

AM03

Notice of administrator's proposals



Companies House

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COMPANIES HOUSE

1 Company details

Company number 0 7 6 8 7 2 3 1

Company name in full Betteshanger Sustainable Park Limited

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

2 Administrator's name

Full forename(s) Mark

Surname Newman

3 Administrator's address

Building name/number 4 Mount Ephraim Road

Street Tunbridge Wells

Post town Kent

County/Region

Postcode T N 1 1 E E

Country

4 Administrator's name ①

Full forename(s) Vincent John

Surname Green

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

5 Administrator's address ①

Building name/number 4 Mount Ephraim Road

Street Tunbridge Wells

Post town Kent

County/Region

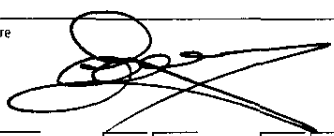
Postcode T N 1 1 E E

Country

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

AM03

Notice of Administrator's Proposals

6		Statement of proposals	
		<input checked="" type="checkbox"/> I attach a copy of the statement of proposals	
7		Sign and date	
Administrator's Signature	<div>Signature</div> <div>✕  ✕</div>		
Signature date	<div><div>^d0^d5</div><div>^m1^m2</div><div>^y2^y0^y1^y9</div></div>		

AM03

Notice of Administrator's Proposals



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	Tess Whitney
Company name	Crowe U.K. LLP
Address	4 Mount Ephraim Road Tunbridge Wells
Post town	Kent
County/Region	
Postcode	T N 1 1 E E
Country	
DX	
Telephone	01892 700200



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 and dated 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



**Betteshanger Sustainable Park Limited
(In Administration)**

In the High Court of Justice, Business and Property Courts in Birmingham

Court Reference No. CR-2019-BHM-000965

The Joint Administrators' Proposals

**Mark Newman
Vincent John Green**

**Crowe U.K. LLP
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE**

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1. INTRODUCTION

On 2 December 2019, Mark Newman and Vincent John Green of Crowe U.K. LLP were appointed Joint Administrators of Betteshanger Sustainable Park Limited ("the Company") by the Director. The affairs, business and property of the Company are managed by the Joint Administrators who act as agents of the Company and contract without personal liability.

As explained in more detail in the Statement of Proposals at **Appendix I**, the Joint Administrators have achieved the second statutory objective of Administration by achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). This has been achieved by a pre-pack sale of the Company's land and assets.

The Statement of Proposals provides explanations of the events leading to the Administration and the conduct of the Administration to date, as well as other statutory information.

These Proposals provide more detailed information on the work that the Joint Administrators anticipate they will undertake to complete the Administration, together with their proposed basis of fees. These Proposals provide further information on the Joint Administrators' costs to date, including the costs incurred prior to Administration. They also explain other matters for creditors' consideration, such as the proposed timing of the Joint Administrators' discharge on conclusion of the Administration.

Definitions of the terms used in these Proposals are provided in Attachment A to the Statement of Proposals together with all statutory information relating to the Company.

2. STATEMENT OF PRE-ADMINISTRATION COSTS

Pre-Administration costs are the remuneration, charges and expenses incurred by the proposed Joint Administrators before the Company entered into Administration but with a view to it doing so.

On 24 September 2019, Mr Graham Morley, the sole Director of the Company agreed with the proposed Joint Administrators that Crowe U.K. LLP would be paid fees for work done prior to the Administration on the basis of time costs incurred by them and their staff at their standard charge-out rates plus VAT and related expenses.

Prior to Administration, the proposed Joint Administrators gathered information regarding the Company to ensure that they were in a position to consent to act as Joint Administrators and to formulate an initial strategy for achieving the purpose of Administration. In addition, it was considered advantageous to negotiate with the proposed purchaser of the Company's land and assets with a view to agreeing a sale in principle that could be completed shortly after the Joint Administrators' appointment. The proposed Joint Administrators liaised extensively with the Agents who had been engaged to value and market the land and assets. Solicitors were also engaged to draft a sale and purchase agreement and to assist in agreeing its terms with the prospective purchaser. It was felt that this strategy would further the second objective of achieving a better result for creditors as a whole than would be likely if the Company were wound up. Further information regarding the work done prior to Administration is given in Attachment C to the Statement of Proposals. This work was expected to have a financial benefit for creditors, as the strategy of pursuing the second Administration objective would improve the prospects of recovery by avoiding the ongoing costs of securing and maintaining the assets in a Liquidation, and ensuring that no onerous obligations attached to the Company in relation to sewage works on the Company's site, the costs of which could potentially reduce the return to creditors.

The following work was undertaken in the pre-Administration period:

- Reviewing the independent valuation report and marketing overview and discussions with Mark Bayley of Real Estate Advisory Services Limited
- Reviewing the advice provided by Savills Estate Agents to Hadlow College

- Liaising with the secured creditor, The Kent County Council with regard to the Company's financial position and the proposed sale of the Company's land and assets subject to its charges
- Reviewing the Company's creditor ledger, debtor ledger, statutory accounts and management accounts
- Reviewing the negotiation that had been undertaken with the short-listed interested parties and the heads of terms for the sale of the land and assets that had been undertaken by Real Estate Advisory Services Limited that had been agreed with the purchaser prior to the Joint Administrators' instruction
- Liaising with Eversheds Sutherland Solicitors in respect of the sale agreement
- Statutory planning work in relation to the appointment of the Administrators
- Preparing the Administrators' disclosure in compliance with Statement of Insolvency Practice 16

As set out at **Appendix II**, Crowe U.K. LLP's pre-Administration time costs amounted to £17,428.00 plus VAT, being 56.2 hours at an average hourly rate of £310.00.

In addition, pre-Administration expenses were also incurred for the legal costs of Eversheds Sutherland Solicitors of £60,490.10 (inclusive of disbursements of £174.10) plus VAT, to draft appropriate sale agreement documentation, liaise with the solicitors acting for the purchaser and other stakeholders such as the agent who initially negotiated the offer, the solicitors acting for Hadlow College, KCC and its solicitors, the Environment Agency and the solicitors acting for Homes England, and prepare the papers to place the Company into Administration.

The pre-Administration fees and expenses remain outstanding as follows:

	Paid prior to the Administration	Seeking approval to be paid as an expense
	£	£
Crowe U.K. LLP's pre-Administration fees and costs	nil	17,428.00
Evershed Sutherland Solicitors – pre Administration fees and costs	nil	60,490.10

The payment of the unpaid pre-Administration costs as an expense of the Administration is subject to approval under Rule 3.52 of the Rules and is not part of the Statement of Proposals subject to approval under Paragraph 53 of Schedule B1 of the Act. Further explanation of the approval process is provided in Section 8.

3. THE JOINT ADMINISTRATORS' FEES

The Joint Administrators propose that their fees be charged on a fixed fee basis, and fixed at £80,000.

It should be noted that as part of the sale negotiations the purchaser of the Company's land and assets agreed to make a contribution towards the Joint Administrators' fees in the amount of £30,000. As such, the Administration estate is only expected to settle the balance of the proposed fee, subject to creditors' approval.

For creditors' information only, a schedule of the time costs incurred from 2 December 2019 to 5 December 2019 is attached at **Appendix III**.

The Joint Administrators believe that a fixed fee basis is fair and reasonable considering the work that is anticipated to be required in this matter, taking into account the nature and value of the Company's assets and the complexity of the case. The proposed fixed fee has been compared with past time records for undertaking work in cases of a similar size and complexity and this has been taken into account when determining the level of the proposed fixed fee. The Joint Administrators believe that if they were to charge fees on the alternative basis of the time costs incurred by them and their staff, it

is likely that this would result in a fee at least equal to, or likely in excess of, the fixed fee proposed. Fixing the Joint Administrators' fees provides creditors with certainty as regards the level of fees (although the Joint Administrators retain a statutory right to seek creditors' approval to adjust the fee in the event that circumstances change materially).

Please note that the level of the fixed fee has been arrived at on the basis of the assumptions given below. In the event that the Joint Administrators are required to undertake additional work they may revert to the relevant creditors to seek an increased fee. For the avoidance of doubt, the fixed fee sought is in contemplation of the work that will be undertaken in the course of the Administration only, and not any succeeding Liquidation.

Please note that these are assumptions only for the purposes of determining the proposed fixed fee in accordance with the relevant statutory provisions. It has been assumed that:

- investigations to the extent described in section 5 below will be carried out;
- no exceptional work will need to be conducted in order to realise the remaining assets;
- *there will be no requirement to hold a physical creditors' meeting or additional decision procedure to consider the matters covered by these Proposals; and*
- there will be no need to extend the Administration

Further information is set out below and in the appendices to explain the work to be undertaken in administering the Administration.

Guidance in respect of insolvency practitioners' fees is available to download at:

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

Information about insolvency processes can be found on the R3 website at:

<http://www.creditorinsolvencyguide.co.uk/>

A hard copy of this guidance information will be provided on request.

