1XJ
Any Other Trading Names	Dreamland

Shareholders Schedule

Full Name	Number of £1 ordinary shares	Percentage (%)
John Peter Antony Adams	100,000	4 57
Nicholas Andrew Conington	750,000	34 25
Christopher Webster	50,000	2 28
Vernon Barback	150,000	6 85
Arrowgrass Master Fund Limited	675,000	30 82
Lloyds John Amsdon	45,000	2 05
Graham Robert Frank Knight	25,000	1 14
Russell Alexander Roy Knight	25,000	1 14
Christopher Smith	25,000	1 14
John Nicholas Grant Warden	25,000	1 14
Judith Lynn Naake	25,000	1 14
The Watchfinder Pension Scheme	45,000	2 05
Wyck Consultancy Limited	10,000	0 46
Wink Developments Ltd	37,500	1 71
Susanna Ruth Abse	50,000	2 28
Henry Peter Hinchliffe Robinson	5,000	0 23
Nicola Jane Robinson	5,000	0 23
Edwina Josephine Kemsley	5,000	0 23
Rayholearchitects Limited	12,500	0 57
Robert Alan O'Connor	25,000	1 14
Nicole Crocker	100,000	4 57
	2,190,000	100 00

Appendix 2

Joint Administrators' Receipts and Payments Account

Joint Administrators' Trading Account

Sands Heritage Ltd (in Administration)

For the Period 27 May 2016 to 26 November 2016

SOA Estimated Realisable Value	27 May 2016 to 26 November 2016
£	£
	Post-Appointment Sales
	Cash Sales 1,143,743 33
	Credit card sales 827,998 10
	Other Sales 126,756 76
<hr/> 0 00	<hr/> 2,098,498 19
	Expenditure
	Cost of Sales (Wrist Bands) (2,561 00)
	Ride Hire (138,228 00)
	Food & Beverage (151,847 03)
	Marketing (242,950 70)
	Gaming Concessions (161,097 30)
	Sub Contractors (25,015 41)
	Salary and Wages (1,000,935 94)
	Staff Expenses (4,480 64)
	Retail Purchases (7,222 88)
	Training (7,072 20)
	Rents (48,630 14)
	Council Tax and Business Rates (29,334 38)
	Gas & Electricity (13,192 16)
	Water (10,402 02)
	Telephone (708 73)
	Carnage (1,537 50)
	Insurance (82,464 88)
	Legal & Professional Fees (15,973 43)
	On Site Entertainment (40,205 84)
	Hire of Equipment (9,376 00)
	Repairs & Maintenance (157,480 23)
	CAPEX (367,712 46)
	PAYE/ NI (215,208 74)
	Payroll Deductions (4,421 95)
	Duty (28 31)
	Administration Expenses (31,028 20)
	Employee Benefits (2,370 07)
	Event Costs (301,646 85)
	Licences (3,578 11)
	Waste Management (11,226 15)
	ITC Costs (52,970 66)
	Spoil (19,230 00)
	Cardnet Charges (6,298 56)
	<hr/> (3,166,436 47)
<hr/> 0 00	<hr/> (1,067,938 28)

Joint Administrators' Receipts and Payments Account

Sands Heritage Ltd (in Administration)

