



For further information, please  
refer to our guidance at  
[www.gov.uk/companieshouse](http://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 W1U 7EU

County/Region

Postcode

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.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	<sup>d</sup> 2	<sup>d</sup> 2	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 1
To date	<sup>d</sup> 2	<sup>d</sup> 1	<sup>m</sup> 0	<sup>m</sup> 5	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2

### 7 Progress report

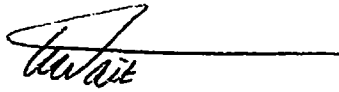
☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X



X

Signature date

<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 0	<sup>m</sup> 6	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 2	<sup>y</sup> 2
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**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 **William Matthew Tait**

Company name **BDO LLP**

Address **55 Baker Street**

**London**

Post town **W1U 7EU**

County/Region

Postcode

Country

DX

Telephone **+44 (0)207 486 5888**

**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 the required documents.
- ☐ You have signed the form.

**Important information**

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

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

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**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://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. ①  
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

① 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 22/11/2021 To 21/05/2022 £	From 22/05/2019 To 21/05/2022 £
POST APPOINTMENT SALES		
ESFA Trading Receipts	NIL	9,380,177.04
Non-ESFA Education Income	NIL	2,277,338.34
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	(4,817.36)	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	2,347.00	445,129.42
	(2,470.36)	29,264,702.38
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	12,518.90	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
	(12,518.90)	(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	2,216.50	1,061,440.55
Education Related Costs	6,060.00	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	500.00	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
	(8,776.50)	(5,111,091.19)
TRADING SURPLUS/(DEFICIT)	(23,765.76)	9,673,771.70

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

Statement of Affairs £		From 22/11/2021 To 21/05/2022 £	From 22/05/2019 To 21/05/2022 £
5,575,000.00	FIXED CHARGE ASSETS		
	Hadlow Main Campus East	NIL	NIL
	Rental Income	8,000.00	8,000.00
		8,000.00	8,000.00
(5,663,000.00)	FIXED CHARGE CREDITORS		
	Barclays Bank PLC	NIL	4,500,000.00
		NIL	(4,500,000.00)
728,000.00	HP ASSETS		
(917,000.00)	Motor Vehicles	NIL	22,000.00
	HP Settlements	NIL	NIL
		NIL	22,000.00
	ASSET REALISATIONS		
	Betteshanger Country Park Limited	NIL	621,981.00
1,077,000.00	Cash at Bank	795.27	1,098,825.90
1,319,000.00	Debtors	2,117.17	23,901.34
	Insurance Refund	NIL	10,616.96
	Interest Gross	219.74	3,066.86
12,660,000.00	Land & Buildings	280,000.00	280,000.00
561,000.00	Plant & Equipment	NIL	NIL
12,296,000.00	Rental Income	NIL	NIL
	Saplings Licence	NIL	1.00
	Saplings Sale Proceeds	NIL	1.00
	Shares & Investments	391.67	391.67
651,000.00	Stock	NIL	NIL
	Trading Surplus/(Deficit)	(23,765.76)	9,673,771.70
		259,758.09	11,712,557.43
	COST OF REALISATIONS		
	Administrators' Fees	NIL	2,571,884.75
	Agents' Fees	NIL	1,650.00
	Bank Charges	1,319.27	4,330.03
	Betteshanger Country Park Ltd	NIL	72,729.04
	Betteshanger Sustainable Park Ltd	NIL	61,502.91
	Debt Collection Fees	NIL	986.69
	EA Consulting Costs	NIL	25,516.40
	EA Estates Maintenance	NIL	1,296,351.00
	ERA Solutions Ltd	NIL	1,000.00
	Forensics Disbursements	NIL	124.30
	Forensics Fees	NIL	45,000.00
	Insurance	7,366.31	398,613.86
	Irrecoverable VAT	NIL	1,152,726.44
	Legal Disbs	56.00	14,609.35
	Legal Fees	65,407.36	894,979.77
	PR Costs	NIL	8,123.75
	Pre-appointment Professional fees	NIL	16,481.40
	Property Agents' Disbs	NIL	1,358.98
	Property Agents' Fees	8,390.00	162,963.57
	Saplings Sale Costs	NIL	10,000.00
	Specialist Property Agents' Fees	NIL	88,659.60
	Stationery & Postage	NIL	7,154.54
	Statutory Advertising	NIL	3,635.59
	Storage Costs	521.67	1,042.27
	Third Party - Agents' Fees	350.00	350.00

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

Statement of Affairs £		From 22/11/2021 To 21/05/2022 £	From 22/05/2019 To 21/05/2022 £
		(83,410.61)	(6,841,774.24)
	PREFERENTIAL CREDITORS		
(474,000.00)	Arrears & Pay	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(1,067,000.00)	Accruals	NIL	NIL
(178,000.00)	Arrears of contributions	NIL	NIL
(142,000.00)	Deferred Income	NIL	NIL
(124,000.00)	Deposits	NIL	NIL
(13,757,000.00)	Funding Bodies	NIL	NIL
(101,000.00)	Hadlow PIF Ltd	NIL	NIL
(24,000.00)	Kent Mining Heritage Fund	NIL	NIL
(9,094,000.00)	LGPS defined benefit scheme deficit	NIL	NIL
(576,000.00)	Salix	NIL	NIL
(1,067,000.00)	Trade & Expense Creditors	NIL	NIL
(336,000.00)	University of Greenwich	NIL	NIL
(454,000.00)	Unsecured N.I.C.	NIL	NIL
(1,597,000.00)	Unsecured V.A.T.	NIL	NIL
(258,000.00)	Weleyan Bank	NIL	NIL
(3,867,000.00)	West Kent & Ashford College	NIL	NIL
		NIL	NIL
(4,829,000.00)		184,347.48	400,783.19
	REPRESENTED BY		
	EA Current Account		432,459.34
	Input VAT		7,961.28
	Output VAT		(57,600.00)
	Potential Third Party Receipts		(1,772.90)
	Third Party Funding		95,580.00
	Third Party Funds Received		(96,000.00)
	Trade Creditors		(15,495.80)
	Trading Account No.2		0.01
	VAT Control Account		35,651.26
			400,783.19

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.

TO ALL CREDITORS

15 June 2022

Our Ref 00294470/WMT/MM/DF/C3

Please ask for David Forster  
Tel: 0151 237 4530  
Email:  
BRCMTLondonandSouthEast@bdo.co.uk

Dear Madams/Sirs

The Corporation of Hadlow College – In Education Administration (“the College”)

As you are aware, Francis Graham Newton, Danny Nicolaas William Dartnaill and I were appointed Joint Education Administrators of the College on 22 May 2019.

In accordance with Rule 3.13 of The Education Administration Rules 2018 (“TEAR 2018”), we provide below our report on the progress made in the Education Administration during the period from 22 November 2021 to 21 May 2022 (“the Reporting Period”).

The purpose of this report is to provide an update on the steps taken by us in implementing the Joint Education Administrators’ Statement of Proposals (“the Proposals”), achieving the Statutory Objective of the Education Administration and moving the Education Administration to Compulsory Liquidation via a court application.

Please note that we do not intend to report in detail on matters that have been previously disclosed to creditors. As such, this report should be read in conjunction with the Proposals and the previous progress reports which are available on the creditor portal. Please also refer to the Proposals for definitions of capitalised terms used in this report.