4. THE JOINT ADMINISTRATORS' EXPENSES

Expenses are amounts properly payable by the office holder from the estate which are not otherwise categorised as the office holder's remuneration or as a distribution to a creditor or creditors. These may include, but are not limited to, legal fees, agents' fees, trading expenses and tax liabilities.

Disbursements are expenses initially met by and later reimbursed to an office holder in connection with an insolvency appointment and will fall into two categories: Category 1 and Category 2.

Category 1 disbursements are payments to independent third parties where there is specific expenditure directly referable to the appointment in question. Category 1 disbursements can be drawn without prior approval. These are charged to the estate at cost, with no uplift. These include, but are not limited to, such items as advertising, bonding and other insurance premiums. Legislation provides that Administrators may discharge Category 1 disbursements from the funds held in the insolvent estate without recourse to creditors.

Category 2 disbursements are also directly referable to the appointment in question but not to a payment to an independent third party. Payments may only be made in relation to Category 2 disbursements after the creditors have approved the bases of their calculation.

Appendix IV provides details of the Category 1 and 2 disbursements as well as the other expenses that the Joint Administrators expect to incur in the Administration. Details of the Joint Administrators' disbursements policy is attached at **Appendix V**.

In the event that it proves necessary for the Joint Administrators to incur additional expenses in performing their duties, they will provide further details in their progress reports, but there is no statutory obligation to ask creditors to approve any adjusted Expenses Estimate.

5. PROPOSED WORK TO BE UNDERTAKEN

Set out in **Appendix VI** is a detailed list of tasks that the Joint Administrators propose that they and their staff will undertake. The most material tasks are summarised below. The Estimated Outcome Statement attached to the Statement of Proposals provides an overview of the financial benefit that this work is expected to bring to creditors.

Administration (including Statutory Reporting)

The Joint Administrators are required to meet a considerable number of statutory and regulatory obligations. Whilst many of these tasks do not have a direct benefit in enhancing realisations for the insolvent estate, they assist in the efficient and compliant progression of the Administration, which ensures that the Joint Administrators and their staff carry out their work to high professional standards.

Primarily, these tasks include:

- Meeting all statutory reporting and filing requirements, including 6-monthly reports, seeking an extension of the Administration where necessary, and issuing a final report and notices;
- Consulting with and instructing staff and independent advisors as regards practical, technical and legal aspects of the case to ensure efficient progress;
- Maintaining case files, which must include records to show and explain the administration of the case and any decisions made by the Joint Administrators that materially affect the Administration;
- Conducting periodic case reviews to ensure that the Administration is progressing efficiently, effectively and in line with the statutory requirements; and
- Maintaining and updating the estate cash book and bank accounts, including regular bank reconciliations and processing receipts and payments.

Investigations

The Joint Administrators are required to examine the conduct of the Company and its directors prior to the Administration with two main objectives:

- To identify what assets are available for realisation for the benefit of creditors, including any potential actions against directors or other parties, such as challenging transactions at an undervalue or preferences; and
- To enable the Joint Administrators to report to the Insolvency Service on the conduct of the directors so that the Insolvency Service can consider whether disqualification proceedings are appropriate.

In the early stages of the Administration, this work involves examining the Company's books and records, considering information received from creditors and the Company's accountants and seeking information from the Company's directors and other senior staff by means of questionnaires and/or interviews.

In the event that questionable transactions are identified, it may be necessary to conduct further investigations and instruct solicitors to assist in determining the Joint Administrators' next steps in pursuing a recovery. If a potential recovery action is identified, it may be necessary to instruct

professional agents to gather evidence and explore further the existence and value of assets to target. If the Joint Administrators encounter resistance in making a recovery, formal legal action may be appropriate.

In addition, if the Insolvency Service decides to proceed with disqualification proceedings, the Joint Administrators will be required to assist the Insolvency Service's investigators in their work, which may include providing the investigators with access to the Company's books and records and agreeing statements to be given in evidence in those proceedings.

At this early stage, it is difficult to predict what additional work may need to be carried out by the Joint Administrators. The Work to be Undertaken summary in the appendices reflects the anticipated work in identifying potential causes of action. If any are identified, and the Joint Administrators consider that additional work is required, they may revert to the relevant creditors to seek approval for an increase in the fixed fee sought.

Realisation of Assets

The Statement of Proposals summarises the work carried out by the Joint Administrators to date in realising the Company's assets. The principal matters that require further work are:

- Collecting the Company's outstanding book debts;
- Pursuing repayment of the Company's pre-appointment VAT refund;
- Establishing the sums due in respect of the inter-company balances and pursuing settlement of these;
- Organising the closure of the Company's bank account(s) and remittance of any closing balances to the Administration account.

Creditors

The Joint Administrators anticipate conducting the following key tasks:

- Liaising with agents to assess the corporation tax position and whether tax is due as an expense of the Administration on any gains;
- Reviewing claims submitted by any tax departments;
- Responding to creditors' queries and logging their claims and supporting information;
- Maintaining the database of creditors' contact details and claims;
- Dealing with a creditors' committee, if one is appointed;

6. THE JOINT ADMINISTRATORS' DISCHARGE

The appointment was made under Paragraph 22 of Schedule B1 to the Act by the Director and the Act requires that the timing of the Joint Administrators' discharge from liability be decided by the unsecured creditors. The Joint Administrators propose that this discharge will take effect when their appointment ceases to have effect and a decision will be sought in respect of this.

7. INVITATION TO FORM A CREDITORS' COMMITTEE

Attached at **Appendix VII** is a Notice of Invitation to form a Creditors' Committee. The purpose of a Committee is to assist the Joint Administrators in discharging their functions. In particular, a Creditors' Committee takes on the responsibility for approving the basis of the Joint Administrators' fees and other costs.

In the absence of a Committee, this responsibility falls to the unsecured creditors. Creditors are entitled to seek the formation of Committee, provided that there are sufficient nominations to form a Committee. At least three nominations are required. **Appendices VII and VIII** provide further information in this regard.

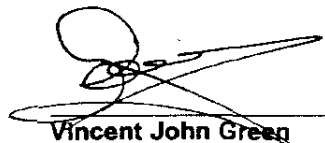
8. APPROVAL PROCESS

The Joint Administrators are seeking creditors' approval of the proposed decisions set out below by means of a vote by correspondence. Creditors are invited to vote on these proposed decisions by completing and returning the enclosed voting form together with a proof of debt form. These forms are attached at **Appendix VIII** together with a Notice of Decision Procedure setting out the following proposed decisions:

1. That the Joint Administrators' Statement of Proposals be approved;
2. That a Creditors' Committee be established if sufficient nominations are received and those nominated are willing to be members of a Committee.
3. That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved and paid as an expense of the Administration.
4. That the Joint Administrators' fees be charged on a fixed fee basis, and fixed at £80,000.
5. That the Joint Administrators be authorised to recover Category 2 disbursements.
6. That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of the Joint Administrators ceases to have effect, as defined by the Act, unless the Court specifies a time.

The Joint Administrators must receive completed forms **by no later than 23:59 on 3 January 2020** to enable your vote to be counted.

Whilst a vote by correspondence is being sought, creditors who meet a statutory threshold as set out in the Notice attached at **Appendix VIII** can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which these Proposals are delivered. If you wish to request a physical meeting, please set out in writing which of the decision(s) above you wish the meeting to consider.



Vincent John Green
Joint Administrator

5 December 2019



Appendix I

Statement of the Joint Administrators' Proposals pursuant to Schedule B1 of the Insolvency Act 1986

**Betteshanger Sustainable Park Limited
(In Administration)**

In the High Court of Justice, Business and Property Courts in Birmingham

Court Reference No. CR-2019-BHM-000965

**Statement of the Joint Administrators' Proposals
pursuant to Schedule B1 of the Insolvency Act 1986**

**Mark Newman
Vincent John Green**

**Crowe U.K. LLP
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE**

Disclaimer Notice

- This Statement of Proposals has been prepared by Mark Newman and Vincent John Green, the Joint Administrators of Betteshanger Sustainable Park Limited, solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 to lay before creditors a statement of their Proposals for achieving the purpose of the Administration and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.
- Any estimated outcomes for creditors included in this Statement of Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
- Any person that chooses to rely on this document for any purpose or in any context other than under Paragraph 49, Schedule B1 of the Insolvency Act 1986 does so at their own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Statement of Proposals.
- The Joint Administrators act as agent for Betteshanger Sustainable Park Limited and contract without personal liability. The appointment of the Joint Administrators is personal to them and, to the fullest extent permitted by law, Crowe U.K. LLP does not assume any responsibility and will not accept any liability to any person in respect of this Statement of Proposals or the conduct of the Administration.
- All licensed Insolvency Practitioners of Crowe U.K. LLP are licensed in the UK to act as Insolvency Practitioners by the Insolvency Practitioners Association.

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4. The Purpose of the Administration
5. Management of the Company's Affairs since the Joint Administrators' Appointment
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7. The Joint Administrators' Fees
8. Approval of the Statement of Proposals
9. Summary of the Joint Administrators' Statement of Proposals

ATTACHMENTS

- A. Definitions
- B. Statutory Information
- C. Pre-pack Sale Disclosure
- D. Estimated Outcome Statement
- E. Estimated Financial Statement as at 2 December 2019 and Creditors' Details
- F. The Joint Administrators' Receipts and Payments Account to 5 December 2019

1. PRELIMINARY INFORMATION

This Statement of Proposals has been prepared pursuant to Schedule B1 of the Insolvency Act 1986 to provide creditors with a comprehensive overview of the present position and to set out the Joint Administrators' Proposals for achieving one of the objectives of Administration.

The Statement of Proposals also includes information required to be provided to creditors pursuant to the Insolvency Rules 2016. Definitions of the terms used in the Statement of Proposals are provided in **Attachment A** and statutory information pertaining to the Company is set out in **Attachment B**.

This Statement of Proposals is being delivered to creditors on 10 December 2019.

Creditors are invited to decide whether to approve the Joint Administrators' Proposals. Section 8 provides further details on this decision process.

2. BACKGROUND TO THE COMPANY

The area known as 'Betteshanger Sustainable Parks' is an economic and social regeneration project and was a planned educational, commercial and visitor destination located on the site of the former Betteshanger Colliery in East Kent. It is a 330 acre site, located across two distinct elements: Betteshanger Country Park and Betteshanger Sustainable Park.

The site was acquired by Hadlow College from the Homes and Communities Agency (now Homes England) in July 2013. Following the acquisition, the ownership of the Betteshanger Sustainable Park was transferred to Betteshanger Sustainable Park Limited ("the Company"), a wholly owned subsidiary of Hadlow College, which was established as a commercial vehicle for the development of the site.

The Company owned the 80 acre business park based on the former colliery land. The Company was a financial vehicle for the management of the business park, however the site operations were managed by employees of Betteshanger Country Park Limited ("BCPL"). BCPL was the operating company responsible for management of the 250 acre Country Park. It employs approximately 25 staff and accommodates circa 135,000 visitors annually as a community outdoor leisure and sport resource.

The Company's 80 acre business park was established in the early 2000's and, despite significant public investment, remains undeveloped. The previous management of Hadlow College developed a concept for the creation of an educational and commercial campus. The site includes Almond House, a former colliery building, which provides office space for small businesses in 14 units, which were leased and generated an income for the Company of approximately £50,000 per annum. The site also includes a community park, a sewage treatment facility which services residential properties on land adjoining the site at Circular Drive, and an unused biomass energy plant.

Following the appointment of Mr Graham Morley as Interim Group Principal of Hadlow College in February 2019, steps were taken to explore the options for disposing of the Company, BCPL and the 330 acre site as these were not core educational assets.

Overview of Financial Information

Extracts from the audited accounts for the 12 months to 31 July 2017, draft account for the 12 months to 31 July 2018, and management accounts to 13 November 2019 are shown below.

Please note that this information has not been verified by the Joint Administrators or by Crowe U.K. LLP.

Summary Profit and Loss Account

	Draft Management Accounts period to 13 November 2019	Draft Accounts for year to 31 July 2018	Audited Statutory Accounts for year to 31 July 2017
	£	£	£
Turnover	65,165	7,686	56,201
Other Operating Income	-	-	450,000
Other Operating Expenses	(231,073)	(219,008)	(501,052)
Gross Profit/(Loss)	(165,908)	(211,322)	5,149
Gross Margin %	-	-	9.16%
Taxation on Profit/(Loss)	-	-	-
(L)/EBIT	-	(211,322)	5,149

Source: Management/Audited Accounts

Summary Balance Sheet

	Draft Management Accounts period to 13 November 2019	Draft Accounts for year to 31 July 2018	Audited Statutory Accounts for year to 31 July 2017
	£	£	£
FIXED ASSETS			
Tangible assets	374,830	374,050	1,016,271
CURRENT ASSETS			
Debtors	14,499	18,240	54,572
Cash at Bank	9,182	-	10,148
	23,681	18,240	64,720
LIABILITIES			
Bank Overdraft	-	(52)	-
Trade creditors	(58,596)	-	(29,289)
VAT	-	(13,821)	(1,141)
Other Creditors and Accruals	(15,177)	(13,178)	(4,960)
Inter Company Debts	(1,420,317)	(1,035,651)	(1,212,088)
Government Loan	(904,762)	(950,000)	-
Hire Purchase Creditors	-	(213,959)	-
Total Liabilities	(2,398,852)	(2,226,661)	(1,248,088)
Net Assets	(2,000,341)	(1,834,371)	(167,097)

Source: Management/Audited Accounts

Management and Employees

As at the date of Administration, the Company did not have any employees. The sole director of the Company at the date of Administration was Graham Morley.

Statutory information relating to the Company, including details of the Directors, Company Secretary, and Shareholders is provided at **Attachment B**.

3. EVENTS LEADING TO THE ADMINISTRATION

In April 2019, Mark Bayley of Real Estate Advisory Services Limited, was engaged by Hadlow College to assist with general estate matters and specifically the disposal of the Company, BCPL and the site. The initial strategy was to establish if a purchaser could be identified and undertake an accelerated disposal process as Hadlow College was coming under pressure to make committed payments towards the completion of a visitor centre on the BCPL property. Preparations were made to start marketing both the Company and BCPL for sale.

On 22 May 2019, Joint Education Administrators were appointed over Hadlow College and the services of Real Estate Advisory Services Limited were retained by the Joint Educational Administrators to sell the shares in the Company and BCPL (and therefore the site) as a single transaction. Hadlow College, with the support of the Department of Education, acting by the Joint Education Administrators was prepared to continue to fund the operation of the site until 31 July 2019.

Further details of the marketing process are outlined in **Attachment C**. Quinn Estates Limited ("Quinn") was the successful bidder. However, during the due diligence process Quinn indicated that its preference would be to purchase the business and assets of the Company as opposed to a share sale as a consequence of the onerous creditor position. As such, it was determined that a Pre-pack Administration would be sought.

Accordingly, the Company's sole director, Graham Morley sought professional advice and Crowe U.K. LLP was introduced to the Company by BDO, the Joint Education Administrators. Crowe U.K. LLP initially met with Graham Morley on 19 September 2019 to advise the Company in respect of its financial affairs.

On 2 December 2019, Mark Newman, and Vincent John Green of Crowe U.K. LLP were appointed Joint Administrators of the Company following the filing of a Notice of Appointment of Administrators by the director, Graham Morley.

The Joint Administrators confirm that they are authorised to carry out all functions, duties and powers either jointly or separately.

For creditors' general information, the EU Regulation on insolvency proceedings applies in this case, and these proceedings are main proceedings.

4. THE PURPOSE OF ADMINISTRATION

The purpose of an Administration is set out in Schedule B1, Paragraph 3(1) of the Act. An Administrator of a company must perform their functions with the objective of:

1. rescuing the company as a going concern, or
2. achieving a better result for the creditors as a whole than would be likely to be achieved if the company were wound up (without first being in Administration), or
3. realising property in order to make a distribution to one or more secured or preferential creditors.

These objectives form a hierarchy. The rescue of a company is the priority. If this is not possible, the Administrator seeks to achieve a better result for the creditors as a whole. In the event that this cannot be achieved, then the Administrator is permitted to realise assets for the benefit of the preferential or secured creditors.

The Joint Administrators did not believe the first objective could be achieved. Due to a lack of working capital the business could not be restructured and the Company could not be rescued as a going concern through a share sale. A Company Voluntary Arrangement was not considered appropriate.

The purpose of the Administration is therefore the second objective, being to achieve a better result for the creditors as a whole than would be likely if the Company was wound up without first being placed into Administration. This has been achieved by the sale of the land and assets of the Company by way of a pre-pack sale.

A detailed account of how the Joint Administrators have sought to achieve the objective of the Administration is set out below.

5. MANAGEMENT OF THE COMPANY'S AFFAIRS SINCE THE JOINT ADMINISTRATORS' APPOINTMENT

Immediately upon appointment the Joint Administrators issued their statutory notifications to the Registrar of Companies, arranged for a notice of their appointment to be placed in the London Gazette, prepared notices of the Administration to be sent to the member, creditors and other interested parties, and prepared the Administration Proposals.

The Sale of the Company's Assets

A pre-pack sale was undertaken and the information relating to this sale is attached at **Attachment C**.

Sales to Connected Parties

There have been no sales of any of the Company's assets to connected parties since the Joint Administrators' appointment.

Assets remaining to be realised

On the Joint Administrators' appointment, the value of the Company's sales ledger was estimated to be £11,074. As illustrated in the Estimated Outcome Statement at **Attachment D**, on the basis of current information, it is estimated that book debt collections will total £8,859 allowing a general provision of 20% for bad debts.

The Joint Administrators will also assess the intercompany debtor position, recover the VAT refund due to the Company from HMRC, assess the position as regards the recoverability of prepayments and recover the Company's cash at bank.

Post-Appointment Strategy

The Joint Administrators will collate creditors' claims and handle creditors' queries as they arise, including attending to telephone calls and correspondence.

If any legal queries arise in the course of the Administration the Joint Administrators will seek advice in respect of all legal issues arising on the sale of business and assets or any other relevant post-appointment matters. Eversheds Sutherland Solicitors will be instructed to assist with any issues arising as this firm has the appropriate expertise and experience in dealing with these types of Administrations and has background knowledge of the matter, having advised in the pre-appointment period.

BDO will be instructed by the Joint Administrators to deal with the Company's post-Administration tax affairs and the calculation of any gain on asset disposals in the Administration. As BDO acts as Joint Education Administrators to Hadlow College, they are best placed to deal with group tax matters. If the Joint Administrators were to also carry out this work it is likely that the same determination would

be arrived at, and costs would unnecessarily be duplicated. The Joint Administrators believe instructing BDO to carry out this work will maximise the return to creditors in the Administration.

All professional fees will be based upon the parties' recorded time costs incurred at their standard charge out rates and will be reviewed by the Joint Administrators' staff before being approved for payment.

Investigation into the Company's Affairs Prior to the Administration

The Joint Administrators will undertake a review of the Company's trading activities in order to establish whether or not there are actions that may be taken for the benefit of the Administration and consequently to enable a conduct report to be submitted in respect of Company directors in office at the commencement of the Administration and any who resigned in the three years prior to the Administration.

Should any creditor have any concerns about the way in which the Company's business has been conducted or information on any potential recoveries for the estate, they are invited to bring these matters to the attention of the Joint Administrators as soon as possible.

6. THE STATEMENT OF AFFAIRS AND THE OUTCOME FOR CREDITORS

To date the Director has not submitted a signed Statement of Affairs, although this is in the process of being drafted. An Estimated Financial Statement of the Company, together with a list of the creditors, is attached at **Attachment E** for creditors' information. These details have been extracted from the Company's records and therefore no warranty can be given as to the accuracy of the details provided.

In accordance with the standard format of a Statement of Affairs, no provision has been made in the Statement for the costs of the Administration (including agents, legal and other professional fees).

The Joint Administrators have not carried out any work to audit the information.

Secured Creditors

The Company granted a legal charge and fixed and floating charge to The Kent County Council ("KCC"). The charges were created on 27 March and registered on 28 March 2018. The debt due to KCC was recorded in the Company's accounts as at 13 November 2019 at £904,762 and this amount is shown on the Estimated Financial Statement of the Company at **Attachment E**.

However, as part of the sale of the land and assets to Quinn, this debt was discharged by Quinn prior to the appointment of Administrators and the subsequent pre-pack sale. As such, the Estimated Outcome Statement at **Attachment D** does not reflect any debt due to KCC.

Preferential Claims

The Company did not have any employees and as such there are no preferential creditors.

Unsecured Claims

Section 176A of the Act requires Administrators to make a prescribed part of the company's net property, which is the balance remaining after discharging the preferential claims but before paying the floating charge-holder, available for the satisfaction of unsecured debts.

In this case, the prescribed part provision does not apply, as there is no debt due to any secured creditor, KCC having been paid in full prior to Administration.

As demonstrated in the Estimated Outcome Statement at **Attachment D**, on the basis of the costs incurred to date and the estimated further costs to be incurred in bringing the Administration to a conclusion, it is anticipated that there will be sufficient funds to pay a distribution to unsecured creditors. Creditors are requested to submit claims to the address on the front of this report. A Proof of Debt form has been provided for this purpose.

Attached at **Attachment F** is the Joint Administrators' Receipts and Payments Account for the period from 2 December 2019 to 5 December 2019. This does not reflect the sale consideration received, which is held in the Joint Administrators' solicitors' client account to the order of the Joint Administrators.

7. THE JOINT ADMINISTRATORS' FEES

The Joint Administrators propose that their fees be charged on a fixed fee basis, and fixed at £80,000.

Unless a Creditors' Committee is established, the Joint Administrators will seek approval for the basis of their fees from the unsecured creditors.

Information to support the proposed basis of the Joint Administrators' fees, together with the Statement of pre-Administration costs, is provided in the Joint Administrators' Proposals.

8. APPROVAL OF THE STATEMENT OF PROPOSALS

The Joint Administrators are seeking creditors' approval of the Statement of Proposals, which are summarised in Section 9, by way of a vote by correspondence.

Appended to the Joint Administrators' Proposals is a Notice of Decision Procedure and a voting form, which describes how creditors may lodge a vote on the proposed decision to approve the Statement of Proposals and on the other proposed decisions.


Creditors who meet a statutory threshold as set out in the Notice can require that a physical meeting of creditors be convened. Such a request must be made to the Joint Administrators within 5 business days of the date on which the Statement of Proposals was delivered.

9. SUMMARY OF THE JOINT ADMINISTRATORS' PROPOSALS

In order to achieve the purpose of the Administration, the Joint Administrators formally propose to creditors that:

1. the Joint Administrators continue to manage the business, affairs and property of the Company, in particular that:
 - i. they investigate and, if appropriate, pursue any claims that the Company may have against any person, firm or company, whether in contract or otherwise, including any officer or former officer of the Company or any person, firm or company that supplies or has supplied goods or services to the Company; and
 - ii. they do all such things and generally exercise all their powers as Joint Administrators as they consider desirable or expedient at their discretion in order to achieve the purpose of the Administration or protect and preserve the assets of the Company or maximise the realisations of those assets, or of any purpose incidental to these activities.
2. the Joint Administrators make distributions to any secured or preferential creditors in accordance with Paragraph 65 of Schedule B1 of the Act. Further, they may make a distribution to unsecured creditors, having first sought the Court's permission in accordance with Paragraph 65(3) of Schedule B1 of the Act where necessary.

3. the Joint Administrators end the Administration in one of the following ways, appropriate to the circumstances of the case at the time:
- i. in the event that the Joint Administrators think that a distribution will be made to unsecured creditors (and they have not sought the Court's permission, and are otherwise unable to pay the distribution whilst the Company is in Administration), they send to the Registrar of Companies notice to move the Company from Administration to Creditors' Voluntary Liquidation. In such circumstances, Mark Newman and Vincent John Green will be appointed Joint Liquidators and will be authorised to act either jointly or separately in undertaking their duties as Liquidator. Creditors may nominate a different person or persons as the proposed Liquidator or Liquidators in accordance with Paragraph 83(7)(a) of Schedule B1 of the Act and Rule 3.60(6)(b) of the Rules, but they must make the nomination or nominations at any time after they receive the Statement of Proposals, but before they are approved; or
 - ii. the event that there is no remaining property that might permit a distribution to the Company's creditors, they file a notice of dissolution of the Company pursuant to Paragraph 84 of Schedule B1 of the Act; or
 - iii. alternatively, and should there be no likely funds to distribute to unsecured creditors, the Joint Administrators may seek to place the Company into Compulsory Liquidation in order to bring proceedings that only a Liquidator may commence for the benefit of the estate. In such circumstances, Mark Newman and Vincent John Green may ask the Court that they be appointed Joint Liquidators, to act either jointly or separately in undertaking their duties as Liquidators.


Vincent John Green
Joint Administrator

5 December 2019

Attachment A**Definitions**

The Act	The Insolvency Act 1986
The Rules	The Insolvency Rules 1986 or the Insolvency (England & Wales) Rules 2016 (whichever applied at the time of the event described)
The Statement of Proposals	The Statement of the Joint Administrators' Proposals prepared pursuant to Paragraph 49(1) of Schedule B1 of the Act
The Joint Administrators	Mark Newman and Vincent John Green
The Company	Betteshanger Sustainable Park Limited - in Administration
The Court	The High Court of Justice, Business and Property Courts in Birmingham
(L)/EBIT	(Loss)/Earnings before interest and tax
SPA	Sale & Purchase Agreement
HMRC	HM Revenue & Customs
EOS	Estimated Outcome Statement
Prescribed Part	The Prescribed Part of the Company's net property subject to Section 176A of the Insolvency Act 1986
QFCH	Qualifying Floating Charge Holder
SIP	Statement of Insolvency Practice (England & Wales)

Attachment B**Statutory Information**

Company Name	Betteshanger Sustainable Park Limited
Previous Name(s)	n/a
Trading Name(s)	Betteshanger Sustainable Park Limited

Proceedings	Administration
Court	The High Court of Justice, Business and Property Courts in Birmingham
Court Reference	In the High Court of Justice, Business and Property Courts in Birmingham Reference No. CR-2019-BHM-000965
Date of Appointment	2 December 2019
Joint Administrators	Mark Newman and Vincent John Green Crowe U.K. LLP 4 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE
Registered office Address	4 Mount Ephraim Road Tunbridge Wells Kent TN1 1EE (pending registration) (previously Hadlow College, Hadlow, Tonbridge, Kent, TN11 0AL)
Company Number	07687231
Incorporation Date	29 June 2011
Company Secretary	n/a
Appointment by	Graham Morley, Hadlow College, Hadlow, Tonbridge, Kent, TN11 0AL
Director at date of Appointment	Graham Morley
Director's Shareholdings	Graham Morley - none

BETTESHANGER SUSTAINABLE PARK LIMITED - IN ADMINISTRATION
("the Company")

PRE-PACK SALE DISCLOSURE

The term "pre-packaged sale" or "pre-pack" refers to an arrangement under which the sale of all or part of a company's business or assets is negotiated with a purchaser prior to the appointment of an Administrator, and the Administrator effects the sale immediately on, or shortly after, their appointment.

Insolvency Practitioners who are party to a pre-pack sale, whether as advisor to a company before the appointment, or as the appointed Administrator, or both, must be mindful of the duties which they, and those who act on their advice, owe to parties who might be affected by the sale.

In accordance with the requirements of Statement of Insolvency Practice 16, provided below are details regarding the sale of the Company's business and assets ("the Sale") and the events leading up to the Sale.

PRE-PACK SALE

The Company's land and assets have been sold following a pre-pack sale. The primary function of an Administrator is to achieve one of the objectives of Administration set out in the Insolvency Act. In this case, the statutory purpose pursued is to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration). This transaction enables the statutory purpose to be achieved and in the Joint Administrators' view the outcome achieved was the best available outcome for creditors as a whole in all the circumstances. Provided below is an explanation and justification of why a pre-pack sale was undertaken.

The Roles of the Insolvency Practitioners

Prior to commencement of the Administration, Crowe U.K. LLP acted as advisors to the Director in relation to the options for the Company. For the avoidance of doubt, neither Crowe U.K. LLP nor its insolvency practitioners advised the Director personally or any parties connected with the purchaser, who were encouraged to take independent advice. At all times prior to Administration, the Director remained responsible for and in control of the Company's affairs.

During this time, the insolvency practitioners of Crowe U.K. LLP took their own steps to prepare for their potential appointment as Joint Administrators. At this point, there were clear advantages in looking to sell the Company's assets, comprising freehold land and property, swiftly on appointment, as this strategy would significantly reduce the ongoing costs of securing and maintaining the assets and it would avoid the substantial risk that the value of the assets would deteriorate due to the commencement of a formal insolvency process. Therefore, the insolvency practitioners, with the assistance of professional and independent agents, considered the most effective method of securing a sale representing the best outcome for creditors as a whole and negotiated with the party interested in acquiring the land and assets of the Company to a point whereby a sale could be concluded shortly after the Administration had commenced.

Immediately upon their appointment, the Joint Administrators, as officers of the Court and as agents of the Company, took over from the Director the responsibilities of managing the affairs, business and property of the Company. In the interests of the creditors as a whole and mindful of the need to achieve one of the statutory purposes of an Administration, they concluded a pre-pack sale of the Company's land and assets.

Insolvency practitioners are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment. The Joint Administrators observed the Code in all their activities both prior to and after their appointment.

Initial Introductions

Crowe U.K. LLP was initially approached by the Company's director on 18 September 2019 to advise on the options available to the Company.

Pre-Appointment Matters

In addition to advising on the Company's options, the advice covered a sale of the Company's assets and also involved negotiating and agreeing the contract to be completed following the Joint Administrators' appointment.

The fee agreed in respect of Crowe U.K. LLP's pre-appointment work was to be based on the time costs properly incurred by staff at Crowe U.K. LLP's standard charge out rates. The Joint Administrators intend to seek to have these fees approved and paid from the insolvent estate in due course.

A signed engagement letter was received from the director of the Company on 24 September 2019.

The Company traded from the freehold property known as Betteshanger Business Park, Betteshanger Road, Betteshanger, Deal, Kent, which also comprises its main asset.

The Company granted the following security:

<u>Type of security</u>	<u>Name of charge-holder</u>	<u>Date of creation of security</u>
Debenture	The Kent County Council ("KCC")	27 March 2018
Legal charge	KCC	27 March 2018

Following the appointment of Mr Graham Morley as Interim Group Principal of Hadlow College in February 2019, steps were taken to explore the options for disposing of the Company, BCPL and the 330 acre site as these were not core educational assets. The Company was loss-making and had been financially supported by Hadlow College for some years.

On 22 May 2019, Joint Education Administrators were appointed over Hadlow College and the services of Real Estate Advisory Services Limited were retained by the Joint Educational Administrators to sell the shares in the Company and BCPL (and therefore the site) as a single transaction. Hadlow College, with the support of the Department of Education, acting by the Joint Education Administrators was prepared to continue to fund the operation of the site until 31 July 2019.

A review of the Company's cash-flow revealed that there would be insufficient working capital available to allow the Company to continue to trade in the medium term. Hadlow College (acting by its Joint Education Administrators) was not prepared to provide further funding to allow the Company to continue operations, either outside of a formal insolvency procedure, or in Administration, and Hadlow College, as the Company's largest creditor, confirmed that it wished the sale of the Company's assets to Quinn to take place as part of a larger transaction. In the circumstances, no requests were made to any other potential funders.

The options listed below were considered with the Director.

Continuing to trade outside insolvency

There was no prospect of the Company continuing operations as Hadlow College was not prepared to continue to fund the Company and a purchaser for the assets had been identified. The purchaser

was not prepared to enter into a share sale and therefore, in light of the Company's financial position, the Director was not prepared to allow the Company to continue to trade.

Company Voluntary Arrangement ("CVA")

With no prospect of funding and given that the Company was not a trading entity in the traditional sense as turnover was comprised of modest commercial rental income, a CVA was not appropriate.

Liquidation

The possibility of placing the Company into Liquidation was considered. However it was decided that this was not the best course of action to take, as the ongoing costs of securing and maintaining the assets following Liquidation would reduce the return to creditors, and the potential of onerous obligations in respect of the sewage treatment facility meant that a pre-pack sale was more appropriate, also considering that a contemporaneous sale of the shares in BCPL was anticipated.

Pre-pack Administration Sale

As a marketing exercise had concluded prior to Crowe U.K. LLP's involvement, and Hadlow College as significantly the largest creditor had indicated that it was supportive of the proposed sale and considered that the sale represented the best outcome available, it was determined that a pre-pack sale was the most appropriate option.

The Joint Administrators' Options on Appointment

Immediately prior to appointment, the proposed Joint Administrators considered whether the first Administration purpose might be achieved by continuing to trade in Administration in order that a proposal for a CVA might be put to creditors or a share sale achieved. However, it was considered that trading the business during the Administration would not be viable as the Company had insufficient finance in order to support continued trading, and it was clear that the Company could not trade profitably given its only income stream was modest commercial rental income. For these reasons also, the Joint Administrators considered it would not be in the interests of creditors as a whole to continue to trade the business in Administration in the short term with a view to exploring whether the existing offer for the purchase of the land and assets could be improved upon.

The Company's major creditors, KCC and Hadlow College (in Education Administration) had been consulted and it was clear that the proposed sale strategy had the support of the major creditors.

As far as the Joint Administrators are aware, the land and assets sold were not previously purchased from an insolvent company.

Marketing of the Land and Assets

In April 2019, Mark Bayley of Real Estate Advisory Services Limited, was engaged by Hadlow College to assist with general estate matters and specifically the disposal of the Company, BCPL and the site. The initial strategy was to establish if a purchaser could be identified and undertake an accelerated disposal process as Hadlow College was coming under pressure to make committed payments towards the completion of a visitor centre on the BCPL property. Preparations were made to start marketing both the Company and BCPL for sale.

On 22 May 2019, Joint Education Administrators were appointed over Hadlow College and the services of Real Estate Advisory Services Limited were retained by the Joint Educational Administrators to sell the shares in the Company and BCPL (and therefore the site) as a single transaction. Hadlow College, with the support of the Department of Education, acting by the Joint Education Administrators was prepared to continue to fund the operation of the site until 31 July 2019. Mark Bayley confirmed that Hadlow College had advised him of a number of parties that had expressed an interest in the site previously and provided details of ten potentially interested parties. Six additional parties' details were provided by the Joint Education Administrators who had indicated

an interest to them upon their appointment. A further three parties were identified and approached by Mark Bayley and a final potential interested party identified by Homes England was also approached. In total, twenty potential purchasers were identified and approached.

Proposals were requested by 30 May 2019 with completion anticipated to take place by 31 July 2019. A non-refundable deposit was requested to be paid by 5 June 2019. A data room was prepared by Real Estate Advisory Services Limited, which largely comprised publically available information, and was provided to interested parties via secure links. Eight parties accessed the information in the data room.

By 30 May 2019, four proposals had been received which are summarised as follows:

1. Quinn Estates Limited - £200,000
2. DPK Property Limited - £550,000
3. Marpaul Southern Limited - required settlement of all monies due by the group
4. R.H. Ovenden Limited – nominal consideration and repayment of the secured debt due to Kent County Council

The Joint Education Administrators were also approached by a representative of a local community action group who indicated an interest in placing a bid. The data room contents were shared with this party.

During the due diligence phase, Mark Bayley had been made aware that Quinn Estates Limited, a local developer, had asked Hadlow College to enter into an overage agreement relating to the proposed creation of a link road from the A256 to Deal that would allow for the creation of approximately 3,000 new homes on land that Quinn controlled. It was proposed that the link road would pass through the 'Betteshanger' land. Consequently, following receipt of Quinn's offer, Quinn was approached to ascertain whether they would be prepared to offer an overage post-sale. Having considered their position, Quinn improved their offer to £500,000 and also offered a £2.75 million overage payment covering both the land owned by the Company and the land owned by BCPL.

As the offers from Quinn and DPK were relatively close, offers were sought on a best and final basis by 12:00 noon on 12 July 2019. As an offer had not been made by the local community action group, this party was also provided with the 12 July deadline to make an offer.

Offers were sought to include the following: identification of the proposed purchaser; offer proposal; evidence of cleared funds from a recognised financial institution; confirmation of a non-refundable deposit of £50,000 by 15 July 2019; and confirmation that completion could be achieved on or before 14 August 2019.

By the 12 July deadline, the community action group confirmed it was not interested in putting forward a proposal. Improved proposals were received from Quinn and DPK as follows:

1. Quinn Estates Limited - £1.215 million together with an overage payment of circa £2.75 million
2. DPK Property Limited - £1.2 million

These offers were in addition to the adoption of the secured debt due from the Company to Kent County Council in the sum of approximately £904,762. Only Quinn was prepared to offer a non-refundable deposit. *In the circumstances, Mark Bayley recommended the acceptance of Quinn's offer.*

The marketing conducted prior the involvement of Crowe U.K. LLP has been reviewed by the Joint Administrators and it is considered that the marketing undertaken at the instruction of the Joint Education Administrators of Hadlow College is adequate and sufficiently independent.

The Marketing Strategy

The Joint Administrators were not involved in the marketing strategy, the contemplation of which commenced in mid-April 2019 with the instruction of Mark Bayley by the Director of the Company and subsequently the Joint Education Administrators of Hadlow College.

When Crowe U.K. LLP became involved in September 2019 negotiations were at an advanced stage and it was considered that the marketing process had been sufficiently robust. Furthermore, it was clear that the proposed sale had the support of the secured creditor, Kent County Council, and the largest unsecured creditor by a substantial margin, Hadlow College acting by its Joint Education Administrators. As such, the Joint Administrators are satisfied that the marketing undertaken achieved the best available outcome for creditors as a whole in all the circumstances.

Valuation of the Assets

Savills Estate Agents were instructed by the Joint Education Administrators to undertake a valuation of all of the property assets included in the Hadlow College portfolio prior to Crowe U.K. LLP's involvement. In anticipation of the Administration and pre-pack sale, the proposed Joint Administrators reviewed the advice provided by the agents and entered into discussions with the Joint Education Administrators.

Savills advised Hadlow College in July 2019 that the combined market value of the Park was £800,000.

The sale price achieved for the land and assets is significantly in excess of the professional valuation provided.

The Transaction

The purchaser and related parties

A sale of the land and assets to Quinn Estates Betteshanger Limited, a special purpose vehicle company incorporated for the purpose of the purchase was completed on 2 December 2019, shortly following the Joint Administrators' appointment.

There is no connection between the purchaser and the Director, shareholders or secured creditors of the insolvent Company or their associates.

The transaction is between the insolvent Company and Quinn Estates Betteshanger Limited only and does not impact on any related companies, save that guarantees have been offered by companies related to Quinn Estates Betteshanger Limited. A contemporaneous sale of the shares in BCPL was undertaken by Hadlow College to another Quinn group company.

No guarantees have been given by any directors for amounts due by the insolvent Company to a prior financier.

The assets

The Sale included the assets listed below and was completed by means of a sale and purchase agreement.

The sale consideration

The sale consideration totalled £1,465,000 which was paid on completion and is held in the Joint Administrators' solicitors' client account less an allowance for rent adjustments/rent deposits totalling £10,983 that will be dealt with by the purchaser.

The full value of the sale must be viewed in light of the settlement by Quinn of the KCC debt amounting to approximately £904,762. As such, the total consideration received is in excess of £2.3 million.

The sale consideration has been allocated to the following asset categories:-

Freehold Land and Property (fixed charge)	£1,464,999
Other Assets (floating charge)	£1

Additional consideration arising as a consequence of a 10 year overage agreement is due to the Company at a rate of £36,600 per acre of land utilised if planning permission is granted for the future development of a roadway through the land and property sold to the purchaser.

The Company's book debts, intercompany debt, VAT refund, prepayments and cash at bank were excluded from the Sale and will be realised by the Joint Administrators.

The Company did not have any employees so no employees were transferred as part of the Sale. There were no options, buy-back arrangements or similar conditions attached to the contract of sale.

The Sale is part of a wider transaction. As described previously, a contemporaneous sale of the shares in BCPL was undertaken by Hadlow College to another Quinn group company to allow the sale of the entire Betteshanger Park.

Connected Party Transactions

As the Sale did not involve a connected party (as defined by the Insolvency Act), the pre-pack Pool was not approached to consider it and a viability review has not been drawn up.

BETTESHANGER SUSTAINABLE PARK LIMITED - IN ADMINISTRATION

ESTIMATED OUTCOME STATEMENT

	Notes	Book Values	Administration
		£	£
Assets Subject to a Fixed Charge			
Land & Property		374,830	1,465,000
Less: The Kent County Council	1		-
			<u>1,465,000</u>
Less: Costs of Realisation			-
Administrators' Fees & Expenses			<u>-</u>
Estimated Surplus/(Deficiency)			1,465,000
Assets Subject to a Floating Charge			
Trade Debtors	2	11,074	8,859
Intercompany Debtor		2,407	2,407
Rent Arrears	3	nil	10,404
VAT Refund		2,020	2,020
Prepayments		3,827	-
Cash at Bank		<u>9,182</u>	<u>9,182</u>
			1,497,871
Less: Costs of Realisation			-
Pre-Administration Costs			(77,918)
Administrators' Fees & Expenses			(80,000)
Add: Purchaser Contribution to Administrators' Fees			<u>30,000</u>
Available for Preferential Creditors			1,369,953
Preferential Creditors			<u>-</u>
Net Property			1,369,953
Less: Prescribed Part			<u>-</u>
Available for Floating Charge Holder			1,369,953
Floating Charge Holder			<u>-</u>
Surplus/Deficit to Floating Charge Holder			1,369,953
Prescribed Part brought down			<u>-</u>
Available to Unsecured Creditors			1,369,953
Unsecured Creditors			
Trade & Expense Creditors			59,051
Accruals			7,107
Intercompany Creditor - Hadlow College			<u>1,420,317</u>
			1,486,476
Estimated Dividend to Unsecured Creditors (p/£)			92.16

Notes:

- 1 As outlined in the Joint Administrators' Proposals, the debt due to Kent County Council was settled by Quinn as part of the transaction.
- 2 A general bad debt provision of 20% has been estimated for the purpose of this outcome statement.
- 3 The sale transaction included consideration for rent arrears that will be collected by the purchaser.



Attachment E

Estimated Financial Statement as at 2 December 2019 and Creditors' Details

Betteshanger Sustainable Park Limited

Estimated Financial Statement as at 2 December 2019

	Book Value £	Estimated to Realise £	£
ASSETS			
Land & Property	374,830.12	2,300,000.00	
The Kent County Council		(904,761.92)	
		1,395,238.08	1,395,238.08
Trade Debtors	11,073.90		6,245.90
Intercompany Debtor	2,406.70		2,406.70
VAT Refund	2,019.51		2,019.51
Prepayments	3,826.62		3,826.62
Cash at Bank	9,182.13		9,182.13
			1,418,918.94
LIABILITIES			
PREFERENTIAL CREDITORS:-			
			NIL
			1,418,918.94
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			NIL
			1,418,918.94
<i>Estimated prescribed part of net property where applicable (to carry forward)</i>			286,783.79
			1,132,135.15
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			NIL
			1,132,135.15
<i>Estimated prescribed part of net property where applicable (brought down)</i>			286,783.79
			1,418,918.94
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		59,051.42	
Accruals		7,107.18	
Rent Deposits		NIL	
Intercompany Creditor - Hadlow College		1,420,316.90	
			1,486,475.50
Estimated deficiency/surplus as regards non-preferential creditors			
(excluding any shortfall in respect of F.C's post 14 September 2003)			(67,556.56)
			(67,556.56)
Issued and called up capital			
Ordinary Shareholders		1.00	
			1.00
TOTAL SURPLUS/(DEFICIENCY)			(67,557.56)

Crowe U.K. LLP
Beteshanger Sustainable Park Limited
B - Company Creditors

Key	Name	Address	£
CA00	General Accruals	unknown	7,107.18
CB00	Beteshanger Country Park Limited	The Cow Shed, Highland Court Farm, Bridge, Canterbury, Kent, CT4 5HW	22,042.20
CC00	David Charles	79 Western Road, Deal, Kent, CT14 6PT	185.00
CD00	Dover District Council	Council Offices, White Cliffs Business Park, Whitfield, Dover, CT16 3PJ	1,904.18
CH00	Hadlow College (in Education Administration)	Trade Accounts, Tonbridge Road, Hadlow, Tonbridge, TN11 0AL	30,088.99
CH01	Hadlow College (in Education Administration)	Intercompany Account, Tonbridge Road, Hadlow, Tonbridge, TN11 0AL	1,420,316.90
CM00	Mustang Washrooms	Unit N7, Europa Trading Estate, Fraser Road, SE18 8NW	6.62
CR00	RSM UK Audit LLP	Portland, 25 High Street, Crawley, West Sussex, RH10 1BG	1,200.00
CS00	Suez Recycling & Recovery UK	301-304 Parkway, Worle, Weston-super-Mare, Somerset, BS22 6WA	378.71
CS01	SSE PLC	Medway Power Station, Isle of Grain, Rochester, ME3 0AG	3,245.72
RM00	Mr Graham Morley	Hadlow College, Tonbridge Road, Hadlow, Tonbridge, Kent, TN11 0AL	0.00
11 Entries Totalling			1,486,475.50



Attachment F

The Joint Administrator's Receipts and Payments Account to 5 December 2019

**Betteshanger Sustainable Park Limited
(In Administration)**

**Summary of Receipts & Payments
02 December 2019 to 05 December 2019**

RECEIPTS	Total (£)
	<hr/>
	0.00
	<hr/>
PAYMENTS	
	<hr/>
	0.00
	<hr/>
Balance In Hand	0.00
	<hr/>
	0.00
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BETTESHANGER SUSTAINABLE PARK LIMITED

Time Cost Summary for the Pre-Appointment Period

Staff Grade	Charge Out Rate	Hours Charged	Time Cost
Partner	375.00	25.00	9,375.00
Director	290.00	9.70	2,813.00
Senior Manager/Manager	210.00 to 275.00	18.90	4,915.00
Administrator	125.00	2.60	325.00
Total:	310.11	56.2	17,428.00



Appendix III

The Joint Administrators' Time Costs from 2 December 2019 to 5 December 2019

BETTESHANGER SUSTAINABLE PARK LIMITED - in Administration

Time Cost Summary for the period from 2 December 2019 to 5 December 2019

	Partner	Director	Senior Manager	Administrator	Total Hours	Time Cost £	Average Hourly Rate £
General Administration							
Case General Administration	-	-	-	3.00	3.00	375.00	125.00
Statutory Matters	1.50	3.70	24.20	-	29.40	8,232.50	280.02
Creditors							
Unsecured Creditors	-	-	-	0.55	0.55	68.75	125.00
Total Hours	1.50	3.70	24.20	3.55	32.95	8,676.25	263.32
Total Cost						8,676.25	

BETTESHANGER SUSTAINABLE PARK LIMITED - IN ADMINISTRATION
Expenses estimate in respect of the Administration



Expenses including Category 1 Disbursements	Basis	Estimated Total
Legal Costs		£
Eversheds Sutherland Solicitors may be engaged to assist with any issue arising from the Sale and Purchase Agreement or any matter arising generally in the course of the Administration.	Time Costs / CFA	5,000.00
Accounting Fees		
BDO will be instructed to prepare corporation tax returns and deal with any gain on the sale of the land and assets.	Fixed Fee / Time Costs	5,000.00
Books & Records Collection, Storage and Destruction		
Chatham Archive will be instructed to collect, inventory, store and eventually securely destroy the Company's books and records.	Fixed Fee	750.00
Rates Review Agents		
Vacant Space Management will be instructed to carry out a historic rates audit to ascertain whether a rates refund may be due to the Company.	Success Fee - Percentage	1,000.00
Statutory Advertising		234.00
Statutory Bond		800.00
Postage		75.00
HM Land Registry Search Fees		24.00
Category 2 Disbursements	Basis	Estimated Total
Photocopying		50.00
Mileage		50.00



CROWE U.K. LLP

RECOVERY SOLUTIONS

CHARGE-OUT RATES AND DISBURSEMENTS

The table below sets out the charge-out rates utilised by Recovery Solutions at Crowe U.K. LLP for charging staff time:-

Partner	£375 per hour
Director	£290 per hour
Senior Manager/Manager	£210 to £275 per hour
Assistant Manager	£180 per hour
Senior Administrator	£165 per hour
Administrator	£125 per hour
Trainee/support staff	£65 per hour

It should be noted that the above rates may increase from time to time over the period of the administration of each insolvency case. The above rates are effective from 1 April 2018. Time is charged in six minute units.

Category 1 disbursements are charged at the actual cost at which they are incurred and are directly attributable to the case. Category 1 disbursements include statutory advertising, specific bond insurance, external records storage and postage. Reimbursement of Category 1 disbursements does not require the approval of creditors.

Category 2 disbursements are those incurred by Crowe U.K. LLP and re-charged to the case and they may include a profit element. Category 2 disbursements are reimbursed from the case only when the basis of the disbursement charge has been approved by creditors in advance.

It is the firm's policy to recover the following disbursements:

Photocopying	Re-charged at 10p per sheet
Internal room hire	Charged at £50 per meeting held in house
Company searches	£15 per corporate case
Mileage	Charged at 45 pence per mile

GUIDES TO FEES AND BEST PRACTICE

Guidance in respect of insolvency practitioners' fees is available to download at:

<http://www.insolvency-practitioners.org.uk/regulation-and-guidance/guides-to-fees>

Information about insolvency processes can be found on the R3 website at:

<http://www.creditorinsolvencyguide.co.uk/>

The Administrators are proposing to be remunerated on a fixed fee basis. Detailed below is an analysis of the work we expect to undertake.

Task

ADMINISTRATION AND PLANNING

Statutory/advertising - Filing of documents to meet statutory requirements ; Advertising in accordance with statutory requirements

Document maintenance/file review/checklist - Filing of documents ; Periodic file reviews ; Periodic reviews of the application of ethical, anti-money laundering and anti-bribery safeguards ; Maintenance of statutory and case progression task lists/diaries ; Updating checklists

Bank account administration - Preparing correspondence opening and closing accounts ; Requesting bank statements ; Bank account reconciliations ; Correspondence with bank regarding specific transfers ; Maintenance of the estate cash book ; Banking remittances and issuing cheques/BACS payments

Planning / Review - Discussions regarding strategies to be pursued ; Meetings with team members and independent advisers to consider practical, technical and legal aspects of the case

Books and records / storage - Dealing with records in storage ; Sending job files to storage

Creditor Reports - Disclosure following pre-pack sale of assets ; Preparing Proposals, preparing six monthly progress reports, Conversion to CVL (where appropriate); preparing the final report ; Seeking extension via creditors (where appropriate) ; Proposing further fee approval (where necessary)

Creditors' decisions - Preparation of decision notices, proxies/voting forms ; Collate and examine proofs and proxies/votes to establish decisions ; Consider objections received and requests for physical meeting or other decision procedure

REALISATIONS OF ASSETS

Debtors - Collecting supporting documentation ; Correspondence with debtors ; Reviewing and assessing debtors' ledgers ; Dealing with disputes, including communicating with directors/former staff ; Pursuing credit insurance claims ; Submitting VAT bad debt relief claims ; Assessing/agreeing the Intercompany Debtor position

Other assets: VAT refunds, Prepayment refunds ; Recovery of Cash at Bank; Dealing with any other sundry asset recoveries ; Examining company records to support tax refunds ; Exchanges with government departments

INVESTIGATIONS

SIP 2 Review - Collection, and making an inventory, of company books and records ; Correspondence to request information on the company's dealings, making further enquiries of third parties ; Reviewing questionnaires submitted by creditors and directors ; Reviewing company's books and records ; Liaising with the committee/creditors or major creditors about further action to be taken

Statutory reporting on conduct of director(s) - Preparing statutory investigation reports ; Liaising with Insolvency Service ; Submission of report with the Insolvency Service ; Preparation and submission of supplementary report if required ; Assisting the Insolvency Service with its investigations

CREDITORS

Creditor Communication - Receive and follow up creditor enquiries via telephone ; Review and prepare correspondence to creditors and their representatives via facsimile, email and post ; Corresponding with the PPF and the Pensions Regulator

Dealing with proofs of debt - Receipting and filing POD when not related to a dividend

Processing proofs of debt - Preparation of correspondence to potential creditors inviting submission of POD ; Receipt of POD

Creditors Committee (where applicable) - Holding an initial meeting of the Committee ; Reporting to committee members ; Seeking the committees approval on case strategy ; Calling and holding meetings of the committee as required and the circumstances of the case dictate

Corporation Tax - Instructing and liaising with BDO in respect of group tax matters, and agreeing and settling any corporation tax due on the sale of assets

Notes:

- 'Administration and planning' represents the work involved in the routine administrative functions of the case. It does not give direct financial benefit to the creditors, but has to be undertaken to meet requirements and obligations under the insolvency legislation and the Statements of Insolvency Practice.

- 'Realisation of Assets' represents the work required to be undertaken to realise the known assets in the case, for the estimated realisable values provided to creditors.

- 'Investigations' represents the work required to undertake an initial investigation to determine whether there are potential recovery actions for the benefit of creditors. If potential recoveries or matters are identified that require further investigation, additional work may be undertaken to investigate them in detail and to bring recovery actions where necessary. If further fee approval is required, creditors will be provided with additional information as necessary and asked to approve the fee request. The office holder is also required by legislation to report to the Insolvency Service on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.

- 'Creditors' represents the work required to deal with the various creditors of the Company. The claims of trade and expense creditors need to be maintained and recorded, together with the amounts of the claims to ensure notices and reports can be issued. All queries and correspondence will be dealt with as part of our statutory obligations.

NOTICE OF INVITATION TO FORM A CREDITORS' COMMITTEE

Company Name: Betteshanger Sustainable Park Limited - in Administration ("the Company")
Company Number: 07687231

In the Business and Property Courts Birmingham No. 000965 of 2019

This Notice is given under Rule 3.39 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Vincent Green, of Crowe U.K. LLP, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE (telephone number 01892 700 200), who was appointed by the directors of the Company.

Creditors are invited to nominate creditors (which may include themselves) by completing the section below and returning this Notice to the Joint Administrator by one of the following methods:

By post to: 4 Mount Ephraim Road, Tunbridge Wells, Kent TN1 1EE
By fax to: +44 (0)1892 619 312
By email to: recoverysolutions@crowe.co.uk

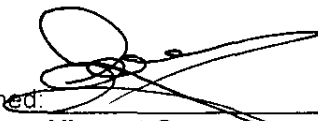
Please note that, if you are sending nominations by post, you must ensure that you have allowed sufficient time for the Notice to be delivered to the address above by the time set out below.

All nominations must be delivered by: 23.59 on 3 January 2020

Nominations can only be accepted if the Joint Administrator is satisfied as to the nominated creditor's eligibility under Rule 17.4 of the Rules.

For further information on the role of Creditors' Committees, go to:

<https://www.r3.org.uk/liquidation-creditors-committees-and-commissioners-a-guide-for-creditors>

Signed: 
Vincent Green
Joint Administrator

Dated: 5 December 2019

NOMINATIONS FOR MEMBERS OF A CREDITORS' COMMITTEE

Betteshanger Sustainable Park Limited - in Administration

On behalf of (name of Creditor): _____

at (address of Creditor): _____

I nominate the following creditor(s) to be member(s) of a Creditors' Committee (provide name(s) and address(es)):

1. _____

2. _____

3. _____

Signed: _____

Dated: _____

Name in capitals: _____

Position with, or relationship to, Creditor or other authority for signature: _____

Are you the sole member/shareholder of the Creditor (where it is a company)?

Yes / No

NOTICE OF DECISION PROCEDURE BY CORRESPONDENCE

Company Name: Betteshanger Sustainable Park Limited - in Administration
("the Company")
Company Number: 07687231

In the Business and Property Courts Birmingham No. 000965 of 2019

This Notice is given under Rule 15.8 of the Insolvency (England & Wales) Rules 2016 ("the Rules"). It is delivered by the Joint Administrator of the Company, Vincent Green, of Crowe U.K. LLP, 4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE (telephone number 01892 700 200), who was appointed by the directors of the Company.

Creditors are invited to vote by correspondence on the following decisions (for the full wording of proposed decisions, see overleaf):

1. The approval of the Joint Administrators' Statement of Proposals
2. The establishment of a Creditors' Committee, if sufficient nominations are received by 3 January 2020 and those nominated are willing to be members of a Committee.¹
3. The basis of the Joint Administrators' fees
4. The approval of the Joint Administrators' Category 2 disbursements
5. The approval of the pre-Administration costs
6. The timing of the Joint Administrators' discharge

Overleaf is a voting form on which creditors may signify their decisions on the above matters. All voting forms, together with a proof of debt if one has not already been submitted, must be completed and returned to the Joint Administrator by one of the methods set out below:

By post to: 4 Mount Ephraim Road, Tunbridge Wells, Kent TN1 1EE
By fax to: +44 (0)1892 619 312
By email to: recoverysolutions@crowe.co.uk

Please note that if you are sending votes by post, you must ensure that you have allowed sufficient time for the forms to be delivered to the address above by the time set out below.

All voting forms and proofs of debt must be delivered by 23.59 on the Decision Date, 3 January 2020.

If the Joint Administrator has not received a proof of debt by the time specified above (whether submitted previously or as a result of this Notice), that creditor's vote will be disregarded. Any creditor whose debt is treated as a small debt in accordance with Rule 14.31(1) of the Rules must still deliver a proof if the creditor wishes to vote. A creditor who has opted out from receiving notices may nevertheless vote if the creditor also provides a proof by the time specified above.

Creditors who meet one or more of the statutory thresholds listed below may, within 5 business days from the date of the delivery of this Notice, require a physical meeting to be held to consider the matter.

Statutory thresholds to request a meeting:	10% in value of the creditors
	10% in number of the creditors
	10 creditors

A creditor may appeal a decision by application to the court in accordance with Rule 15.35 of the Rules. Any such appeal must be made not later than 21 days after the Decision Date.

Signed:


Vincent Green
Joint Administrator

Dated: 5 December 2019

¹ Please see the Notice Inviting Creditors to Form a Committee for further instructions.

VOTE BY CORRESPONDENCE

Betteshanger Sustainable Park Limited - in Administration

Name of Creditor: _____

Address: _____

Decisions:

1	That the Joint Administrators' Statement of Proposals be approved.	*For / Against
2	That a Creditors' Committee be established if sufficient nominations are received and those nominated are willing to be members of a Committee. ²	*For / Against
3	That the unpaid pre-Administration costs set out in the Joint Administrators' Proposal be approved and paid as an expense of the Administration.	*For / Against
4	That the Joint Administrators' fees be charged on a fixed fee basis, and fixed at £80,000.	*For / Against
5	That the Joint Administrators be authorised to recover Category 2 disbursements.	*For / Against
6	That the Joint Administrators be discharged from liability in respect of any action undertaken by them pursuant to Paragraph 98 of Schedule B1 of the Act, such discharge to take effect when the appointment of the Joint Administrators ceases to have effect, as defined by the Act, unless the Court specifies a time.	*For / Against

* Please delete as applicable to indicate your voting instructions

Signed: _____ Dated: _____

Name in capitals: _____

Position with, or relationship to, creditor or other authority for signature: _____

Are you the sole member/shareholder of the creditor (where it is a company)? Yes / No

NOTE: Once a vote has been cast, it cannot be changed.

Please complete this form and return it, along with a completed proof of debt if you have not submitted one previously, so that it is delivered by 23.59 on 3 January 2020, by:

By post to: 4 Mount Ephraim Road, Tunbridge Wells, Kent TN1 1EE

By fax to: +44 (0)1892 619 312

By email to: recoverysolutions@crowe.co.uk

² Please see the Notice Inviting Creditors to Form a Committee for further instructions. Please note that, in the event that a Creditors' Committee is formed, authority to approve decisions 3, 4, 5 and 6 proposed above may be exercised by the Committee.

Betteshanger Sustainable Park Limited - in Administration
Company Number: 07687231

This proof must be made out by, or under the direction of, the creditor and authorised by the creditor or a person with relevant authorisation as at the date of administration order.

Date of Administration: **2 December 2019**

1.	Name of Creditor (If a company please also give company name and registration number)	
2.	Address of Creditor for correspondence (principal place of business)	
3.	Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration	£
4.	If amount in 3 above includes outstanding uncapitalised 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.	Details of any documents by reference to which the debt can be substantiated. [Note there is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chair or convenor of any meeting]	
9.	Signature of creditor or person authorised to act on his behalf	
	Name in BLOCK LETTERS	
	Position with or in relation to creditor	
	Address of person signing (if different from 2 above)	
Admitted to vote for		Admitted for dividend for
£		£
Date		Date
Administrator		Administrator