For the Period 27 May 2016 to 26 November 2016

	Asset Realisations	
Uncertain	Leasehold Property	1,153 00
Uncertain	Plant and Machinery	0 00
100,000 00	Furniture and Fixtures	0 00
5,000 00	Motor Vehicles	0 00
12,428 00	Debtors	19,269 62
25,370 00	Prepayments	0 00
65,356 00	Stock	0 00
2,035 57	Petty Cash	2,035 57
8,916 69	Cash in Hand	8,916 69
	Bank Interest Gross	17 52
5,330 00	HB Leisure Float	5,330 00
33,483 10	Funds held by Merchant Service Provider	6,577 19
	Sundry Receipts	9,508 36
	Trading Surplus / (Deficit)	(1,067,938 28)
257,919 36		(1,015,130 33)
	Cost of Realisations	
	Agents / Valuers Fees	(20,000 00)
	Legal Fees and Disbursements	(25,828 03)
	Stationary and Postage	(1,663 44)
	Statutory Advertising	(267 52)
	Bank Charges	(6,222 39)
		(53,981 38)
	Preferential Creditors	
(149,652 00)	Employee Arrears / Hol Pay	(5,602 32)
(149,652 00)		(5,602 32)
	Non-Preferential Unsecured Creditors	
(5,790,955 00)	Trade & Expense Creditors	0 00
(5,790,955 00)		0 00
	Distributions	
(2,190,000 00)	Ordinary Shareholders	0 00
(2,190,000 00)		0 00
(7,872,687 64)		(1,074,714 03)
	Represented By	
	VAT Receivable	89,406 95
	CAPEX account	499,001 00
	Floating/main current account	416,817 41
	Floating charge no 2	6,932 00
	Funds held by HB Leisure	5,330 00
	Petty Cash	2,035 57
	Cash on Hand	28,050 00
	Arrowgrass Administration Funding	(2,000,000 00)
	Funds held by Cnpps	3,777 52
	VAT payable	(84,819 17)
	General VAT control account	(35,627 99)
		(1,069,096 71)

Appendix 3

Analysis of Time Charged and Expenses Incurred

Analysis of Joint Administrators' Time Costs

Sands Heritage Ltd (In Administration)

For the period 27 May 2016 to 26 November 2016

Classification of Work Function	Managing Director	Manager	Hours Senior	Assistant	Support	Total Hours	Time Cost (£)	Avg Hourly Rate (£)
Administration and Planning								
Case review and Case Diary management	0 00	6 00	2 60	50 65	0 00	59 25	12 320 25	207 94
Cashiering and Accounting	0 00	92 15	182 90	164 25	0 00	439 30	129 362 50	294 47
Dealings with Directors and Management	0 00	15 70	0 00	23 55	0 00	39 25	9 459 50	241 01
IPS set up and maintenance	0 00	0 00	0 00	4 30	0 00	4 30	593 00	137 91
Insurance	0 00	3 10	2 60	1 50	0 00	7 20	2 450 00	340 28
Statement of Affairs	0 00	5 80	0 00	0 50	0 00	6 30	2 357 00	374 13
Statutory matters (Meetings Reports and Notices)	0 00	40 60	6 10	83 85	0 00	130 55	31 761 00	243 29
Strategy Planning and Control	196 50	71 90	8 10	27 70	4 85	309 05	154 232 25	499 05
Tax Compliance / Planning	0 00	3 90	1 20	2 10	0 00	7 20	2 347 00	325 97
Creditors								
Communications with Creditors/Employees	0 00	8 80	1 40	71 60	0 00	81 80	14 705 25	179 77
Non Pref Creditor claims adjudication and dist'n	0 00	1 90	1 20	17 45	0 00	20 55	4 440 50	216 08
Non Pref Creditors/Employee claims handling	0 00	1 20	0 00	18 15	0 00	19 35	3 297 00	170 39
Secured Creditors	24 70	9 30	0 00	3 90	0 00	37 90	19 523 50	515 13
Investigations								
CDDA Reports and Communication	0 00	15 70	0 00	60 05	0 00	75 75	17 352 50	229 08
Financial Review and Investigations (S238/239 etc)	0 00	3 30	6 00	0 00	0 00	9 30	3 303 00	355 16
Realisation of Assets								
Book debts	0 00	0 10	0 00	0 00	0 00	0 10	39 00	390 00
Freehold and Leasehold Property	5 00	15 60	14 10	14 50	0 00	49 20	15 751 00	320 14
Hire Purchase and Lease Assets	0 00	0 30	0 00	0 50	0 00	0 80	212 00	265 00
Other Tangible Assets	0 00	5 00	7 60	0 00	0 00	12 60	4 582 00	363 65
Plant & Machinery & Fixtures & Motor Vehicles	0 00	2 30	0 00	0 00	0 00	2 30	977 00	424 78
Pre-Appointment Tax Reclaims	0 00	1 20	3 90	0 00	0 00	5 10	1 764 00	345 88
Sale of business	0 00	3 50	0 00	12 10	0 00	15 60	3 139 50	201 25
Trading								
Trading - Accounting	66 30	383 45	11 10	208 55	0 00	669 40	221 780 50	331 31
Trading - Employees	0 00	52 50	25 50	50 55	0 00	128 55	47 616 50	370 41
Trading - Insurance	0 00	12 90	4 50	2 05	0 00	19 45	6 979 50	358 84
Trading - Operations	296 20	345 80	100 70	909 75	0 00	1 652 45	487 738 00	295 16
Trading - Retention of Title and Claims handling	0 00	2 00	0 00	2 20	0 00	4 20	1 079 00	256 90
Total Hours	588 70	1 104 00	379 50	1,729 75	4 85	3 806.80		315 01
Total Fees Claimed (£)	353,220 00	454,820 00	126,593 00	263,947 25	582 00		1 199 162 25	

