



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number	F E 0 0 0 0 0 2
Company name in full	Hadlow College

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

2 Administrator's name

Full forename(s)	William Matthew
Surname	Tait

3 Administrator's address

Building name/number	55 Baker Street
Street	London
Post town	
County/Region	
Postcode	W 1 U 7 E U
Country	

4 Administrator's name ¹

Full forename(s)	Francis Graham
Surname	Newton

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

5 Administrator's address ²

Building name/number	Central Square
Street	29 Wellington Street
Post town	Leeds
County/Region	
Postcode	L S 1 4 D L
Country	

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

AM25

Notice of court order ending administration

6 Administration end date

End date

^d	^d	^m	^m	^y	^y	^y	^y
1	1	0	8	2	0	2	2

7 Date of court order

Court order date

^d	^d	^m	^m	^y	^y	^y	^y
1	1	0	8	2	0	2	2

8 Attachments

- I have attached a copy of the court order
- I have attached a copy of the final progress report

9 Sign and date

Administrator's signature

Signature

X



X

Signature date

^d	^d	^m	^m	^y	^y	^y	^y
0	3	1	0	2	0	2	2

AM25

Notice of court order ending administration

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 **James Kershaw**

Company name **BDO LLP**

Address
**5 Temple Square
Temple Street**

Post town **Liverpool**

Country/Region

Postcode

L	2		5	R	H	
---	---	--	---	---	---	--

Country

DX

Telephone **+44 (0) 1512 374 500**

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- The company name and number match the information held on the public Register.
- You have attached all the required documents.
- You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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

Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**
 Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ●
 Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**
 You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**
 Please complete in typescript or in bold black capitals.
 All fields are mandatory unless specified or indicated by *

1 Appointment type

Tick to show the nature of the appointment:

- Administrator
- Administrative receiver
- Receiver
- Manager
- Nominee
- Supervisor
- Liquidator
- Provisional liquidator

● You can use this continuation page with the following forms:
 - VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
 - CVA1, CVA3, CVA4
 - AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
 - REC1, REC2, REC3
 - LIQ2, LIQ3, LIQ05, LIQ13, LIQ14,
 - WU07, WU15
 - COM1, COM2, COM3, COM4
 - NDISC

2 Insolvency practitioner's name

Full forename(s)	Danny
Surname	Dartnaill

3 Insolvency practitioner's address

Building name/number	Thames Tower, Level 12, Station Road
Street	Reading
Post town	Berkshire
County/Region	
Postcode	R G 1 1 L X
Country	

**Hadlow College
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 22/05/2022 To 11/08/2022 £	From 22/05/2019 To 11/08/2022 £
POST APPOINTMENT SALES		
ESFA Trading Receipts	NIL	9,380,177.04
Non-ESFA Education Income	5.00	2,277,343.34
Higher Education Income	NIL	1,889,719.83
Other Income	NIL	872,142.23
Finance PDQ Income	NIL	818,853.30
COVID-19 Grant Funds	NIL	25,000.00
Broadview and Sapling Sales	NIL	758,473.13
ESFA - Loan / Grant Funding	NIL	12,015,000.00
Schools Income	NIL	191,839.34
GLA Funding	NIL	259,830.00
Advanced Learner Loan Funding	NIL	199,573.75
KCC re Princess Christian Farm	NIL	131,626.00
High Needs Income	NIL	445,129.42
	5.00	29,264,707.38
COST OF SALES		
Payroll Costs	NIL	7,639,312.25
Employee Pensions	NIL	2,393,193.81
Staff Related Costs	NIL	83,828.34
Farms & Equine	NIL	558,141.06
COS - Plants (Broadview)	NIL	168,558.05
COS - Non-Plants (Broadview)	NIL	35,363.15
COS - Farm Shop	NIL	367,876.72
Equipment	NIL	22,066.92
IT	NIL	180,516.89
Transport and Travel	NIL	69,532.69
Leases/HP Agreements	NIL	364,185.77
Sapling Expenses	NIL	10,860.42
PAYE & NI	NIL	2,586,403.42
	NIL	(14,479,839.49)
TRADING EXPENSES		
Repairs and Maintenance	NIL	344,960.95
Light & Heat	NIL	508,773.86
Water	NIL	103,635.30
Rent and Rates	NIL	432,076.00
Cleaning	NIL	172,508.87
Other Expenses	NIL	1,061,440.55
Education Related Costs	500.00	1,012,263.11
Printing and Stationery	NIL	63,807.19
Phones	NIL	47,860.75
Postage	NIL	19,182.77
Marketing	NIL	51,466.32
Catering Costs	NIL	280,809.08
Consultant fees	NIL	527,409.45
Continuity Creditors	NIL	132,458.03
Bank Charges & Interest	NIL	9,632.30
Student Bursaries	NIL	108,549.69
Refunds due to Covid-19	NIL	221,632.64
Third Party Payroll Costs	NIL	12,624.33
	(500.00)	(5,111,091.19)
TRADING SURPLUS/(DEFICIT)	(495.00)	9,673,776.70

Hadlow College
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 22/05/2022 To 11/08/2022 £	From 22/05/2019 To 11/08/2022 £
	FIXED CHARGE ASSETS	
5,575,000.00		
	NIL	NIL
	2,800.00	10,800.00
	335,500.00	335,500.00
	<u>338,300.00</u>	<u>346,300.00</u>
	FIXED CHARGE CREDITORS	
(5,663,000.00)		
	NIL	4,500,000.00
	NIL	<u>(4,500,000.00)</u>
	HP ASSETS	
728,000.00		
	NIL	22,000.00
(917,000.00)		
	NIL	NIL
	NIL	<u>22,000.00</u>
	ASSET REALISATIONS	
12,660,000.00	(280,000.00)	NIL
12,296,000.00	NIL	NIL
561,000.00	NIL	NIL
651,000.00	NIL	NIL
1,319,000.00	137.48	24,038.82
	NIL	391.67
	NIL	1.00
	NIL	1.00
	NIL	10,616.96
1,077,000.00	NIL	1,098,825.90
	632.15	3,699.01
	(495.00)	9,673,776.70
	NIL	621,981.00
	<u>(279,725.37)</u>	<u>11,433,332.06</u>
	COST OF REALISATIONS	
	NIL	61,502.91
	NIL	72,729.04
	NIL	1,000.00
	NIL	990.89
	(282.00)	16,199.40
	NIL	10,000.00
	NIL	88,659.60
	1,200.00	2,850.00
	NIL	350.00
	NIL	2,571,884.75
	NIL	25,516.40
	NIL	172,048.07
	NIL	1,358.98
	31,891.92	928,799.69
	265.50	14,874.85
	NIL	1,152,726.44
	NIL	45,000.00
	NIL	124.30
	783.40	7,937.94
	NIL	1,296,351.00
	(1,626.79)	(584.52)
	NIL	3,635.59
	NIL	398,613.86
	NIL	4,330.03

**Hadlow College
(In Administration)
Joint Administrators' Summary of Receipts & Payments**

Statement of Affairs £	From 22/05/2022 To 11/08/2022 £	From 22/05/2019 To 11/08/2022 £
	NIL	8,123.75
	(32,232.03)	(6,885,022.97)
(474,000.00)	NIL	NIL
	NIL	NIL
(1,067,000.00)	NIL	NIL
(178,000.00)	NIL	NIL
(13,757,000.00)	NIL	NIL
(258,000.00)	NIL	NIL
(576,000.00)	NIL	NIL
(24,000.00)	NIL	NIL
(336,000.00)	NIL	NIL
(454,000.00)	NIL	NIL
(1,597,000.00)	NIL	NIL
(9,094,000.00)	NIL	NIL
(124,000.00)	NIL	NIL
(101,000.00)	NIL	NIL
(1,067,000.00)	NIL	NIL
(142,000.00)	NIL	NIL
(3,867,000.00)	NIL	NIL
	NIL	NIL
	17,534.07	17,534.07
	17,534.07	17,534.07
(4,829,000.00)	43,876.67	434,143.16
		458,004.87
		97,407.89
		(121,269.60)
		434,143.16

Note:

*As noted in previous reports, during the course of the Education Administration we have changed the recording of receipts and payments from being presented gross of VAT to now being presented net of VAT in the individual accounts.