## 1 Statutory Information

The College is a body corporate established on 28 September 1992 under section 15 of the Further and Higher Education Act 1992 with its UKPRN being 10002843. As at the date of our appointment its primary educational site was at Tonbridge Road, Hadlow, Kent TN11 0AL (“the Hadlow Campus”). Provision was also delivered at campuses in Nottingham, Canterbury, Greenwich, Princess Christian Farm and Blackmans Dairy Farm.

On 14 May 2019, the Secretary of State for Education filed a petition at the High Court of Justice, Business and Property Courts of England and Wales, for an order placing the College into Education Administration. The court reference number is 003244 of 2019.

At a hearing held on 22 May 2019, the court made an order (“the Order”) placing the College into Education Administration and appointing Mr Newton, Mr Dartnaill and Mr Tait as Joint Education Administrators (“the JEAs”) with effect from the date of the Order.

The JEAs’ full details are William Matthew Humphries Tait (officeholder number: 9564) of BDO LLP, 55 Baker Street, London, W1U 7EU, Francis Graham Newton (officeholder number: 9310) of BDO LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL and Danny Nicolaas William Dartnaill (officeholder: 10110) of BDO LLP, Level 12, Thames Tower, Reading, Berkshire, RG1 1LX.



Under the provisions of the Order, the JEAs carry out their functions jointly and severally, meaning any action can be done by one Education Administrator or by all of them.

## 2 Joint Education Administrators' receipts & payments account

We attach at Appendix 1 a summary of our receipts and payments account showing transactions in the Reporting Period and the cumulative position as at 21 May 2022.

Receipts and payments in the Education Administration total c£31.3m and c£30.9m respectively. This includes receipts and payments of c£289k and c£105k respectively in the Reporting Period.

A summary of the key receipts and payments made in the Reporting Period is provided later in this report.

## 3 Progress and trading during the Education Administration

### Summary

The JEAs' primary duty is to meet the Statutory Objective, summarised as follows:

- 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.

The JEAs' overriding strategy has been to operate the College whilst implementing the recommendations of the Further Education Commissioner ("FEC").

Following the completion of the transactions with Caple Manor College ("CMC"), North Kent College ("NKC") and East Kent College Group ("EKCG") ("the Merger Transactions"), we consider the Statutory Objective has been substantially met.

As the majority of post transaction matters have now concluded, the JEA's propose to make an application to the court to end the Education Administration and place the College into Compulsory Liquidation. This will facilitate the conclusion of the remaining matters.

### Steps taken to achieve the Statutory Objective

In accordance with our previous progress reports, we have set out in detail the steps taken by us to achieve the Statutory Objective including, most pertinently, the completion of the Merger Transactions of the College's Canterbury Campuses with EKCG the College's Mottingham Campus with CMC and the Colleges' Hadlow Campus with NKC.

Our comprehensive explanation of the steps taken with regards to the Merger Transactions were detailed in our previous progress reports. This can however be briefly summarised as follows:

- Focussed due diligence of the Merger Parties' financial proposals;
- Conducted extensive and detailed transition, integration and implementation planning and addressed a number of complex and diverse matters that were critical to each of the Merger Transactions;

- Regular governance reviews;
- Implementation of health and safety compliance investigations and remediation work;
- Worked collaboratively with the regulator and other key stakeholders in matters of operational performance, education performance and the progression and project management of the Education Administration; and
- The completion of the Merger Transactions with EKC, CMC and NKC.

#### Finalisation of Merger Transactions and trading

The JEAs' team have now substantially finalised the regulatory, financial and administrative matters relating to the Education Administration trading period and the transition to CMC, NKC and EKC.

This has included reconciling outstanding supplier invoices and paying amounts due for the periods to the dates of the respective Merger Transactions.

In the Reporting Period, receipts totalling £10,347 have been received from rental income and local authorities (in respect of High Needs Income). However, in view of the timing of these receipts we are reviewing the local authority receipts to ascertain whether they have been paid to the College in error and need to be returned to the payer.

Certain trading costs have been paid in the Reporting Period totalling £21,295. Further information detailing the costs paid in the Reporting Period are provided later in this report.

We are also complying with our ongoing statutory requirements, in accordance with the General Data Protection Regulation ("GDPR"), for the retention of certain College records.

#### 4 Assets realised in the Reporting Period

We refer you to the Proposals and our previous reports for a full explanation of the assets owned by the College and the actions taken by the JEAs to realise those assets.

A summary of the assets that have been realised in the Reporting Period are detailed as follows:

##### Rental Income

Rental income totalling £8,000 has been received in the Reporting Period from Saplings Rural Day Nursery Limited and Victoria Farm Limited.

##### Cash at Bank

The College operated several bank accounts which were in credit when we were appointed JEAs.

Shortly after our appointment, we requested the majority funds to be transferred to the JEAs bank account.

In order to avoid any disruption to the College, certain pre-appointment bank accounts were retained to assist with the collection/payment of student/third party income.

The College's pre-appointment bank accounts have been closed and all remaining funds have been transferred to the JEAs. A realisation of £795 has been received in the Reporting Period.

#### Book Debts

According to the Statement of Affairs, book debts totalling £373k remained outstanding at the start of the Education Administration in relation to unpaid accommodation costs, tuition fees, employee loans and unpaid apprenticeship employer costs.

The JEAs instructed a specialist debt collection agency to assist with the collection. In performing that service, the debt collection agency has confirmed that a number of these debts had already been settled and the majority were disputed. Debts totalling £2,117 have been collected in the Reporting Period.

Based on the latest update from our debt collection agents, Credebt, future realisations are expected to be minimal.

We will continue to monitor the position with Credebt following the College's move to Compulsory Liquidation.

#### Bank Interest

Bank interest of £220 has been received in the Reporting Period.

#### Land & Property - Not Required for Long Term Future Educational Provision

Certain land and property assets owned by the College, including the land at Court Lane, Hadlow ("Court Lane"), were excluded from the Merger Transactions.

#### Court Lane

Court Lane was not required for education provision in the long term and a 2-year lease was granted to NKC to enable the ongoing provision of education services at the site prior to the provision moving to the Hadlow main campus.

We have engaged property agents, Knight Frank LLP ("Knight Frank"), to provide recommendations and progress the strategy to enhance the value of the land.

#### Remaining Parcels of Land

There were five parcels of land marketed for sale.

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.

Offers have been received in relation to the other four plots and these transactions are progressing.

Subject to timing, these sales will be concluded shortly or in the Compulsory Liquidation. Proceeds generated will be dispersed in the statutory order of priority.

#### Shares & Investments

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

Funds totalling £96,000 have been received from a third party to meet future funding requirements in connection with our ongoing investigations. As the funds are designated for a specific purpose and are refundable if not utilised for that purpose, they are not classed as an asset in the Education Administration and are therefore shown separately on face of the Receipts and payments account attached at appendix 1.

#### 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.

### 5 Outstanding matters in the Education Administration

A summary of the outstanding assets which will likely be realised in Compulsory Liquidation are:

#### Land & Property - Not Required for Long Term Future Educational Provision

As reported above, a two-year lease has been granted by the College to NKC. The lease is due to expire in September 2022.

Knight Frank are currently progressing a strategy to maximise the value of the land at Court Lane. This will be considered further in due course.

In addition to the land at Court Lane, the College owns a further four parcels of land which are being marketed for sale by Knight Frank, with transactions on a number of these due to conclude shortly.

#### Assets not sold as part of the Merger Transactions

##### Betteshanger Sustainable Park Limited ("BSPL")

The College has a non-preferential unsecured claim of c.£1.45m in the Liquidation of BSPL. The Joint Liquidators of BSPL have previously indicated that the College may receive a distribution from the Liquidation proceedings in the range of £220k to £380k.

This distribution is pending whilst the Joint Liquidators investigate other creditor claims.

##### Grove Farm Park Limited

The College has an unsecured non-preferential claim of c£666k against its wholly owned subsidiary, Grove Farm Park Limited (in administration) ("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 GFPL in December 2021, there may be sufficient funds available to pay a small dividend of c2p in the £ to its unsecured creditors. The expectation is that this will be paid within six months. The College may therefore receive a dividend of c13k.

#### 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.

#### Investigations

In addition to the assets detailed above, the benefit of any actions or potential claims available to the JEAs have been excluded from the Merger Transactions. The JEAs will continue to investigate whether there are any claims that can be pursued for the benefit of the College's estate whilst in Compulsory Liquidation.

### 6 Exit Process

The Education Administration can only end following an application to the court by either the Secretary of State for Education or the JEAs (with the approval of the Secretary of State for Education).

The JEAs' proposed exit route from Education Administration is Compulsory Liquidation and they will shortly be making an application to court to seek an order to move the College from Education Administration to Compulsory Liquidation.

This will enable the remaining assets/investigations to be realised/completed whilst the College is in Compulsory Liquidation.

This will have no impact on the ongoing education provision as this has been successfully transferred to CMC, EKCG and NKC.

### 7 Investigations

#### Company Directors Disqualification Act 1986

As reported previously, we submitted a confidential report to the Secretary of State with regard to the conduct of every relevant person in the three years prior to the commencement of the Education Administration.

#### Further investigations and cooperation with the Insolvency Service

In accordance with our previous progress reports, our investigations are continuing and will be concluded after the College has entered Compulsory Liquidation.

Creditors will be aware that this investigatory work and any legal actions give rise to complex issues of confidentiality and legal privilege. Consequently, we are unable to provide any detail on the specific work that we have performed or the potential outcome of that work.

#### Request to creditors

If any creditors hold any information that they believe may be of assistance to the JEAs in their investigations or wish to bring any matters to their attention that they believe merit investigation by the JEAs, please contact them at BDO LLP, 5 Temple Square, Temple Street, Liverpool, L2 5RH.

### 8 Potential outcome for creditors

#### Secured creditors

##### Barclays Bank PLC (“the Bank”)

As reported previously, to facilitate the Merger Transactions, the indebtedness to the Bank was repaid in full. As such, the Bank does not have a charge over the College’s assets.

The ESFA provided funds to settle the Bank’s indebtedness. In return, the College, acting by the JEAs, granted security to the ESFA over certain freehold assets including Court Lane and the five residual plots of land. The return to the ESFA is contingent on the value realised from these plots of land.

#### Preferential unsecured creditors

There are no preferential creditors in the Education Administration.

##### Prescribed Part (“the PP”)

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

#### Non-preferential unsecured creditors

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 unsecured creditors. We have not adjudicated the unsecured claims for dividend purposes.

#### 9 Post Appointment Accrued Costs of the Education Administration

The JEAs have engaged professionals to provide a range of services to support the College’s ongoing operations, the management of the Education Administration and to assist with completion of the Merger Transactions.

A schedule of costs incurred and paid to 21 May 2022 is provided at Appendix 4.

We are not required to seek approval of the payment of these costs but, for information purposes, we provide further comments below in relation to the services utilised in the Reporting Period.

##### Insurance and Estates Maintenance - Aon Risk Solutions and Steel Rivers Consultants (“SRC”)

Aon continue to insure the College’s interests in the remaining land and property.

AON have been paid £7,366 in the Reporting Period in respect of outstanding insurance premiums.

Additional insurance premiums will continue to accrue until a sale of the remaining land/properties registered to the College have concluded.

Legal Fees and disbursements - Womble Bond Dickinson LLP, Brown Rudnick LLP and Mishcon De Reya

Womble Bond Dickinson have been paid £59,095 in the Reporting Period (being legal fees of £59,039 and disbursements of £56). This relates to legal advice/support provided to us in the Reporting Period for assisting with a number of matters which includes the following:

- Consideration of the exit strategy;
- Ongoing GDPR related matters;
- Providing support in preparing the documentation required to be submitted to court for approval of the JEAs' remuneration;
- Preparing documentation to conclude the sale of the plot of land at West Corner together with the documentation required to conclude the other land sales;
- Advice relating to Court Lane; and
- Our ongoing investigations and legal action.

It is anticipated that further work will include supporting the ongoing investigations, assisting with the sale of the remaining property interests including Court Lane and providing support to prepare the necessary documentation to implement the exit strategy.

Brown Rudnick have been instructed in the Reporting Period to review the funding agreement will be implemented between the ESFA and the College after the proposed move to Compulsory Liquidation. Brown Rudnick have been paid £5,000 in the Reporting Period in respect of their time costs for the above.

Mishcon De Reya have been paid £1,368 in the Reporting Period in respect of legal advice/support with regards to a particular matter arising from the investigatory work being conducted by the JEAs.

#### Agents Fees

Fox Investigation Services Limited have been paid £350 in the Reporting Period for services provided to the JEAs as part of our ongoing investigation. This has been paid from the funds provided by the third party (referred above).

#### Property Agents Fees

Following a tendering process, Knight Frank were engaged to formulate a sales and marketing strategy in relation to the College's remaining land/property interests.

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 £8,390 in the Reporting Period.

### 10 Joint Education Administrators' Remuneration

As advised in our Proposals, the JEAs' remuneration should be fixed by reference to the time properly spent by the JEAs and their staff in attending to matters arising in the Education Administration.

We attach at Appendix 2 a schedule that shows the time costs incurred by the JEAs and their staff to 21 May 2022, together with our commentary on the costs incurred.

In summary, time costs of £2,778,939 have been incurred, which represents 14,773 hours spent at an average rate of £188 per hour.

The JEAs' remuneration must be fixed by the Court on receipt of an application made by the JEAs. The JEAs' remuneration totalling £2,571,885 was approved by the Court on 30 June 2020 and 29 April 2021. The DfE also provided its approval of the time costs in support of the Court applications.

A third application for a court hearing date will accompany the application to move from Education Administration to Compulsory Liquidation. at which the JEAs will seek approval of their remuneration to the date of the hearing. Approval will also be sought from the DfE.

Creditors will be given fourteen days' notice of this and any further applications to court and may make representations if they so wish. Any creditor representations will be reported to the court as part of the application process.

For your guidance, we also attach at Appendix 3 a document that outlines the current policy of BDO LLP in respect of fees (as noted previously our charge out rates have been agreed with the DfE) and disbursements.

#### 11 Joint Education Administrators' Disbursements

The JEAs have agreed with the DfE that BDO LLP staff related disbursements will not be directly recharged by the JEAs as this cost is agreed to be included within the agreed hourly charge out rates.

Other disbursements for third party costs, including storage, printing creditor circulars and statutory advertising, require Court approval.

Third party disbursements totalling £6,687 have been accrued to 21 May 2022. The JEAs will seek approval from the DfE and the court for these to be paid via the latest court application.

#### 12 Other matters

The JEAs are bound by the Insolvency Code of Ethics when carrying out all professional work relating to this appointment. A copy of the code is at <http://www.icaew.com/en/members/regulations-standards-and-guidance/ethics/code-of-ethics-d>.

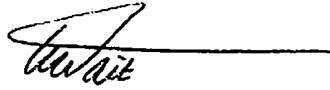
The Insolvency Service has established a central gateway for considering complaints in respect of Insolvency Practitioners. In the event that you make a complaint to the JEAs but are not satisfied with the response then you should visit <https://www.gov.uk/complain-about-insolvency-practitioner> where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

The affairs, business and property of the College are being managed by the Joint Education Administrators who act as agents to the College and contract without personal liability.



If you require any further information, please contact David Forster at [BRCMT@bdo.co.uk](mailto:BRCMT@bdo.co.uk).

Yours faithfully  
For and on behalf of  
The Corporation of Hadlow College



Matthew Tait  
Joint Education Administrator

W M H Tait and D N W Dartnaill are authorised by the Institute of Chartered Accountants in England and Wales in the UK.  
F G Newton is authorised by the Insolvency Practitioners Association in the UK.

**Enclosures:**

Appendix 1: Receipts and Payments Account  
Appendix 2: SIP 9 time cost report to 21 May 2022  
Appendix 3: BDO LLP Policy in respect of fees and disbursements  
Appendix 4: Schedule of the JEAs' post appointment accrued costs  
Appendix 5: Proof of debt form

Joint Education Administrators' receipts and payments account

Appendix 1

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

Statement of Affairs £	From 22/11/2021 To 21/05/2022 £	From 22/05/2019 To 21/05/2022 £
<b>POST APPOINTMENT SALES</b>		
ESFA Trading Receipts	NIL	9,380,177.04
Non-ESFA Education Income	NIL	2,277,338.34
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	(4,817.36)	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	2,347.00	445,129.42
	(2,470.36)	29,264,702.38
<b>COST OF SALES</b>		
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	12,518.90	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
	(12,518.90)	(14,479,839.49)
<b>TRADING EXPENSES</b>		
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	2,216.50	1,061,440.55
Education Related Costs	6,060.00	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	500.00	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
	(8,776.50)	(5,111,091.19)
<b>TRADING SURPLUS/(DEFICIT)</b>	<b>(23,765.76)</b>	<b>9,673,771.70</b>

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

Statement of Affairs £		From 22/11/2021 To 21/05/2022 £	From 22/05/2019 To 21/05/2022 £
	<b>FIXED CHARGE ASSETS</b>		
5,575,000.00	Hadlow Main Campus East	NIL	NIL
	Rental Income	8,000.00	8,000.00
		8,000.00	8,000.00
	<b>FIXED CHARGE CREDITORS</b>		
(5,663,000.00)	Barclays Bank PLC	NIL	4,500,000.00
		NIL	(4,500,000.00)
	<b>HP ASSETS</b>		
728,000.00	Motor Vehicles	NIL	22,000.00
(917,000.00)	HP Settlements	NIL	NIL
		NIL	22,000.00
	<b>ASSET REALISATIONS</b>		
	Betteshanger Country Park Limited	NIL	621,981.00
1,077,000.00	Cash at Bank	795.27	1,098,825.90
1,319,000.00	Debtors	2,117.17	23,901.34
	Insurance Refund	NIL	10,616.96
	Interest Gross	219.74	3,066.86
12,660,000.00	Land & Buildings	280,000.00	280,000.00
561,000.00	Plant & Equipment	NIL	NIL
12,296,000.00	Rental Income	NIL	NIL
	Saplings Licence	NIL	1.00
	Saplings Sale Proceeds	NIL	1.00
	Shares & Investments	391.67	391.67
651,000.00	Stock	NIL	NIL
	Trading Surplus/(Deficit)	(23,765.76)	9,673,771.70
		259,758.09	11,712,557.43
	<b>COST OF REALISATIONS</b>		
	Administrators' Fees	NIL	2,571,884.75
	Agents' Fees	NIL	1,650.00
	Bank Charges	1,319.27	4,330.03
	Betteshanger Country Park Ltd	NIL	72,729.04
	Betteshanger Sustainable Park Ltd	NIL	61,502.91
	Debt Collection Fees	NIL	986.69
	EA Consulting Costs	NIL	25,516.40
	EA Estates Maintenance	NIL	1,296,351.00
	ERA Solutions Ltd	NIL	1,000.00
	Forensics Disbursements	NIL	124.30
	Forensics Fees	NIL	45,000.00
	Insurance	7,366.31	398,613.86
	Irrecoverable VAT	NIL	1,152,726.44
	Legal Disbs	56.00	14,609.35
	Legal Fees	65,407.36	894,979.77
	PR Costs	NIL	8,123.75
	Pre-appointment Professional fees	NIL	16,481.40
	Property Agents' Disbs	NIL	1,358.98
	Property Agents' Fees	8,390.00	162,963.57
	Saplings Sale Costs	NIL	10,000.00
	Specialist Property Agents' Fees	NIL	88,659.60
	Stationery & Postage	NIL	7,154.54
	Statutory Advertising	NIL	3,635.59
	Storage Costs	521.67	1,042.27
	Third Party - Agents' Fees	350.00	350.00

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

Statement of Affairs £	From 22/11/2021 To 21/05/2022 £	From 22/05/2019 To 21/05/2022 £
	(83,410.61)	(6,841,774.24)
	<b>PREFERENTIAL CREDITORS</b>	
(474,000.00)	Arrears & Pay	NIL
		NIL
	<b>UNSECURED CREDITORS</b>	
(1,067,000.00)	Accruals	NIL
(178,000.00)	Arrears of contributions	NIL
(142,000.00)	Deferred Income	NIL
(124,000.00)	Deposits	NIL
(13,757,000.00)	Funding Bodies	NIL
(101,000.00)	Hadlow PIF Ltd	NIL
(24,000.00)	Kent Mining Heritage Fund	NIL
(9,094,000.00)	LGPS defined benefit scheme deficit	NIL
(576,000.00)	Salix	NIL
(1,067,000.00)	Trade & Expense Creditors	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
(258,000.00)	Weleyan Bank	NIL
(3,867,000.00)	West Kent & Ashford College	NIL
	NIL	NIL
<b>(4,829,000.00)</b>	<b>184,347.48</b>	<b>400,783.19</b>
	<b>REPRESENTED BY</b>	
	EA Current Account	432,459.34
	Input VAT	7,961.28
	Output VAT	(57,600.00)
	Potential Third Party Receipts	(1,772.90)
	Third Party Funding	95,580.00
	Third Party Funds Received	(96,000.00)
	Trade Creditors	(15,495.80)
	Trading Account No.2	0.01
	VAT Control Account	35,651.26
		<b>400,783.19</b>

**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.

## Commentary on the Receipts and Payments made in the Reporting Period

We refer you to our previous progress reports for commentary on income and expenditure made in the Education Administration prior to the Reporting Period.

A brief commentary as regards the receipts and payments made in the Reporting Period are as follows:

### Operational Receipts

#### High Needs Income

We have received two payments which we understand is income relating to high needs students. Given these receipts have been received significantly after the Merger Transactions, it is unclear whether these are an asset of the College or should have been paid to NKC. We are therefore liaising with representatives at NKC in this regard.

### Operational Payments

Following the finalisation of the apportionment process, the transitional support that we provided to NKC has come to an end. As such, operational payments made during the Reporting Period have been minimal, predominantly relating to the following:

- £4,817 - Repayment of monies due to Saplings Rural Day Nursery Limited which were held on account by us;
- £12,519 - Continued access to certain IT systems needed to support the JEAs ongoing work and learner reporting requirements in relation to the Education Administration and the costs for exporting a full back-up of the College's financial system to comply with our statutory duties;
- £2,217 - Settlement of invoices due as expenses of the Education Administration process;
- £6,060 - Student refunds and Employer incentive payments - payments made to employers of apprentices where funding had been received from the ESFA prior to the Merger Transaction with NKC but where employers had yet to provide bank account details. In addition to this amount, a small number of payments, totalling £2,000, remain unpaid as employers have still yet to provide bank account details. In the event we are unable to obtain relevant bank account details, remaining funds will be returned to the ESFA; and
- £500 - Settlement of an outstanding invoice for consultancy support provided as part of the finalisation of the financial administration and reporting requirements of operating the College.

### Other Payments made in the Reporting Period

A summary of the payments made in the Reporting Period are as follows:

- £1,319 - Bank charges;
- £7,366 - Insurance premiums;
- £56 - legal disbursements;
- £65,407 - Legal Fees;
- £8,390 - Property Agents Fees;
- £522 - storage costs; and
- £350 - Third Party Agents fees.

### VAT

As an education provider, the College is only able to recover limited amount of input VAT. As such, input tax incurred to 21 May 2022 of c£1.15m is irrecoverable.



Hadlow College - In Administration  
Detailed Time Charged and Rates Applicable for the Period to 21 May 2022

Description	Partner		Director		Senior Manager		Manager		Senior Associate		Grand Total		Average rate
	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	
<b>B. Steps on Appointment</b>													
01. Review Appointment Validity	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
02. Statutory Documentation	3.00	960.00	13.65	3,016.65	13.75	2,585.00	0.70	32.20	10.40	960.50	41.00	7,554.35	184.25
04. Meet Directors/Delors etc.	-	-	0.20	44.20	-	-	-	-	-	-	0.20	44.20	221.00
05. Initial Interviews	-	-	2.00	442.00	-	-	-	-	-	-	2.00	442.00	221.00
06. Third Party Discussions	8.50	2,720.00	16.65	3,679.65	4.00	752.00	-	-	-	-	29.15	7,151.65	245.34
07. Attendance at Premises	-	-	-	-	3.95	742.60	-	-	-	-	3.95	742.60	188.00
08. Detail Documentation Review	3.75	1,200.00	-	-	-	-	-	-	-	-	3.75	1,200.00	320.00
09. Preparation of Proposals	-	-	19.25	4,254.25	0.80	150.40	-	-	1.20	152.40	21.25	4,557.05	214.45
99. Other Matters	-	-	-	-	3.80	714.40	-	-	3.00	381.00	6.80	1,095.40	161.09
99. Other Matters	-	-	-	-	0.15	28.20	-	-	0.30	38.10	0.45	66.30	147.33
<b>B. Sub Total - Steps on Appointment</b>	<b>15.25</b>	<b>4,880.00</b>	<b>51.75</b>	<b>11,436.75</b>	<b>26.45</b>	<b>4,972.60</b>	<b>0.20</b>	<b>32.20</b>	<b>14.90</b>	<b>1,532.00</b>	<b>108.55</b>	<b>22,853.55</b>	<b>210.53</b>
<b>C. Planning and Strategy</b>													
01. Historic Performance Review	-	-	1.50	331.50	-	-	-	-	-	-	1.50	331.50	221.00
02. Review Financial Position	-	-	8.95	1,977.95	-	-	0.20	32.20	0.90	114.30	10.05	2,124.45	211.39
03. Review Bus. Process/Systems	-	-	0.50	110.50	0.25	47.00	4.20	676.20	4.10	520.70	9.05	1,354.40	149.66
04. Assessment of Management	1.50	480.00	0.75	165.75	1.70	319.60	-	-	0.85	107.95	4.80	1,073.30	223.60
05. Review Options Available	-	-	1.50	331.50	-	-	4.90	788.90	1.75	227.25	8.15	1,342.65	164.74
06. Meet Appointor/Committees	0.50	160.00	1.85	408.85	-	-	-	-	-	-	2.35	568.85	242.06
07. Strategy Planning	282.35	90,352.00	336.25	74,311.25	93.35	17,549.80	31.50	5,071.50	75.60	9,601.20	819.05	196,885.75	240.38
Reporting	-	-	1.10	243.10	-	-	7.25	1,167.25	4.30	546.10	12.65	1,956.45	154.66
12. Press/PR matters	1.50	480.00	-	-	-	-	-	-	-	-	1.50	480.00	320.00
13. General meetings	1.50	480.00	-	-	-	-	-	-	-	-	1.50	480.00	320.00
14. General discussions	5.25	1,680.00	-	-	-	-	-	-	-	-	5.25	1,680.00	320.00
99. Other Matters	1.50	480.00	9.05	2,000.05	1.00	188.00	0.70	112.70	5.75	721.25	18.00	3,502.00	194.56
<b>C. Sub Total - Planning and Strategy</b>	<b>294.10</b>	<b>94,112.00</b>	<b>361.45</b>	<b>79,880.45</b>	<b>96.30</b>	<b>18,104.40</b>	<b>48.75</b>	<b>7,848.75</b>	<b>93.25</b>	<b>11,833.75</b>	<b>893.85</b>	<b>211,779.35</b>	<b>236.93</b>
<b>D. General Administration</b>													
01. Insurance Matters	0.35	112.00	13.40	2,961.40	181.40	34,101.20	105.30	16,953.30	4.10	520.70	304.55	54,650.60	179.45
02. VAT	1.50	480.00	24.15	5,337.15	56.30	10,960.40	71.15	11,455.15	65.05	7,191.75	210.15	35,424.45	168.91
03. Taxation	0.35	112.00	87.85	19,414.85	2.95	554.60	0.60	96.60	6.75	857.25	96.50	21,035.30	213.56
04. Instruct/Liaise Solicitors	0.50	160.00	73.05	16,144.05	1.70	319.60	4.90	788.90	11.90	1,511.30	92.05	18,923.85	205.54
05. Investigations	82.58	26,425.60	83.75	18,508.75	146.21	27,446.60	0.25	40.25	545.60	68,192.40	858.39	140,853.60	164.09
06. Conduct Reports	50.25	16,080.00	19.50	4,309.50	2.95	554.60	1.00	131.00	2.10	266.70	75.80	21,341.80	281.55
07. Recovers/Payments Accounts	27.15	8,688.00	84.05	18,575.05	41.85	8,241.80	35.30	5,683.30	767.80	59,441.95	958.15	100,632.10	105.03
08. Remuneration Issues	0.30	96.00	58.20	12,862.20	63.35	11,909.80	0.50	80.50	6.55	831.85	128.90	25,780.35	200.00
09. Statutory Matters	0.10	32.00	49.45	10,928.45	9.90	1,861.20	1.65	216.15	4.55	554.65	65.65	11,592.45	207.04
10. Contractual Matters	-	-	1.25	276.25	-	-	4.00	644.00	2.50	317.50	7.75	1,237.75	159.71
11. Court Hearings	0.50	160.00	-	-	1.20	225.60	-	-	0.40	50.80	2.10	436.40	207.81
12. Press/PR Matters	1.50	1,120.00	135.60	29,967.60	9.85	1,851.80	-	-	-	-	148.95	32,939.40	221.14
13. General Meetings	25.50	8,160.00	97.85	21,624.85	11.85	2,227.80	20.50	3,300.50	72.75	9,239.25	228.45	44,552.40	195.02
14. General Discussions	6.45	2,064.00	83.40	18,431.40	34.95	6,570.60	44.10	7,100.10	19.95	2,496.90	108.85	36,663.00	194.14
15. Gen. Admin/Correspondence	12.65	4,048.00	178.50	39,448.50	69.45	13,056.60	146.25	23,388.75	928.47	109,226.38	1,335.33	189,168.23	141.66
16. Maintain Internal Files	-	-	-	-	1.85	347.80	-	-	16.85	2,139.95	18.70	2,487.75	133.03
99. Other Matters	-	-	-	-	0.10	18.80	-	-	1.80	228.60	1.90	247.40	130.21
<b>D. Sub Total - General Administration</b>	<b>211.68</b>	<b>67,737.60</b>	<b>990.00</b>	<b>218,790.00</b>	<b>639.86</b>	<b>120,292.80</b>	<b>435.50</b>	<b>69,878.50</b>	<b>2,457.13</b>	<b>263,267.93</b>	<b>4,734.17</b>	<b>739,966.83</b>	<b>156.30</b>