Sands Heritage Ltd (In Administration)

Joint Administrators' Estimated Expenses for the Administration for the period from 27 May 2016 to 28 May 2017

Notes	Company	Type of Expense	Activity	Date of Instruction	Fee Basis	Amount paid during Reporting Period (£)	Incurred during Reporting Period (£)	Anticipated Future Costs (£)	Anticipated Total Cost (£)
1	Professional Advisors								
2	Squire Patton Boggs (UK) LLP	Legal Fees and Disbursements	Various ad hoc legal advice relating to trading matters including a review of suppliers and employees contracts advice on tort notices and advice on potential acquisition opportunities	On Appointment	Time Cost	15 163.93	63 807.83	76 192.17	140 000.00
3	Cripps LLP	Legal Fees and Disbursements	Providing advice in relation to the TOC lease and concessions agreements	07-Jul-16	Time Cost	12 291.10	18 274.90	31 725.10	50 000.00
4	Tax Advisor	Professional Costs	Completion of post appointment tax returns and ad hoc queries	Not yet instructed	Time Cost	0.00	0.00	5 000.00	5 000.00
5	SIA Group (UK) Limited	Agent Fees	Valuation Agents	On Appointment	Time Cost	20 000.00	21 562.56	Uncertain	Uncertain
6	Williams Kennedy FKC	Trading Expense	Payroll Agents	On Appointment	Time Cost	2 530.50	3 030.50	Uncertain	3 030.50
7	Ardentia Consulting Limited	Trading Expense	IT Agent Undertaking a review of the Company's computer system in order to determine system requirements	11-Jul-16	Time Cost	1 666.50	2 471.00	5 000.00	7 471.00
8	Hisco Profit Recovery United	Professional Costs	Review of rates payments and obtaining refunds of over payments	18-Jul-16	% of Realisations	0.00	0.00	Uncertain	Uncertain
9	Smithfields Consultants Limited	Professional Costs	PR agents - dealing with media enquiries	On Appointment	% of Realisations	0.00	8 812.50	Uncertain	Uncertain
10	D-Rew Ltd	Professional Costs	Architects	17-Nov-16	Fixed fees	0.00	45 000.00	205 000.00	250 000.00
11	Neverland	Professional Costs	Instructed to design and landscape the Park	01-Nov-16	Fixed fees	0.00	16 860.00	82 820.00	99 680.00
12	AECOM Limited	Professional Costs	Landscape engineering and quality surveyor services to support the ongoing development of the Park	01-Nov-16	Fixed fees	0.00	34 000.00	106 000.00	140 000.00
13	Paragon	Professional Costs	Instructed to prepare a pre-acquisition building survey and environmental survey in relation to potential acquisitions	01-Oct-16	Fixed fees	0.00	11 750.00	0.00	11 750.00
14	Baldwin Gates Limited	Professional Costs	Accounting Services	31-Oct-16	Time Cost	0.00	32 860.00	120 000.00	152 860.00
15	Aspect 8	Professional Costs	Personnel Agent - Auto-enrolment		Fixed fees	0.00	0.00	400.00	400.00
16	Cowescope Ltd	Professional Costs	Cash handling consultancy	On Appointment	Fixed fees	3 082.80	3 082.80	0.00	3 082.80
17	Licensed Support Services	Professional Costs	Trading Site License Support	On Appointment	Fixed fees	9 505.10	10 405.10	12 000.00	22 405.10
18	Other								
19	Courts Advertising Limited	Statutory Compliance	Statutory Advertising	On Appointment	As Incurred	267.52	267.52	98.32	365.84
20	Jardine Lloyd Thompson Group Plc	Asset Realisation / Trading Expense	Insurance Agent Insurance the Company's assets	On Appointment	Premium Based	65.00	65.00	Uncertain	Uncertain
21	QBE	Asset Realisation / Trading Expense	Insurance Agent Insurance the Company's assets	On Appointment	Premium Based	81 177.60	81 177.60	Uncertain	Uncertain
22	Accurate Mailing Limited	Administration	Stationery and Postage	On Appointment	As Incurred	1 663.44	1 663.44	4 990.32	6 653.76
23	Total Data Management	Statutory Compliance	Storage Costs	Not yet instructed	As Incurred	0.00	0.00	3 000.00	3 000.00
24	Total Professional Advisor and Other Costs (£)					147 433.49	356 230.76	642 228.91	898 639.00
25	Disbursements								
26	Category 1 Disbursements								
27	Bond Premium					0.00	225.00	0.00	225.00
28	Travel					0.00	5 755.99	3 000.00	8 755.99
29	Accommodation					0.00	2 211.51	1 000.00	3 211.51
30	Meals					0.00	1 995.33	1 000.00	2 995.33
31	Sundry Expenses					0.00	465.45	200.00	665.45
32	Total Category 1 Disbursements					0.00	10 673.28	6 200.00	16 873.28
33	Category 2 Disbursements								
34	Total Category 2 Disbursements					0.00	0.00	0.00	0.00
35	Total Estimated Expenses					356 804.03	667 434.91	911 712.28	