**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

CR-2019-003244

INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF THE CORPORATION OF HADLOW COLLEGE (a further education corporation) (in education administration)

AND IN THE MATTER OF THE TECHNICAL AND FURTHER EDUCATION ACT 2017

AND IN THE MATTER OF THE EDUCATION ADMINISTRATION RULES 2018

BEFORE ICC JUDGE JONES

11 AUGUST 2022

**WILLIAM MATTHEW HUMPHRIES TAIT, FRANCIS GRAHAM NEWTON
and DANNY NICOLAAS WILLIAM DARTNAILL
(as education administrators of The Corporation of Hadlow College (in education administration))
(Applicant)**

ORDER

UPON THE APPLICATION of the above named Applicant in respect of the Corporation of Hadlow College of Hadlow, Tonbridge, Kent, TN11 0AL (in education administration) c/o BDO LLP, 55 Baker Street, London W1U 7EU ("**the College**")

AND UPON HEARING counsel, Miss Eleanor Temple, for the Applicant

AND UPON READING the sixth witness statement of William Matthew Humphries Tait dated 27 June 2022 and exhibit thereto, and the first witness statement of Francis Graham Newton dated 5 August 2022 and exhibit thereto

AND UPON reading the letters to all known creditors of the College dated 15 June 2022 and 20 July 2022

AND UPON Marpaul Southern Limited, a creditor of the College attending the hearing but not making any representations

AND UPON the creditors of the College not objecting to the relief sought and no other creditor of the College attending or being represented at the hearing

AND UPON the Secretary of State ("SoS") confirming by way of a letters dated 20 June 2022 that it does not object to the remuneration application and that the SoS will fund the Remuneration fixed and approved by the court in accordance with the Third Funding Agreement dated 26 April 2021 and that the SoS consents to the application to end the administration

IT IS ORDERED THAT:

1. The Applicants' appointment as joint education administrators shall cease to have effect pursuant to paragraph 79(1) of Schedule B1 to the Insolvency Act 1986 (the "**Act**") (as applied by paragraph 1 of Schedule 3 to the Technical and Further Education Act 2017 ("**TFEA**") and as modified by paragraph 23 of Schedule 3 to TFEA) with immediate effect;

2. The Applicants be discharged from liability in respect of any action as education administrators pursuant to paragraph 98(1) of Schedule B1 to the Act (as applied by paragraph 1 of Schedule 3 to TFEA and as modified by paragraph 30 to Schedule 3 to TFEA) 28 days after filing their final report to creditors;
3. The College is wound up and pursuant to paragraph 79(4)(d) of Schedule B1 to the Act (as applied by paragraph 1 of Schedule 3 to TFEA and as modified by paragraph 23 of Schedule 3), and pursuant to the court's inherent jurisdiction and section 140 of the Act (as applied by section 6 of TFEA) , William Matthew Humphries Tait, Mark Patterson and Danny Nicolaas William Dartnaill ("**Joint Liquidators**") are appointed as joint liquidators of the College;
4. Any act required or authorised under any enactment to be done by a liquidator may be done by any or all of the Joint Liquidators pursuant to Section 231 of the Act;
5. The Applicants' remuneration from 24 April 2021 to 11 August 2022 ("**Remuneration**") is fixed and approved for payment pursuant to Rule 6.10(3) of The Education Administration Rules 2018 in the sum of £260,749.30 plus VAT;
6. The Applicants are entitled to receive the Remuneration forthwith.
7. The Applicants' pre-administration expenses in the sum of £4,089 (plus VAT) as detailed in the Witness Statement of Francis Graham Newton are approved for payment pursuant to Rule 6.11 EAR 2018. Any defect or irregularity in the payment of this sum prior to this approval is waived pursuant to Rule 4.41 EAR 2018;
8. The Applicants' cost of and occasioned by this Application shall be paid as expenses of the education administration pursuant to rule 3.36(1) of the Education Administration Rules 2018 out of the assets of the College.

The applicant's address for service is:

Womble Bond Dickinson (UK) LLP, 6th Floor, 1 Whitehall Riverside, Leeds,
LS1 4BN, Ref: BDO/2.23.



The Corporation of Hadlow College - In Education Administration

Joint Education Administrators' final progress report
from

22 May 2022 to 11 August 2022



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GLOSSARY OF TERMS

Abbreviation or term	Meaning
'Administration'	Education Administration
'BCPL'	Betteshanger Country Park Limited
'BSPL'	Betteshanger Sustainable Park Limited - In Liquidation
'CMC'	Caple Manor College
'EKCG'	East Kent College Group
'Final Period'	22 May 2022 to 11 August 2022
'GPFL'	Grove Farm Park Limited - In Administration
'HMRC'	HM Revenue & Customs
'JEAs', 'we' or 'us'	William Matthew Humpries Tait, Francis Graham Newton and Danny Nicolaas William Dartnail, the Joint Education Administrators
'Knight Frank'	Knight Frank LLP
'Merger Transactions'	The transfer of certain business and assets, associated with the provision of education services, to Caple Manor College, East Kent College Group and North Kent College
'net property'	Floating charge realisations after costs and payment of preferential creditors in full
'NKC'	North Kent College
'preferential creditors'	Claims for unpaid wages earned in the four months prior to the Administration up to £800, holiday pay and unpaid pension contributions in certain circumstances.
'Proposals'	The JEAs statement of proposals for achieving the purpose of the Administration
'QFCH'	Qualifying Floating Charge Holder
'Sch.B1 to the Act'	Schedule B1 to the Act
'secured creditors'	Creditors whose debt is secured, in accordance with Section 248 of the Act
'Statutory Objective'	To avoid or minimise disruption to the studies of the existing students of the further education body as a whole and to ensure that it becomes unnecessary for the body to remain in education administration for that purpose
'TEAR 2018'	The Education Administration Rules 2018
'TFEA 2017'	Technical and Further Education Act 2017

'the Act'	Insolvency Act 1986 as adopted by TFEA 2017
'the College'	The Corporation of Hadlow College
'the DfE'	The Department for Education
'the ESFA'	The Education and Skills Funding Agency
'the FEC'	The Further Education Commissioner
'the Final Progress Report'	Prepared in accordance with Rules 3.14 and 3.15 of TEAR 2018 Rules
'unsecured creditors'	Creditors who are neither secured nor preferential

KEY INFORMATION

Background

William Matthew Humphries Tait, Francis Graham Newton and Danny Nicolaas William Dartnaill of BDO LLP were appointed JEAs of the College on 22 May 2019.

The affairs, business and property of the College were managed by the JEAs who acted as agents of the College and without personal liability.

Purpose of the Final Progress Report

This is the Final Progress Report which provides you with a final update of the implementation of the Proposals and the achievement of the Statutory Objective.

This Final Progress Report can be reviewed in conjunction with all other reports regarding this Administration, on the brportal.bdo.co.uk portal.

The table below summarises the anticipated outcome for creditors, based on our current understanding of the case. Please note these figures are subject to change.

Return to creditors

The table below summarises the outcome for creditors.