Hadlow College - In Administration

Detailed Time Charged and Rates Applicable for the Period to 21 May 2022

Description	Partner		Director		Senior Manager		Manager		Senior Associate		Grand Total		Average rate
	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	
<b>E. Assets Realisation / Dealing</b>													
01. Establishing Control	5.25	1,680.00	23.10	5,105.10	-	-	-	-	-	-	28.35	6,785.10	239.33
02. Evaluation/Reconciliation	-	-	1.30	287.30	4.75	893.00	0.60	96.60	21.20	2,692.40	27.85	3,969.30	142.52
03. Asset Tracing	1.75	560.00	-	-	0.10	18.80	0.20	32.20	1.50	444.50	5.55	1,055.50	190.18
04. Agent Instruction/Leasing	5.50	1,760.00	20.45	4,519.45	4.05	761.40	1.45	233.45	0.50	63.50	31.95	7,337.80	229.67
05. Sales Info. Preparation	133.25	42,640.00	632.55	140,014.55	417.80	78,546.40	191.90	30,895.90	227.00	28,829.00	1,603.50	320,925.85	200.14
06. Property Related Matters	41.00	13,760.00	169.90	37,547.90	15.60	2,932.80	15.60	2,511.60	6.20	757.40	250.30	57,509.70	229.76
07. Debt Collection	-	-	13.10	2,895.10	2.10	394.80	8.65	1,392.65	0.25	31.75	24.10	4,714.30	195.61
08. Dealing with Chattel Assets	0.20	64.00	6.90	1,524.90	0.80	150.40	2.65	426.65	-	-	10.55	2,165.95	205.30
09. Dealing with Other Assets	0.55	176.00	98.30	21,724.30	5.95	1,118.60	24.70	3,976.70	47.10	5,981.70	176.60	32,977.30	186.73
10. HP/Leasing Matters	0.55	176.00	0.70	44.20	-	-	8.05	1,296.05	37.10	4,711.70	45.90	6,227.95	135.69
12. Retention of Title	-	-	-	-	1.40	263.20	-	-	8.10	1,028.70	9.50	1,291.90	135.99
14. Sale of Business/Assets	98.45	31,504.00	1,096.20	242,260.20	126.40	23,763.20	24.55	3,952.55	99.20	12,598.40	1,444.80	314,078.35	217.39
99. Other Matters	2.00	640.00	9.25	2,044.25	27.80	5,226.40	0.60	96.60	1.25	158.75	40.90	8,166.00	199.66
<b>E. Sub Total - Assets Realisation / Dealing</b>	<b>290.50</b>	<b>92,960.00</b>	<b>2,072.25</b>	<b>457,967.25</b>	<b>606.75</b>	<b>114,069.00</b>	<b>278.95</b>	<b>44,910.95</b>	<b>451.40</b>	<b>57,297.80</b>	<b>3,699.85</b>	<b>767,205.00</b>	<b>207.36</b>
<b>F. Trading related matters</b>													
01. Establish Business Control	-	-	-	-	-	-	13.70	2,205.70	7.00	889.00	20.70	3,094.70	149.50
02. Trading/other Projections	-	-	7.80	1,723.80	4.25	799.00	0.10	16.10	8.40	1,066.80	70.55	3,605.70	175.46
03. Cashflow Forecasts	-	-	214.60	47,426.60	57.15	10,744.20	-	-	63.85	8,108.95	335.60	66,279.75	197.50
04. Hiring down the Business	-	-	0.35	77.35	0.75	141.00	-	-	-	-	1.10	218.35	198.50
05. Attendance at Premises	-	-	2.70	596.70	6.00	1,128.00	-	-	8.40	1,066.80	17.10	2,791.50	163.25
06. Monitor/Supervise Trading	58.75	18,800.00	494.20	109,218.20	157.30	29,572.40	559.80	90,127.80	474.25	60,229.75	1,744.30	307,948.15	176.55
07. Business Management	7.00	2,240.00	292.45	64,631.45	4.35	817.80	0.85	136.85	-	-	304.65	67,826.10	222.64
08. Trading Accounts	114.05	36,496.00	33.60	7,425.60	9.55	1,795.40	17.55	2,825.55	37.50	4,762.50	212.25	53,305.05	251.14
09. Business Closure	-	-	176.10	38,918.10	33.45	6,288.60	-	-	0.75	95.25	210.30	45,301.95	215.42
99. Other Matters	1.50	480.00	11.00	2,431.00	16.55	3,111.40	6.80	1,094.80	148.35	18,840.45	184.20	25,957.65	140.92
<b>F. Sub Total - Trading related matters</b>	<b>181.30</b>	<b>58,016.00</b>	<b>1,232.80</b>	<b>272,448.80</b>	<b>289.35</b>	<b>54,397.80</b>	<b>598.80</b>	<b>96,406.80</b>	<b>748.50</b>	<b>95,059.50</b>	<b>3,050.75</b>	<b>576,328.90</b>	<b>188.91</b>
<b>G. Employee Matters</b>													
01. Dealing with Trade Unions	-	-	1.15	254.15	39.90	7,501.20	11.15	1,795.15	0.40	28.40	52.60	9,578.90	182.11
02. Dealing with Employees	57.70	18,464.00	75.85	16,762.85	323.90	60,893.20	55.50	8,935.50	2.05	224.35	515.00	105,279.90	204.43
03. EPA matters	-	-	1.25	276.25	7.00	376.00	-	-	-	-	1.25	652.25	200.69
04. Pension Issues	0.65	208.00	144.28	31,884.78	21.15	3,976.20	38.25	6,158.25	7.75	984.25	212.08	43,211.48	203.76
99. Other Matters	-	-	4.45	981.45	8.10	1,522.80	1.10	177.10	37.35	4,743.45	51.00	7,426.80	145.62
<b>G. Sub Total - Employee Matters</b>	<b>58.35</b>	<b>18,672.00</b>	<b>226.98</b>	<b>50,161.48</b>	<b>395.05</b>	<b>74,269.40</b>	<b>106.00</b>	<b>17,046.00</b>	<b>47.55</b>	<b>5,980.45</b>	<b>833.93</b>	<b>166,149.33</b>	<b>199.24</b>

Hadlow College - In Administration  
Detailed Time Charged and Rates Applicable for the Period to 21 May 2022

Description	Partner		Director		Senior Manager		Manager		Senior Associate		Grand Total		Average rate
	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	Hrs	Total £	
H. Creditor Claims													
02. Secured Creditor	2.75	880.00	10.05	2,221.05	0.30	56.40	-	-	-	-	13.10	3,157.45	241.03
03. Preferential Creditors	-	-	-	-	-	-	-	-	1.75	120.75	1.75	120.75	69.00
04. Non-preferential Creditors	-	-	24.00	5,304.00	9.15	1,720.20	11.00	1,766.50	108.65	12,154.75	152.80	20,945.45	137.08
06. Other Creditors	-	-	0.90	198.90	-	-	0.20	32.20	-	-	1.10	231.10	210.09
99. Other Matters	-	-	-	-	-	-	0.95	152.95	12.75	1,619.25	13.70	1,772.20	129.36
H. Sub Total - Creditor Claims	2.75	880.00	34.95	7,723.95	9.45	1,776.60	12.15	1,951.65	123.15	13,894.75	182.45	26,226.95	143.75
I. Reporting													
01. Statutory Reporting	39.10	12,512.00	35.30	7,801.30	3.00	564.00	6.10	874.10	49.15	5,336.55	132.65	27,087.95	204.21
02. Reporting to Appointor	106.60	14,112.00	768.00	59,278.00	51.85	9,747.80	4.75	764.75	111.20	14,376.40	544.40	118,278.95	217.17
03. Reporting to Committee	-	-	2.15	475.15	-	-	-	-	-	-	2.15	475.15	221.00
04. Reporting to Creditors	22.00	7,040.00	208.45	48,067.45	110.35	20,745.80	-	-	15.85	1,981.45	356.65	75,834.70	212.63
05. Reporting to Court	0.75	240.00	26.95	5,955.95	4.00	752.00	3.30	531.30	36.00	4,499.50	71.00	11,978.75	168.71
06. Reporting to other bodies	40.50	12,960.00	25.00	5,525.00	3.35	629.80	5.25	845.25	19.05	2,419.35	93.15	22,379.40	240.25
99. Other Matters	-	-	-	-	2.35	441.80	2.70	414.70	1.75	222.25	6.80	1,098.75	161.58
I. Sub Total - Reporting	208.95	66,864.00	565.85	125,052.85	174.90	32,881.20	27.10	3,450.10	235.00	26,835.50	1,206.80	257,083.45	213.03
J. Distribution & Closure													
01. Closure Planning	9.50	3,040.00	1.60	351.60	-	-	8.95	1,440.95	-	-	20.05	4,834.55	241.12
03. Contentious Investigation	-	-	-	-	-	-	-	-	-	-	-	-	#DIV/0!
04. Closure Documentation	-	-	0.25	55.25	0.40	75.20	14.15	2,278.15	11.40	786.60	26.20	3,195.20	121.95
05. Closure Meetings	-	-	-	-	1.50	282.00	-	-	0.70	88.90	2.20	370.90	168.59
06. Closing Statutory Duties	-	-	-	-	-	-	2.35	348.35	-	-	2.35	348.35	148.23
99. CVA Planning	-	-	11.75	2,596.75	-	-	-	-	-	-	11.75	2,596.75	221.00
J. Sub Total - Distribution & closure	9.50	3,040.00	13.60	3,005.60	1.90	357.20	25.45	4,067.45	12.10	875.50	62.55	11,345.75	181.39
	1,277.38	407,161.60	5,349.63	1,226,467.13	2,240.01	421,121.00	1,527.90	245,612.40	4,182.98	478,577.18	14,772.89	2,778,939.30	188.11
Net Total											£2,778,939.30		



The table above is a summary of the JEAs' time costs incurred from 22 May 2019 to 21 May 2022.

In the following pages we provide a summary of the key areas of work that we have completed to date.

#### A Pre Appointment

Work undertaken prior to the JEAs' appointment was disclosed in section 12 of the Proposals.

#### B Steps upon Appointment

Steps undertaken following the appointment related to the following:

- 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 Education Administration, this work was primarily led and implemented by directors, senior managers and managers, with appropriate work delegated to staff below manager level.

#### C Planning and Strategy

Time costs incurred under this heading relate to the following:

- 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 EAAG and EAWG 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 Education Administration; and
- 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).

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 Education 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.

#### D General Administration

General administration covers a wide range of categorised which are summarised as follows:

- Reviewing and regularising affairs regarding insurance;

- VAT and taxation;
- Undertaking investigations regarding the conduct of the former governors and senior post holders and reporting thereon;
- Work in relation to the structuring and taking of legal and other recovery actions;
- 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.; and
- Dealing with 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.

## **E      Asset Realisation/Management**

Time costs incurred in respect of Asset Realisations/Management relate to the following matters:

- 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; and
- Liaising with Knight Frank regarding the strategy for marketing the remaining small parcels of land that were excluded from the Merger Transactions and considering offers received.

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.

## F Trading Related Matters

Time costs incurred in respect of trading related matters can be summarised as follows:

- Embedding and developing further controls into the College's pre-existing procedures;
- Overlaying specific Education Administration assumptions in the College's cash flow forecast;
- Providing a team of 12 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.

## G Employee Matters

Time costs incurred in dealing with employee related matters can be summarised as follows:

- Managing c.440 employees;
- Attending periodic meetings at the College's various campuses;
- Providing an open forum for employees to raise questions about the Education 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 Nottingham 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.

## H Creditor Claims

Time costs incurred in this matter relate to receiving and recording creditor claims 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 the assistant managers and support staff with additional support provided by senior managers and/or directors where appropriate.

## **I        Reporting**

We have incurred time costs in respect of the above for dealing with the following matters:

- Preparing the JEAs' statement of proposals;
- Periodic progress reports to creditors regarding the progress of the Education 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 Education 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.

## **J        Distribution and Closure**

- Closure planning/consideration of the likely outcome of the Education Administration, including obtaining approval from discharge from liability;
- Liaising with our solicitors to understand/agree the process for ending the Education Administration;
- Liaising with the Secretary of State for Education with regards to exiting the Education Administration and moving the College to Compulsory Liquidation; and
- Preparing the annual and final progress reports and appendices.

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. They are however statutory duties imposed by the relevant legislation.



BDO LLP Policy in respect of fees and disbursements



## The Corporation of Hadlow College – In Education Administration

### Schedule of BDO LLP's agreed charge out rates

In accordance with best practice, we provide below the details of the policies of BDO LLP in respect of fees for work in relation to the above insolvency.

The charge out rates per hour of staff within our firm who may be involved in working on the insolvency, have been agreed with the DfE as follows:

Grade	£ per hour
Partner	320
Director	221
Senior Manager	188
Manager	161
Senior Associate	127 or lower

This in no way implies that staff at all such grades will work on the case. The rates charged by BDO LLP for this engagement will be fixed for the entirety of the Education Administration.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. Units of time can be as small as 3 minutes. BDO LLP records work in respect of insolvency work under the following categories:-

Pre Appointment  
Steps upon Appointment  
Planning and Strategy  
General Administration  
Asset Realisation/Management  
Trading Related Matters  
Employee Matters  
Creditor Claims  
Reporting  
Distribution and Closure  
Other Issues

Under each of the above categories the work is recorded in greater detail in subcategories. Please note that the 11 categories provide greater detail than the six categories recommended by the Recognised Professional Bodies who are responsible for licensing and monitoring Insolvency Practitioners.