Notes to Estimated Expenses Schedule

- 1 The Joint Administrators' choice of professional advisors is based on their perception of the experience and ability of the respective firms / individuals to perform their work, the complexity and nature of the assignment and the basis of their fee
- 2 Legal fees incurred to date relate to ad hoc legal advice relating to trading matters including a review of suppliers and employees contracts, advice on tort notices. Future legal fees relate to further ad hoc advice and drafting a sale contract for sale of business and assets and potential acquisitions.
- 3 Anticipated future fees relate to advice in relation to the lease and concession agreements over the Park, Hall by the Sea and the Undercroft and further other ad hoc correspondence with TDC
- 4 Tax advisors yet to be instructed. Work to be undertaken will relate to completion of trading corporation tax returns, other post appointment tax returns and advice relating to tax issues of a potential sale of the business
- 5 SIA's time costs were incurred in attending the premises and assisting the Joint Administrators in valuing the Company's assets. Further costs may be incurred in assisting with a sale of these assets
- 6 Upon Appointment, the previous payroll agent of the Company was instructed as they already had the expertise, software and information to generate the monthly payroll. They have also assisted with Statutory R11 submissions to HMRC. It was decided in July that implementing the payroll in house would be more efficient and therefore the payroll process is now dealt with by the staff at the Company
- 7 Instructed to review IT requirements to see if any savings can be made
- 8 Hilco Profit Recovery Limited have been engaged by the Joint Administrators to review the business rates paid by the Company and whether any refunds are due. It is unlikely that there will be any refunds due to the Company, however, they are currently undertaking a review of the business rate accounts to ascertain whether there have been deals with correctly
- 9 Smithfields are the Joint Administrators' PR agents who have been instructed to deal with any media enquiries
- 10 11 12 13 These are costs that have been incurred and are expected to be incurred for the landscaping works which are included within the capital expenditure improvements plan
- 14 These are costs incurred in relation to professional advice regarding the improvement of the Company's systems and processes and provision of advice in relation to the Company's accountancy function
- 15 Pension agents to be instructed for the next year auto-enrolment
- 16 Professional consultancy instructed to review the cash handling process and security in place
- 17 Instructed to deal with local authorities regarding the noise complaints the company may receive
- 18 Statutory advertising of the Joint Administrators' appointment in the London Gazette is required under insolvency legislation
- 19 20 The cost of insuring the assets will depend upon the period of time that the assets are to be insured. The insurance policy is also due to be renewed in April and the premium has not yet been finalised. Upon sale of all assets all insurance will be cancelled and no further costs will be incurred
- 18 Required to print and mail circulars to creditors and members. It is more cost effective to outsource circulars to an external mailing agent
- 21 Books and records of the Company will be stored off site with an external provider for at least the duration of the Joint 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
- 22 Category 1 Disbursements are payments to independent third parties where there is specific expenditure directly referable to the Administration
- 23 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 the assets
- 24 These are travel costs the Joint Administrators anticipate incurring in dealing with the Administration
- 25 These are hotel costs the Joint Administrators anticipate incurring in dealing with the Administration
- 26 These are meal costs that the Joint Administrators anticipate incurring in dealing with the Administration
- 27 Sundry expenses relate to mobile phone costs for a member of the Joint Administrators' staff. Parking charges and signing up to a Dropbox account in order to allow the Company to share information with the Joint Administrators
- 28 Category 2 Disbursements are costs that are directly referable to the Administration but not to a payment to an independent third party. There are not expected to be any Category 2 disbursements