Class of creditor	Return	Previous estimate
Secured creditors	Repaid/granted alternative security	N/A
Preferential creditors	N/A	N/A
Unsecured creditors	Nil	Nil

What you need to do

The purpose of the Final Progress Report is to provide you with an update only. The creditors of the College do not need to take any actions at this time.

Creditors' rights

An overview of the rights of creditors are detailed in Appendix B.

Contact details

Contact: Nadine Naylor
Business Restructuring, BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Tel: +44(0)7812 466457
Email: BRCMTLondonandSouthEast@bdo.co.uk
Reference: 00294470

PROGRESS IN THE FINAL PERIOD AND IN THE ADMINISTRATION

Asset realisations

The receipts and payments account attached at Appendix C details the asset realisations during the Final Period and the cumulative position as at 11 August 2022.

A summary of the assets realised in the Final Period are as follows:

Non-ESFA Education Income

A receipt totalling £5 has been received in the Final Period. This relates to a payment from a former student.

Rental Income

Rental income totalling £2,400 has been received in the Final Period. This relates to rental income from Saplings Rural Day Nursery (£1,200 net of VAT) Limited and Victoria Farm Limited (£1,200 net of VAT), both of whom are current tenants of the College.

Sale of Land

A sale of the College's interest in the land known as West Corner completed to an unconnected party in February 2022 for £280k plus VAT. These funds have been re-allocated to fixed charge realisations in the Final Period as the land was subject to a charge in favour of the ESFA.

On 29 June 2022, we completed a sale of land located at the North and South sides of Tonbridge Road, Hadlow, Tonbridge to an unconnected third party for £55,500 plus VAT. The land was also subject to the fixed charge security granted in favour of the ESFA.

Although trading ceased in August 2020, an operational payment has been made in the Final Period totalling £500. This relates to an employer incentive payment (employers who employed students at the College under the Employee Incentive Scheme).

There may be some additional trading expenses which have yet to be paid. These primarily relate to services provided by suppliers in the Administration trading period.

Book Debts

Book debts totalling £132 have been collected in the Final Period.

Based on current information, further book debt collections are anticipated to be nominal.

Bank Interest

Bank interest of £632 was received in the Final Period.

Summary of Assets Realised in Previous Reporting Periods

A summary of the assets realised in the previous reporting periods, as detailed in our Proposals and previous progress reports, is provided below:

Rental Income

Rental income totalling £8,000 has been received in the previous reporting Periods. The relates to rental income due from Saplings Rural Day Nursery Limited and Victoria Farm Limited.

The Merger Transactions

In accordance with our previous reports, the completion of the Merger Transactions, as recommended by the FEC, completed in the previous reporting periods. This included:

- The Mottingham Transaction with CMC completed on 1 January 2020;
- The Canterbury Transaction with EKCG completed on 1 April 2020; and
- The Hadlow Transaction with NKC completed on 15 August 2020.

In consideration of the receipt of £1, CMC, EKCG and NKC each assumed the obligation for all existing students, students recruited post the JEAs' appointment, transferring employees, current and historic pensions obligations, the large majority of the trading and other operational post Administration contractual commitments and the large majority of the estate in its current condition.

The JEAs also negotiated overage and security provisions over all of the properties included within the Merger Transactions to safeguard the interests of creditors in the event of a future disposal by each of CMC, EKCG or NKC.

Motor Vehicles

The equity in two mini-buses which were excluded from the Merger Transactions, was realised. This resulted in gross realisations of £22k which, after settling outstanding finance liabilities, culminated in net realisations of £10.9k.

Other motor vehicles with operating leases or which had no equity value, and were not transferred under the Merger Transactions, were returned to the respective lease companies.

Betteshanger Country Park Limited

A sale of the land at BCPL, as well as the College's shareholding in BCPL, was completed to an unconnected third party in December 2019. As reported, cash consideration of £621,981 was received.

The sale of the land included overage agreements which may give rise to further payments in the future. This position will continue to be monitored in the Compulsory Liquidation.

Cash at Bank

Cash at Bank totalling £1,098,826 was realised.

Book Debts

Book debts of £23,901 were realised in the previous reporting periods.

As referred above, further book debt collections are anticipated to be nominal.

Insurance Refund

Insurance refunds totalling £10,616 were recovered in the previous reporting periods.

Bank Interest

Bank interest totalling £3,067 was realised in the previous reporting periods.

Saplings Licence and Saplings Sale Proceeds

As previously reported, following a period of marketing, the College's nursery businesses, was sold to Saplings Rural Day Nursery and Preschool Limited ('New Saplings') on 30 September 2020.

The consideration paid by New Saplings was £1. In addition, New Saplings received a working capital contribution of £10k from the College and were obliged to adopt the employment contracts of those College staff working in the Saplings nursery business, who otherwise would have been made redundant at an estimated cost to the College of c£40k.

To facilitate the transaction, the JEAs granted New Saplings a licence to occupy the existing trading premises at Court Lane. The licence to occupy agreement included a six-month rent-free period, after which monthly rental of £400 plus VAT has been paid.

As the lease was due to expire on 31 July 2022, a short-term lease extension was agreed between the JEAs and New Saplings.

Shares & Investments

Dividends totalling £392 have been received in the Reporting Period from Genus PLC.

Division of unsold assets

There has been no distribution of unsold assets amongst the creditors in accordance with Rule 5.13 of TEAR 2018. Please note that this only applies to property which cannot be readily sold and in this particular matter, no such property exists.

Outstanding Assets

A summary of the remaining assets which will likely be realised in the Compulsory Liquidation are summarised as follows:

Land & Buildings

Court Lane

Whilst Court Lane was not required for the ongoing provision of education services in the long term, a two-year lease was granted by the College to NKC to allow NKC to continue to occupy and use the site.

The lease is due to expire in September 2022 and we do not expect any extension to the granted. We have therefore engaged property agents, Knight Frank, to provide recommendations and progress the strategy to maximise the potential value of the land.

Remaining Parcels of Land

Following the two recent sales (which completed in February 2022 and June 2022) there are three remaining parcels of land. Offers have been received for all three parcels of land and we hope the sales will complete shortly.

Betteshanger Sustainable Park Limited

The College has a non-preferential unsecured claim of c£1.45m in the Liquidation of BSPL. The Joint Liquidators of BSPL have recently indicated that the College may receive a distribution of c10p in the £ from the Liquidation proceedings. This should result in a dividend of c£145k.

We have been advised by the Liquidators of BSPL that the level of the dividend has reduced from previous estimates of between £220k and £380k following the receipt and agreement (after the deduction of legal/court costs incurred in assessing the validity of that claim) of a significant additional unsecured claim.

Grove Farm Park Limited

The College has an unsecured non-preferential claim of c£684k (this has increased slightly from our previous reports following a detailed review of the College's accounts) against its wholly owned subsidiary, GFPL. GFPL owns land and a property which was leased by the College and used as student accommodation for its Higher Education students, but which was not required by NKC.

Based on the latest progress report prepared by the Administrators of GPFL, there may be sufficient funds available to pay a small dividend of c2p in the £ to its unsecured creditors.

The College is therefore anticipated to receive a dividend of c13k.

Please note, the level of the dividend and the receipt due to the College may change once the Administrators of GFPL complete the adjudication of the unsecured claims.

Book Debts

As referred above, we are continuing to collect on-going debtor receipts albeit the amounts are minimal.

Other Assets

In addition to the assets detailed above, certain leased assets, legal action and the benefit of any actions or potential claims available to the JEAs have been excluded from the Merger Transactions.

These investigations are ongoing and the appointed office holders will consider whether there are any claims to pursue for the benefit of the College's creditors.

Overage Agreements

The College holds the benefit of a number of overage agreements in relation to land transactions entered into prior to the appointment of the JEAs.

In view of the contingent nature and extended timescales attaching to these potential assets, further consideration will be required at the end of the proposed Compulsory Liquidation as to how best to secure value if not triggered by that date.

Unrealised Assets

Farm Shop and Florist

As previously reported, the Farm Shop and Florist were commercial activities undertaken by the College but not directly related to the provision of education services. As such, these assets activities were excluded from the Merger Transactions.

Despite the JEAs undertaking a marketing exercise for the businesses, due to limited interest, a sale of the businesses was not achieved. Consequently, the Farm Shop and Florist ceased trading in July 2020.

Trading - 22 May 2019 to 15 August 2020

In order to achieve the Statutory Objective of the Administration, the College continued to operate under the supervision of the JEAs whilst the Merger Transactions completed to CMC, EKCG and NKC.

Investigations

The JEAs have a duty to investigate the affairs of the College and conduct of the relevant persons. With respect to the investigation into the conduct of the relevant persons, the JEAs must submit a confidential statutory report to the disqualification unit of the Department for Business, Energy & Industrial Strategy.

As previously advised, we have completed a review of the College's affairs and have submitted our confidential statutory report on the conduct of the relevant persons to the disqualification unit of the Department for Business, Energy & Industrial Strategy.

Further investigations and cooperation with the Insolvency Service

As detailed in our previous progress reports, we are continuing our investigations into the events that led to the failure of the College.

Distributions to creditors

Secured creditors

Barclays Bank PLC ('the Bank')

The College granted fixed charges to the Bank over specific parts of the College's campuses.

As reported previously, to facilitate the Merger Transactions, a settlement was agreed with the Bank. As such, the Bank does not have a charge over the College's assets.

ESFA

In order to settle the Bank's indebtedness, the ESFA provided funds to repay the Bank. In return, the College, acting by the JEAs, granted security to the ESFA over certain freehold assets owned by the College.

However, in order for the transaction to NKC to proceed, the ESFA agreed to release its charge over certain land included in that transaction.

However, the ESFA continues to hold a fixed charge over the remaining parcels of land (including Court Lane).

Preferential creditors

There are no preferential creditors in the Administration.

Prescribed Part ('the PP')

As the status of the College did not allow the College to grant a floating charge, the PP provisions will not apply.

Unsecured creditors

In accordance with the College's statement of affairs, unsecured creditors' claims were estimated to total c£35.1m.

To date, we have received 183 unsecured claims totalling c£31.5m.

Based on current information, there is no prospect of a dividend to the College's unsecured creditors. As such, we have not adjudicated the unsecured claims for dividend purposes.

Notice of no dividend

In accordance with Rule 5.34 of TEAR 2018, notice is given that a dividend has not been paid to preferential and unsecured creditors as there are/were insufficient realisations, after the costs and expenses of the Administration, to enable a dividend to be paid.

Joint Administrators' discharge from liability

As part of our application to court to move the College to Compulsory Liquidation we also obtained court approval for the JEAs to be discharged from liability. In accordance with the court order, the discharge will be effective 28 days after filing our final report to the College's creditors.

Other matters

In addition to the above matters, we dealt with all statutory matters required by legislation and administrative work incidental to our duties as JEAs of the College.

Pre-Administration costs

Fees charged by BDO LLP / the JEAs

As detailed in our proposals, BDO LLP were engaged by the DfE on 30 April 2019 to evaluate the financial position of the College, observe the FEC options review process, undertake financial and operational planning (contingency planning) and, if necessary, assist with placing the College into Administration.

Contingency planning included evaluation of the solvency of the College over 12-24 months, with a focus on further requirements for emergency funding from the ESFA, review and comments on the FEC options review and detailed timeline planning for execution of different options. However, due to the threat of a winding-

up petition, it became necessary to assist with contingency planning to place the College into Administration.

Pre-Administration costs of £314,505 were incurred in respect of the above work. These costs were paid directly by the DfE and are therefore not shown in the attached Receipts and Payments account.

Disbursements and other Expenses

Pre-appointment professional costs of £16,199 were incurred assisting with planning for the proposed Administration. These costs are summarised as follows:

Supplier	£	Comments
Brachers LLP	6,733.20	College's solicitors were engaged to assist us with various outstanding matters as part of the proposed appointment.
AON	900.00	Pre-appointment health and safety review.
Real Estate Advisory Limited	4,477.20	To advise on the potential sale strategy.
Reed Smith	4,089.00	Engaged to assist with grant funding with the ESFA.

The pre-appointment costs have been approved in full by court orders dated 30 June 2020, 29 April 2021 and 11 August 2022.

Joint Administrators' remuneration

In accordance with our Proposals, and Rule 6.10(2) of TEAR 2018, our remuneration should be fixed by reference to the time properly spent by us and our staff in attending to matters arising in the Administration.

In addition, the JEAs remuneration must also, on the JEAs application, be fixed by the court.

As at 11 August 2022, time costs totalling £2,826,954 have been incurred. This represents 15,039 hours at an average rate of £188 per hour.

In accordance with the court orders dated 30 June 2020, 29 April 2021 and 11 August 2022, the JEAs remuneration has been agreed at £2,832,634. This included an estimate of potential future costs to close the Administration. As the actual time costs were less than the fees fixed by court, our remuneration will be capped at our time costs (being £2,826,954).

As at 11 August 2022, the JEAs have been paid £2,571,885 in respect of the remuneration referred above. Outstanding fees will be paid as an expense in the subsequent Liquidation.

A detailed report of the time incurred by the JEAs and their staff and a narrative of the work done is attached in Appendix D.

Joint Administrators' expenses

The JEAs have agreed with the DfE that BDO LLP staff related disbursements will not be directly recharged by the JEAs as these costs are included within the agreed hourly charge out rates with the DfE.

Outstanding expenses incurred and paid by BDO LLP on behalf of the College, in respect of storage costs, totalling £1,845 have been paid in the Final Period. These expenses, together with outstanding expenses incurred and paid by BDO LLP in previous reporting periods (totalling £20,975), will be repaid to BDO LLP as an expense in the Liquidation.

The JEAs also engaged professionals to provide services to support the College's ongoing operations, the management of the Administration and to assist with the realisation of certain assets (books debts, land and property etc).

As the professional services are classed as category 1 expenses, we are not required to seek approval of the payment of these costs from the court.

Expenses paid during the Administration and in the Final Period are detailed in the receipts and payments account at Appendix C.

A breakdown of expenses incurred is set out in Appendix E.

Outcome of the Administration

As a result of the successful Merger Transactions, the JEAs have achieved the Statutory Objective of the Administration.

We can also confirm that there have been no major amendments to or deviations from our Proposals.

As such, on 11 August 2022, a court order was obtained ending the Administration. The court order also provided for the College to enter Compulsory Liquidation and for the appointment of Mr Tait, Mr Dartnail and Mr Patterson (replacing Mr Newton who is due to retire imminently) as Joint Liquidators.

APPENDIX A

STATUTORY INFORMATION

Information

College name	Hadlow College
Company registration number	FE000002
UKPRN	10002843
Registered office	C/o BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH
Court name and reference	High Court of Justice, Chancery Division - 003244-2019
Date of appointment	22 May 2019
Appointor	The Secretary of State for Education
Joint Administrators	William Matthew Humphries Tait Francis Graham Newton Danny Nicolaas William Dartnaill

Under the provisions of paragraph 100(2) of Sch.B1 to the Act the Joint Education Administrators carry out their functions jointly and severally meaning any action can be done by one Education Administrator or by all of them.

Joint Education Administrators' address BDO LLP, 55 Baker Street, London, W1U 7EU

Data Control and GDPR William Matthew Humphries Tait and Danny Nicolaas William Dartnaill are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales in the UK.

Francis Graham Newton is authorised to act as an Insolvency Practitioner by the Insolvency Practitioners Association in the UK.

The Joint Education Administrators are Data Controllers as defined by the General Data Protection Regulations. BDO LLP will act as Data Processor on the instruction of the Data Controllers. Personal data will be kept secure and processed only for matters relating to the Education Administration of Hadlow College. Please see the privacy statement at <https://www.bdo.co.uk/en-gb/privacy-notice/insolvencies>

Summary of the Proposals

- A. They continue to manage the business, affairs and property of the College to achieve the objective of the Education Administration by either:
 - a. Rescuing the further education body as a going concern,

- b. Transferring some or all of its undertaking to another body,
- c. Keeping it going until existing students have completed their studies, or
- d. Making arrangements for existing students to complete their studies at another institution.

As detailed previously, due to the significant levels of liabilities that the College has, it is unlikely the College could be rescued as a going concern.

- B. The JEAs will continue to investigate and, if appropriate, pursue any claims that the JEAs believe that the College may have under all legislation relevant to the management and affairs of the College. In addition, the JEAs shall do all such other things and generally exercise all their powers as Joint Education Administrators as they in their discretion consider desirable in order to achieve the objective of the Education Administration or to protect and preserve the assets of the College or to maximise their realisations or for any other purpose incidental to these proposals.
 - C. If the JEAs consider that funds will become available in respect to the unsecured claims of creditors, the JEAs may at their discretion establish in principle the claims of unsecured creditors for adjudication in the Education Administration or a subsequent liquidation and may apply to Court for the costs of doing so to be met as a cost of the Education Administration.
 - D. If the JEAs consider that sufficient funds will become available to enable a distribution to be made to the unsecured creditors, the JEAs may at their discretion make an application to Court for permission to make a distribution to unsecured creditors under Paragraph 65(3) Sch. B1 IA86.
 - E. Once the objective of the Education Administration is achieved, the JEAs will either request of the Secretary of State for Education to petition, or seek the consent of the Secretary of State for Education for the JEAs to petition, the Court for the following orders:
 - a. that the Education Administration be brought to an end and the JEAs be discharged from office on such terms as the Court shall determine; and
 - b. either that The Corporation of Hadlow College be dissolved or, that it be placed into compulsory liquidation and, if the Court thinks fit, the former JEAs be appointed as Joint Liquidators.
 - F. The JEAs shall be discharged from liability pursuant to Paragraph 98(1) Sch. B1 IA86 in respect of any action of theirs as Education Administrators at a time determined by the Court.
-

APPENDIX B

CREDITORS' RIGHTS

Creditors may access a copy of BDO LLP's charging and expenses policy at <https://www.bdo.co.uk/en-gb/insights/advisory/business-restructuring/creditors-guides>.

The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to us but are not satisfied with the response, then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where you will find further information on how you may pursue the complaint.

The Joint Education Administrators are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this Education Administration. A copy of the code can be found at <https://www.icaew.com/technical/ethics/icaew-code-of-ethics/icaew-code-of-ethics>.

APPENDIX C

RECEIPTS AND PAYMENTS ACCOUNT

**Hadlow College
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 22/05/2022 To 11/08/2022 £	From 22/05/2019 To 11/08/2022 £
POST APPOINTMENT SALES		
ESFA Trading Receipts	NIL	9,380,177.04
Non-ESFA Education Income	5.00	2,277,343.34
Higher Education Income	NIL	1,889,719.83
Other Income	NIL	872,142.23
Finance PDQ Income	NIL	818,853.30
COVID-19 Grant Funds	NIL	25,000.00
Broadview and Sapling Sales	NIL	758,473.13
ESFA - Loan / Grant Funding	NIL	12,015,000.00
Schools Income	NIL	191,839.34
GLA Funding	NIL	259,830.00
Advanced Learner Loan Funding	NIL	199,573.75
KCC re Princess Christian Farm	NIL	131,626.00
High Needs Income	NIL	445,129.42
	5.00	29,264,707.38
COST OF SALES		
Payroll Costs	NIL	7,639,312.25
Employee Pensions	NIL	2,393,193.81
Staff Related Costs	NIL	83,828.34
Farms & Equine	NIL	558,141.06
COS - Plants (Broadview)	NIL	168,558.05
COS - Non-Plants (Broadview)	NIL	35,363.15
COS - Farm Shop	NIL	367,876.72
Equipment	NIL	22,066.92
IT	NIL	180,516.89
Transport and Travel	NIL	69,532.69
Leases/HP Agreements	NIL	364,185.77
Sapling Expenses	NIL	10,860.42
PAYE & NI	NIL	2,586,403.42
	NIL	(14,479,839.49)
TRADING EXPENSES		
Repairs and Maintenance	NIL	344,960.95
Light & Heat	NIL	508,773.86
Water	NIL	103,635.30
Rent and Rates	NIL	432,076.00
Cleaning	NIL	172,508.87
Other Expenses	NIL	1,061,440.55
Education Related Costs	500.00	1,012,263.11
Printing and Stationery	NIL	63,807.19
Phones	NIL	47,860.75
Postage	NIL	19,182.77
Marketing	NIL	51,466.32
Catering Costs	NIL	280,809.08
Consultant fees	NIL	527,409.45
Continuity Creditors	NIL	132,458.03
Bank Charges & Interest	NIL	9,632.30
Student Bursaries	NIL	108,549.69
Refunds due to Covid-19	NIL	221,632.64
Third Party Payroll Costs	NIL	12,624.33
	(500.00)	(5,111,091.19)
TRADING SURPLUS/(DEFICIT)	(495.00)	9,673,776.70

Hadlow College
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 22/05/2022 To 11/08/2022 £	From 22/05/2019 To 11/08/2022 £
	PR Costs	8,123.75
	(32,232.03)	(6,885,022.97)
	PREFERENTIAL CREDITORS	
(474,000.00)	Arrears & Pay	NIL
	NIL	NIL
	UNSECURED CREDITORS	
(1,067,000.00)	Trade & Expense Creditors	NIL
(178,000.00)	Arrears of contributions	NIL
(13,757,000.00)	Funding Bodies	NIL
(258,000.00)	Weleyan Bank	NIL
(576,000.00)	Salix	NIL
(24,000.00)	Kent Mining Heritage Fund	NIL
(336,000.00)	University of Greenwich	NIL
(454,000.00)	Unsecured N.I.C.	NIL
(1,597,000.00)	Unsecured V.A.T.	NIL
(9,094,000.00)	LGPS defined benefit scheme deficit	NIL
(124,000.00)	Deposits	NIL
(101,000.00)	Hadlow PIF Ltd	NIL
(1,067,000.00)	Accruals	NIL
(142,000.00)	Deferred Income	NIL
(3,867,000.00)	West Kent & Ashford College	NIL
	NIL	NIL
	DISTRIBUTIONS	
	Transfer to Liquidators	17,534.07
	17,534.07	17,534.07
(4,829,000.00)	43,876.67	434,143.16
	REPRESENTED BY	
	EA Current Account	458,004.87
	Third Party Funding	97,407.89
	Third Party Funds Received	(121,269.60)
		434,143.16

Note:

*As noted in previous reports, during the course of the Education Administration we have changed the recording of receipts and payments from being presented gross of VAT to now being presented net of VAT in the individual accounts.

APPENDIX D

JOINT EDUCATION ADMINISTRATORS' REMUNERATION

As at 11 August 2022, the JEAs have incurred time costs of £2,826,954.

A breakdown of the time costs incurred in the Administration is attached in appendix D1.

A summary of the work undertaken in the Administration is detailed below.

Steps on appointment

- Reviewing appointment and statutory documents;
- Preparing the JEAs' statement of proposals;
- Embedding new financial and managerial controls within pre-existing College procedures and providing consent for the Interim Principal and Interim CFO to continue certain operational powers;
- Holding immediate employee meetings across the College's campuses;
- Implementing our communication strategy with a wide range of key stakeholders;
- Communicating with students and parents/guardians; and
- Ensuring that it was widely understood that the College would continue to operate as normal.

Due to the complex nature of the Administration, this work was primarily led and implemented by directors, senior managers and managers, with appropriate work delegated to staff below manager level.

Planning and strategy

- Establishing funding requirements and ensuring stability of operations;
- Liaising with the wider senior management team and devising strategies to deal with the subsidiary company;
- Establishing the Education Administration Advisory Group and Education Administration Working Group to provide educational guidance in the absence of a governing board;
- Liaising with the DfE and the FEC regarding the Merger Transactions;
- Considering the ongoing asset realisation strategy and statutory requirements such as GDPR data management to evaluate exit routes from Administration;
- Holding team meetings to ensure information, planning and strategy was communicated across the team and to enable the continued development of the overarching strategy and plan (during the early stages of the Education Administration process); and
- Planning the most efficient manner to progress residual Post Merger Transaction matters including finalising the transition to NKC and asset disposals.

This area of work was led by one of the JEAs in conjunction with directors and senior managers, with some support below manager level where appropriate. This was a critical area of our work and fundamental to achieving the Statutory Objective of the Administration as we were operating against a backdrop of new legislation and a complex sales process that required the knowledge, experience and skill of our wider senior team as we navigated often unprecedented issues and situations.

General administration

- Reviewing and regularising affairs regarding insurance;
 - Preparing and filing the College's VAT returns and reviewing the taxation position;
 - Seeking tax clearance from HMRC with regards to the tax position;
 - Undertaking investigations regarding the conduct of the former governors and senior post holders and reporting thereon;
 - Investigations into the affairs and transactions of the College;
 - Recovery and storage of the College's books and records;
 - Recovery and storage of electronic records;
-

- Day to day management of the College's assets;
- Cashiering functions related to the receipts and payments made by the College whilst it continues to operate;
- Complying with statutory and regulatory matters;
- Managing formal contractual matters regarding the College;
- Dealing with court hearings regarding the insolvency (excluding third party litigation);
- Completing insolvency remuneration requirements;
- Dealing with ongoing press enquiries and PR matters;
- Managing general administrative matters/basic enquiries/meetings, etc;
- Correspondence with our solicitors regarding the investigations and general legal advice in connection with the Education Administration; and
- Dealing with ongoing health and safety and insurance related matters.

The majority of this work required a range of insolvency knowledge and experience, balanced with good accounting and administrative skills and was delegated largely to managers and senior administrators with suitable levels of experience, supervised by the JEAs, directors and senior managers.

Asset realisation/dealing

- Liaising with the DfE;
- Liaising with the FEC;
- Liaising with Interested Parties with regards to the proposed sale process, including the negotiation of heads of terms, due diligence, transition planning and communications of transfers to employees, students and stakeholders;
- Completing sales of campuses to acquiring colleges and finalising the transition of students and staff;
- Managing the apportionment of income and expenses in respect of the Merger Transactions and the sale of Saplings;
- Engaging educational and property specialists to identify non-core realisable assets and to provide guidance on existing property sales;
- Identifying and controlling recorded assets and property;
- Undertaking/managing debt collection and where appropriate engaging and monitoring specialist agents;
- Dealing with equipment, stock and intangible assets including intellectual property and engaging specialist agents and solicitors in respect of this matter;
- Realising assets including motor vehicles;
- Marketing and sale of Saplings pre-school and nursery and transfer of all staff;
- Marketing the Farm Shop and Florist and managing their orderly wind down;
- Managing third party, HP and leased assets;
- Managing and investigating Retention of Title claims including site inspections and meetings;
- Managing the disposal of residual land not sold as part of the Merger Transactions; and
- Liaising with Knight Frank regarding the strategy for maximising realisations from land excluded from the Merger Transactions. This included marketing some of these parcels of land.

This area of work required a greater level of commercial experience and insolvency knowledge, than the general administration category of work, together with decision making skills. As such, this was led at director and senior manager level supported by managers and senior administrators with suitable competencies.

Trading related matters

- Embedding and developing further controls into the College's pre-existing procedures;
- Overlaying specific Administration assumptions in the College's cash flow forecast;
- Providing a team of insolvency and education specialists on site in the lead up to appointment and in the weeks immediately thereafter;
- Meeting and communicating with suppliers and guaranteeing continuity of critical services to the College;

- Supervising trading and liaising with senior management on operations;
- Agreeing the apportionment of income and expenditure with the Merger Parties for post transaction receipts and payments;
- With the assistance of agents and senior management, managing the farming operations;
- Attending daily meetings with the senior leadership team following the outbreak in the UK of the Covid-19 pandemic. The purpose of these meetings included the discussion of the significantly reduced opening of the College campuses, the implementation of the remote learning systems and planning the phased wider reopening of the College campuses;
- Preparing trading accounts and general financial management of the College and its commercial operations and subsidiaries;
- Making funding requests to the Secretary of State for Education in accordance with the terms of the Grant;
- Providing weekly financial updates to the DfE and responding to their enquiries regarding the same; and
- Managing environmental & HSE matters including consultation with specialists, site inspections and meetings.

The success of keeping the College operating as normal was key to providing stability and achieving the objective of the Education Administration. Consequently, this required the most significant number of hours across all grades of seniority. This work was mainly led at director level, with day to day matters performed at manager level and below.

Employee matters

- Managing c.440 employees;
- Attending periodic meetings at the College's various campuses;
- Providing an open forum for employees to raise questions about the Administration process and the FEC options review;
- Regular updates/correspondence with the Trade Union representatives both on general operations, Covid-19 planning and the sales processes;
- Dealing with a number of ongoing employee matters and issues with the assistance/support of the College's HR team;
- Understanding the employees' pension position;
- Supporting acquiring colleges with TUPE consultation and the transfer of staff based at the Hadlow and ancillary Campuses, Canterbury and Mottingham Campuses;
- Facilitating the transfer of Saplings staff to New Saplings and making redundant the Farm Shop staff; and
- Ensuring migration of employee information to acquiring colleges and New Saplings and completing the employee transfers.

Given the specialist nature of this work, it has been mainly led by directors and senior managers.

Creditor claims

- Processing of creditors' claim forms and entering onto IPS;
- Responding to queries from creditors; and
- Identifying any Retention of Title creditors so that these could be dealt with promptly.

Due to the complexities of this assignment, this work has been primarily completed by assistant managers and support staff with additional support provided by senior managers and/or directors where appropriate.

Reporting

- Preparing the JEAs' statement of proposals;
 - Periodic progress reports to creditors regarding the progress of the Administration, including preparation of Receipts & Payments Accounts, an analysis of time costs accrued and a review of actual costs and accrued costs as compared to this fees and expenses estimate;
-

- Providing the DfE with a weekly update on the financial position of the College and the forecast future cash flows for the duration of the Administration; and
- Regular reporting to the DfE detailing key matters, an update on JEAs' accrued time costs and other expenses.

A director was responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison, with estimates, to suitably experienced junior staff. Much of the basic accounting and analysis was conducted by various junior staff.

These activities do not contribute to achieving the objective of the Education Administration or the financial outcome for creditors. They are however statutory duties imposed by the relevant legislation.

Distribution and closure

- Closure planning/consideration of the likely outcome of the Administration, including obtaining approval from discharge from liability;
- Liaising with our solicitors to understand/agree the process for ending the Administration;
- Liaising with the Secretary of State for Education with regards to exiting the Administration and moving the College to Compulsory Liquidation;
- Finalising the court application, Witness Statement and supporting appendices for the application to court;
- Finalising the supplemental court application, Witness Statement and supporting appendices ahead of the court hearing on 11 August 2022;
- Preparing and filing the final progress report and appendices;
- Preparing and filing relevant letters/forms as part of the closure process; and
- Filing the relevant report and sealed court order with the Registrar of Companies, Secretary of State for Education, the Official Receiver etc.

A manager was responsible for leading the reporting and delegating the production of the accounts, fee analysis and comparison, with estimates, to suitably experienced junior staff. Much of the basic accounting and analysis was conducted by various junior staff.

These activities do not contribute to achieving the objective of the Education Administration or the financial outcome for creditors. However, they are statutory duties imposed by the relevant legislation.

The DfE agreed charge out rates, per hour of staff within the firm who may be involved in working on the Education Administration, are as follows:

Grade	£
Partner	320
Director	221
Senior Manager	188
Manager	161
Senior Associate	127
Executive	67- 126

Forensic Investigation

In addition, BDO LLP's Forensic team were engaged by the College to specifically assist with the investigation into the affairs of the College prior to the appointment of the Education Administrators and

to also support the investigation. The scope of this work and fees were agreed with the Secretary of State for Education.

As at 11 August 2022, forensic fees totalling £45,000 have been paid following approval from the court dated 30 June 2021.

APPENDIX D1

TIME COSTS INCURRED FOR THE PERIOD 22 MAY 2019 TO 11 AUGUST 2022

Activity	Partner	Director	Senior manager	Manager	Senior associate	Total hours	Time costs £	Av. Rate £
Steps on appointment	15.35	51.75	26.45	6.55	15.55	115.65	23,958.60	207.16
Planning and strategy	296.05	361.45	96.30	49.25	93.25	896.30	212,483.85	237.07
General administration	228.73	1,000.55	672.61	463.10	2,530.53	4,895.52	765,519.68	156.37
Asset realisation/dealing	297.85	2,072.40	609.50	286.20	454.05	3,720	771,598.95	207.42
Trading related matters	181.40	1,237.75	289.35	599.35	748.50	3,056.35	577,543.40	188.97
Employee matters	60.10	226.98	395.05	108.25	47.55	837.93	167,071.58	199.39
Creditors' claims	2.85	34.95	9.45	12.90	126.70	186.85	26,668.95	142.73
Reporting	216.35	565.85	174.90	23.85	240.15	1,221.10	260,387.45	213.24
Distribution and closure	28.50	13.60	1.90	49.35	15.90	109.25	21,721.25	198.82
TOTAL	1,327.18	5,565.26	2,275.51	1,598.80	4,272.18	15,038.94	2,826,953.70	187.98

APPENDIX E

JOINT EDUCATION ADMINISTRATORS' EXPENSES

The Joint Administrators' expenses incurred and paid are detailed below.

			Total Incurred 22/05/2019 to 11/08/2022 £	Total Paid 22/05/2019 to 11/08/2022 £
Category 1				
Cost of Sales	-	-	14,479,839.49	14,479,839.49
Trading Expenses	-	500.00	5,111,591.19	5,111,591.19
Betteshanger Sustainable Park Ltd	-	-	61,502.91	61,502.91
Betteshanger Country Park Ltd	-	-	72,729.04	72,729.04
ERA Solutions Ltd	-	-	1,000.00	1,000.00
Debt Collection Fees	-	-	990.89	990.89
Pre-appointment Professional fees	-	(282.00)	16,199.40	16,199.40
Saplings Sale Costs	-	-	10,000.00	10,000.00
Specialist Property Agents' Fees	-	-	88,659.60	88,659.60
Agents' Fees	-	1,200.00	2,850.00	2,850.00
EA Consulting Costs	-	-	25,516.40	25,516.40
Property Agents' Fees	-	-	172,048.07	172,048.07
Property Agents' Disbs	-	-	1,358.98	1,358.98
Legal Fees	-	31,891.92	928,799.69	928,799.69
Legal Disbs	-	265.50	14,874.85	14,874.85
Irrecoverable VAT	-	-	1,152,726.44	1,152,726.44
Forensics Fees	-	-	45,000.00	45,000.00
Forensics Disbursements	-	-	124.30	124.30
Stationery & Postage	-	783.40	7,937.94	7,937.94
EA Estates Maintenance	-	-	1,296,351.00	1,296,351.00
Statutory Advertising	-	-	3,635.59	3,635.59
Insurance	-	-	398,613.86	398,613.86
PR Costs	-	-	8,123.75	8,123.75
*Storage Costs	-	1,844.73	22,820.07	-
Bank Charges	-	-	4,330.03	4,330.03
Third Party - Agents Fees	-	-	350.00	350.00

*Certain storage costs totalling £22,820 have been paid by BDO LLP on behalf of the College. These are to be repaid to BDO LLP in the Liquidation.

A summary of the professional costs incurred as part of the Administration are summarised as follows:

ERA Solutions Limited

ERA Solutions Limited were engaged to assist us with regards to the employee consultation process as part of the Merger Transactions.

Debt Collection Fees

Credebt have been paid £991 plus VAT. Credebt were engaged to assist with the recovery of the outstanding debtor ledger. In accordance with the terms of the engagement, Credebt's fees are based on a percentage of the realisations that they recover.

Specialist Property Agents Fees & Disbursements

Peter Marsh Consulting Limited have been paid £37,710 plus VAT for undertaking a review of the education provision, specifically the curriculum, with a view to identifying potential efficiencies and non-core assets that, subject to negotiation, could be excluded from the Merger Transactions.

Real Estate Advisory have been paid £50,950 plus VAT for assisting with the valuation and disposal strategy of the College's assets which were of not required for the ongoing provision of education services.

Agent's/Property Agents Fees & Disbursements

Following a tendering process, Knight Frank were engaged to formulate a marketing strategy and to manage any sale process in relation the College's interest in Court Lane. Initial work has been conducted on a time costs basis, but future costs will be fixed as a percentage of realisations or on a similar basis.

Knight Frank have been paid £33,580 plus VAT for assisting with the marketing and disposal of the College's remaining land and buildings which were excluded from the merger transactions.

Lambert Smith Hampton were engaged to complete an inventory and valuation of all non-property assets, which were used for the Merger Transactions.

Lambert Smith Hampton, along with Crossley Consult Limited, were also engaged to assess, arrange and monitor urgent rectification works that were needed to the glass atrium and staircase at the Ashford Campus.

Lambert Smith Hampton have been paid £44,437 and Crossley Consult Limited have been paid £900 plus VAT in respect of the above.

Savills UK have been paid £41,903 plus VAT and Eddison's have been paid £845 plus VAT in respect of valuing the College's property assets in order to provide an independent view on their potential value and the basis for that value.

EB7 have been paid £31,380 plus VAT in respect of undertaking a energy performance certification across all of the College's buildings, as required as part of the Merger Transactions.

On Architecture have been paid £3,125 plus VAT for assisting with the College's ongoing interest in the Court Lane site.

Legal Fees and Disbursements

Womble Bond Dickinson have been paid £791,189 plus VAT. Womble Bond Dickinson were engaged to provide legal support to the JEAs. This is briefly summarised as follows:

- Providing legal advice with regards to on-going trading matters;
 - Reviewing and providing legal advice in connection with certain contracts entered into by the College prior to our appointment;
 - Providing legal support with regards to our investigations into the College/relevant persons;
 - Assisting with the extension of the Lease with New Saplings;
 - Assisting and preparing the contracts of sale for certain parcels of land;
-

- Providing advice and assistance with regards to the Witness Statements and court applications for our fees/expenses etc and liaising with Counsel as and when required with regards to the above;
- Providing legal advice in connection with the proposed exit strategy;
- Assisting with the preparation of the Witness Statement/Supplemental Witness Statement and supporting appendices for the court hearing held on 11 August 2022;
- Liaising with counsel with regards to the exit process and the Witness Statement/Supplemental Witness Statement; and
- Providing ad hoc advice as and when required with regards to the Education Administration.

Brown Rudnick have been paid £37,633 plus VAT. Brown Rudnick were engaged to assist the JEAs in relation to the following matters:

- Advice in relation to certain overage agreements;
- Advice in connection with the security documentation required to conclude the Merger Transactions; and
- Advice in connection with the funding agreements for the Administration and subsequent Liquidation.

Brachers LLP have been paid £104,865 plus VAT. Brachers LLP were the College pre-appointment solicitors. Given their historic corporate knowledge, Brachers were retained by the JEAs to assist with certain ongoing legal matters following the appointment.

Gowling WLG have been paid £9,570 plus VAT. Gowling WLG were engaged to assist with the preparation and granting of the Court Lane lease to NKC.

Mishcon de Reya have been paid £13,475 plus VAT. Mishcon de Reya were engaged to provide advice and support to the College in respect of a particular matter arising from our investigatory work.

Cripps Pemberton Greenish LLP have been paid £8,330 plus VAT. Cripps Pemberton Greenish LLP were engaged to provide advice on certain documentation required to formalise the operational interdependencies between the College and Hadlow Rural Community School, whose campus is part of the Hadlow Campus.

Erskine Chamber, legal counsel, have been paid £8,125 plus VAT. Erskine Chamber were engaged to provide advice to the Joint Education Administrators in respect of our ongoing investigations and the court applications.

AON Risk Services

Following the appointment of the JEAs, AON Risk Services (our specialist insolvency brokers), were engaged to carry out a detailed inspection of the College's campuses, land and buildings etc. This was necessary to ensure the existing processes and procedures were compliant and any recommendations or changes were implemented following the appointment.

AON have been paid c£456k in respect of the costs of undertaking the inspection, providing recommendations, implementing requirements (where necessary) and providing ongoing support whilst the College continued to trade. These costs are included in the "EA Estates Maintenance" in the receipts and payments account.

SS&A

SS&A were engaged to undertake certain health and safety work which was identified as part of the health and safety review and recommendations proposed by AON Risk Services. This included gas testing and

management reports, electrical testing and management reports, fire alarms and emergency lighting management and reports and boiler appraisals etc.

SS&A were paid c£44k in respect of the above works pursuant to a fee quote agreed with the JEAs. These costs are included in the "EA Estates Maintenance" in the receipts and payments account.

Other Expenses

The other expenses referred above are largely self-explanatory.

Transfer of surplus funds to Liquidators

As the College has moved to Compulsory Liquidation, the Liquidation bank account will need to be opened with the Insolvency Services Account. Funds held in the Administration bank account will therefore be transferred to the Liquidation bank account once the Insolvency Services bank account has been opened.

APPENDIX F

SEALED COURT ORDER



CR-2019-003244

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

INSOLVENCY AND COMPANIES LIST (ChD)

IN THE MATTER OF THE CORPORATION OF HADLOW COLLEGE (a further education corporation) (in education administration)

AND IN THE MATTER OF THE TECHNICAL AND FURTHER EDUCATION ACT 2017

AND IN THE MATTER OF THE EDUCATION ADMINISTRATION RULES 2018

BEFORE ICC JUDGE JONES

11 AUGUST 2022

**WILLIAM MATTHEW HUMPHRIES TAIT, FRANCIS GRAHAM NEWTON
and DANNY NICOLAAS WILLIAM DARTNAILL
(as education administrators of The Corporation of Hadlow College (in education administration))
(Applicant)**

ORDER

UPON THE APPLICATION of the above named Applicant in respect of the Corporation of Hadlow College of Hadlow, Tonbridge, Kent, TN11 0AL (in education administration) c/o BDO LLP, 55 Baker Street, London W1U 7EU ("the College")

AND UPON HEARING counsel, Miss Eleanor Temple, for the Applicant

AND UPON READING the sixth witness statement of William Matthew Humphries Tait dated 27 June 2022 and exhibit thereto, and the first witness statement of Francis Graham Newton dated 5 August 2022 and exhibit thereto

AND UPON reading the letters to all known creditors of the College dated 15 June 2022 and 20 July 2022

AND UPON Marpaul Southern Limited, a creditor of the College attending the hearing but not making any representations

AND UPON the creditors of the College not objecting to the relief sought and no other creditor of the College attending or being represented at the hearing

AND UPON the Secretary of State ("SoS") confirming by way of a letters dated 20 June 2022 that it does not object to the remuneration application and that the SoS will fund the Remuneration fixed and approved by the court in accordance with the Third Funding Agreement dated 26 April 2021 and that the SoS consents to the application to end the administration

IT IS ORDERED THAT:

1. The Applicants' appointment as joint education administrators shall cease to have effect pursuant to paragraph 79(1) of Schedule B1 to the Insolvency Act 1986 (the "Act") (as applied by paragraph 1 of Schedule 3 to the Technical and Further Education Act 2017 ("TFEA") and as modified by paragraph 23 of Schedule 3 to TFEA) with immediate effect;

2. The Applicants be discharged from liability in respect of any action as education administrators pursuant to paragraph 98(1) of Schedule B1 to the Act (as applied by paragraph 1 of Schedule 3 to TFEA and as modified by paragraph 30 to Schedule 3 to TFEA) 28 days after filing their final report to creditors;
3. The College is wound up and pursuant to paragraph 79(4)(d) of Schedule B1 to the Act (as applied by paragraph 1 of Schedule 3 to TFEA and as modified by paragraph 23 of Schedule 3), and pursuant to the court's inherent jurisdiction and section 140 of the Act (as applied by section 6 of TFEA) , William Matthew Humphries Tait, Mark Patterson and Danny Nicolaas William Dartnaill ("**Joint Liquidators**") are appointed as joint liquidators of the College;
4. Any act required or authorised under any enactment to be done by a liquidator may be done by any or all of the Joint Liquidators pursuant to Section 231 of the Act;
5. The Applicants' remuneration from 24 April 2021 to 11 August 2022 ("**Remuneration**") is fixed and approved for payment pursuant to Rule 6.10(3) of The Education Administration Rules 2018 in the sum of £260,749.30 plus VAT;
6. The Applicants are entitled to receive the Remuneration forthwith.
7. The Applicants' pre-administration expenses in the sum of £4,089 (plus VAT) as detailed in the Witness Statement of Francis Graham Newton are approved for payment pursuant to Rule 6.11 EAR 2018. Any defect or irregularity in the payment of this sum prior to this approval is waived pursuant to Rule 4.41 EAR 2018;
8. The Applicants' cost of and occasioned by this Application shall be paid as expenses of the education administration pursuant to rule 3.36(1) of the Education Administration Rules 2018 out of the assets of the College.

The applicant's address for service is:

Womble Bond Dickinson (UK) LLP, 6th Floor, 1 Whitehall Riverside, Leeds,
LS1 4BN, Ref: BDO/2.23.