Where an officeholder's remuneration is approved on a time cost basis the time invoiced to the case will be subject to VAT at the prevailing rate.

The JEAs' remuneration must be fixed by the Court upon application by the JEAs. Creditors must be provided at least 14 days' notice of any such application. The application will provide a breakdown of the remuneration drawn and will enable the recipients to see the average rates of such costs. Please note that whilst the JEAs' time costs are not subject to creditor approval, we will provide this information in our periodic reports.

### Other Costs

In accordance with our agreement with the DfE, no BDO LLP staff related disbursements (including travel, accommodation and subsistence) are being directly recharged by BDO LLP to the DfE or the insolvent estate.

Where BDO LLP has met a specific cost in respect of the insolvent estate and payment has been made to a third party, this disbursement will be recharged to the insolvent estate. Such expenses may





include items such as advertising, couriers, land registry searches, payment of a supplier to the College or professional advisor to the JEAs, etc. In each case the recharge will be reimbursement of the specific expense incurred. However, for the avoidance of doubt, this would not include the specifically excluded items referred to above.

Where applicable, all disbursements will be subject to VAT at the prevailing rate.

BDO LLP



Schedule of the Joint Education Administrators' post appointment accrued costs

Appendix 4

The Corporation of Hadlow College – In Education Administration

Schedule of accrued pre and post appointment expenses (net of VAT unless stated otherwise)

Advisor	Incurred to 21 May 2022	Paid to 21 May 2022	Outstanding as at 21 May 2022	Future estimated costs
<b>Pre-appointment</b>				
Brachers LLP	£6,733 (Gross)	£6,733 (Gross)	Nil	Nil
Real Estate Advisory Services	£4,477 (Gross)	£4,477 (Gross)	Nil	Nil
AON Risk Solutions (Health and Safety)	£900 (Gross)	£900 (Gross)	Nil	Nil
Reed Smith LLP	£4,371 (Gross)	£4,371 (Gross)	Nil	Nil
<b>Total pre-appointment expenses</b>	<b>£16,481 (Gross)</b>	<b>£16,481 (Gross)</b>	<b>Nil</b>	<b>Nil</b>
<b>Post appointment</b>	<b>Incurred to 21 May 2022</b>	<b>Paid to 21 May 2022</b>	<b>Outstanding as at 21 May 2022</b>	<b>Future estimated costs</b>
Brachers LLP	£104,865	£104,865	Nil	Nil
Brown Rudnick LLP	£33,513	£33,513	Nil	£15,000
Womble Bond Dickinson LLP	£757,908	£757,908	Nil	£20,000
Mishcon De Reya	£13,475	£13,475	Nil	Nil
Gowling WLG (UK) LLP	£9,570	£9,570	Nil	Nil
Cripps Pemberton Greenish LLP	£8,330	£8,330	Nil	Nil
RSM UK	£1,200	£1,200	Nil	Nil
Credebt Limited	£987	£987	Nil	£100
ERA Solutions Limited	£1,000	£1,000	Nil	Nil
AON Risk Solutions (Insurance/Bond)	£400,790	£400,790	Nil	£2,000
AON Risk Solutions (Health and Safety)	£456,245	£456,245	Nil	Nil
Strutt & Parker	£127,763	£127,763	Nil	Nil

Savills UK	£34,206	£34,206	Nil	Nil
Peter Marsh Consulting Limited	£30,675	£30,675	Nil	Nil
Lambert Smith Hampton	£43,237	£43,237	Nil	£1,250
Real Estate Advisory Service	£46,189	£46,189	Nil	Nil
Fox Investigation Services Ltd	£350	£350	Nil	Nil
Fusion Project Management Limited	£2,470	£2,470	Nil	Nil
EB7	£31,380	£31,380	Nil	Nil
RL Surveys Limited	£1,260	£1,260	Nil	Nil
BDO LLP - Forensic	£45,000	£45,000	Nil	Nil
Headland PR Consultancy LLP	£7,724	£7,724	Nil	£1,500
TJE Consulting	£1,511	£1,511	Nil	Nil
Barbara Jones	£8,259	£8,259	Nil	Nil
Further Education Partnership	£60,018	£60,018	Nil	Nil
ADF Accounts	£8,407	£8,407	Nil	Nil
Access Group	£7,362	£7,362	Nil	Nil
A Eastwood	£53,556	£53,556	Nil	Nil
Allied Specialists Limited	£25,679	£25,679	Nil	Nil
Arch Tec UK Limited	£8,451	£8,451	Nil	Nil
Asbestos First Limited	£4,797	£4,797	Nil	Nil
ATC Fire Safety Limited	£11,150	£11,150	Nil	Nil
Aztech Tree Services	£41,955	£41,955	Nil	Nil
Bamford Tree Management	£440	£440	Nil	Nil

BBC Fire Protection Limited	£3,125	£3,125	Nil	Nil
BGI Electrical Limited	£4,297	£4,297	Nil	Nil
Cambridgeshire Automatic Doors Limited	£6,138	£6,138	Nil	Nil
Chippings Tree Surgery	£1,740	£1,740	Nil	Nil
Crossley Consult Limited	£900	£900	Nil	Nil
DMA Group	£115,974	£115,974	Nil	Nil
Envirocure Limited	£6,908	£6,908	Nil	Nil
Independent Heating Company Limited	£11,169	£11,169	Nil	Nil
Lantei Limited	£168,117	£168,117	Nil	Nil
Metroline Fire and Security Limited	£102,380	£102,380	Nil	Nil
Panbridge Construction Limited	£10,083	£10,083	Nil	Nil
Rite Industrial Doors Limited	£136,050	£136,050	Nil	Nil
SS&A Limited	£43,464	£43,464	Nil	Nil
Thomas Welch & Sons	£2,286	£2,286	Nil	Nil
Knight Frank	£33,580	£22,680	£10,900	£6,000
On Architecture	£3,125	£3,125	Nil	£2,500
Erskine - Counsel	£13,650	£13,650	Nil	Nil
Hays Recruitment	£27,601	£27,601	Nil	Nil
Symmetry	£12,500	£12,500	Nil	Nil
<b>Total post appointment expenses</b>	<b>£3,092,809</b>	<b>£3,081,909</b>	<b>£10,900</b>	<b>£48,350</b>

Several of these consultants have also provided services to the College in an operational capacity. These operational costs, whilst paid by the College, are not included in the above table as the costs would necessarily be incurred by the College regardless of the Education Administration.

## Proof of debt/claim form

The Corporation of Hadlow College - In Education Administration

Debt as at the date of the appointment of the Joint Education Administrators: 22 May 2019

1 Name of creditor (If a company please also give company registration number and where registered).	
2 Address of creditor including email address for correspondence.	
3 Total amount of claim, including any Value Added Tax at the above date.	
4 If amount in 3 above includes outstanding un-capitalised interest please state amount.	£
5 Particulars of how and when debt incurred. (If you need more space append a continuation sheet to this form).	
6 Particulars of any security held, the value of the security, and the date it was given.	
7 Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates.	
8 Provide details of any documents by reference to which the debt can be substantiated. (Note: There is no need to attach them now but the Joint Education Administrators may call for any document or evidence to substantiate the claim at his discretion as may the chair or convener of any meeting).	
9 Signature of creditor or person authorised to act on his behalf  _____	Dated  _____
Name in BLOCK LETTERS  _____	
Position with or in relation to creditor  _____	
Address of person signing (if different from 2 above)  _____	