Trading expenses are excluded from the estimated expenses schedule

The total anticipated expenses is an estimate based on information available at the date of this Report. The estimate should therefore be treated with caution as matters are likely to change over the life of the Administration

The above costs exclude VAT

Analysis of Duff & Phelps' Time Costs

Sands Heritage Ltd
For the period 22 May 2016 to 27 May 2016

Classification of Work Function	Managing Director	Manager	Hours			Total Hours	Time Cost (£)	Avg Hourly Rate (£)
			Senior	Assistant	Support			
Administration and Planning	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Cashienng and accounting	0 00	0 00	0 00	0 40	0 00	0 40	48 00	120 00
Dealings with Directors and Management	0 00	19 00	0 00	12 00	0 00	31 00	9 610 00	310 00
Financial review	45 00	33 75	0 00	14 70	0 00	93 45	43 146 50	461 71
Stratergy Planning and Review								
Creditors	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
Communication with Creditors / Employees	0 00	6 00	0 00	0 00	0 00	6 00	2 580 00	430 00
Secured Creditors								
Total Hours	45 00	58 75	0 00	27 10	0 00	130 85		423 27
Total Fees Claimed (£)	27,000 00	25,132 50	0 00	3,252 00	0 00		55,384 50	

Analysis of Duff & Phelps' Disbursements incurred prior to the Appointment Date

Sands Heritage Ltd

Category 1	Incurred £	Amount Paid £
Accommodation	198 00	0 00
Meals	359 41	0 00
Travel	<u>482 99</u>	<u>0 00</u>
	1,040 40	0 00
 Category 2		
Mileage	<u>0 00</u>	<u>0 00</u>
	0 00	0 00

Appendix 4

Proof of Debt Form

Proof of Debt – General Form

Sands Heritage Ltd t/a Dreamland (In Administration)		
Date of Administration 27 May 2016		
1	Name of creditor (If a company please also give company registration number)	
2	For correspondence Address of creditor	
	Contact telephone number of creditor	
	Email address of creditor	
3	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into Administration	
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the Administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)	
5	If amount in 3 above includes outstanding uncapitalised interest please state amount	£
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)	
7	Particulars of any security held, the value of the security, and the date it was given	
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates	
9	Signature of creditor or person authorised to act on his behalf _____	
	Name in BLOCK LETTERS _____	
	Position with or in relation to creditor _____	
	Address of person signing (if different from 2 above) _____	
For Administrators' Use only		
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator