

CVA1

Notice of voluntary arrangement taking effect



Companies House

WEDNESDAY



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23/09/2020

#200

COMPANIES HOUSE

1 Company details

Company number 0 0 0 1 9 3 0 0

Company name in full Archant Community Media Limited

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Supervisor's name

Full forename(s) Christopher Robert

Surname Pole

3 Supervisor's address

Building name/number One Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B 4 6 G H

Country

4 Supervisor's name ^①

Full forename(s) Howard

Surname Smith

① Other supervisor

Use this section to tell us about
another supervisor.

5 Supervisor's address ^②

Building name/number One Snowhill

Street Snow Hill Queensway

Post town Birmingham

County/Region

Postcode B 4 6 G H

Country

② Other supervisor

Use this section to tell us about
another supervisor.

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6 Date CVA took effect

Date

d	1	d	8	m	0	m	9	y	2	y	0	y	2	y	0
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7 Report of consideration of proposal

☒ I attach a copy of the report of consideration of the proposal

8 Sign and date

Supervisor's signature

Signature

X



X

Signature date

d	2	d	1	m	0	m	9	y	2	y	0	y	2	y	0
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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 **Simran Hundal**

Company name **KPMG LLP**

Address **One Snowhill**

Snow Hill Queensway

Post town **Birmingham**

County/Region

Postcode **B 4 6 G H**

Country

DX

Telephone **Tel +44 (0) 121 232 3153**



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

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IN THE HIGH COURT OF JUSTICE

No. [] of 2020

BUSINESS & PROPERTY COURTS OF ENGLAND AND WALES

INSOLVENCY AND COMPANIES LIST (Ch D)

CR-2020-003608

IN THE MATTER OF: Archant Community Media Limited

COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986 (as amended)

**NOMINEES' REPORT ON DIRECTORS' PROPOSALS PURSUANT TO
SECTION 2(2) OF THE INSOLVENCY ACT 1986**

1. This report has been prepared by Chris Pole of KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH and Howard Smith of KPMG LLP, 1 Sovereign Square, Leeds, LS1 4DA who together are the joint nominees (the '**Nominees**'; each a '**Nominee**') in relation to the proposed company voluntary arrangement under Part I of the Insolvency Act 1986 (the '**Act**') (the '**CVA**') of Archant Community Media Limited, a private limited company incorporated in England and Wales with registered number 00019300 and having its registered office at Prospect House, Rouen Road, Norwich, NR1 1RE (the '**Company**') following review of:
 - a) The proposal for a CVA (the '**Proposal**') by the directors of the Company (the '**Directors**') made pursuant to Part 1 of the Act, a copy of which was received by the Nominees on 1 September 2020; and
 - b) A prescribed statement of the Company's affairs as at 31 July 2020 in conjunction with the additional information regarding the Company's assets and liabilities since that date contained in the Proposal.
2. On 1 September 2020 the Nominees returned to the Company a signed consent to act pursuant to Rule 2.4(2) of the Insolvency (England and Wales) Rules 2016 (the '**Rules**').
3. In the opinion of the Nominees:
 - a) The proposed CVA has a reasonable prospect of being approved and implemented; and
 - b) A creditors' decision procedure should be convened together with a meeting of the Company's shareholder to consider the Proposal.
4. In accordance with section 246ZE(2) of the Insolvency Act 1986, the decision of the Company's creditors with respect to the CVA may be made by any qualifying decision procedure that the Nominees think fit
5. A creditors' decision procedure by electronic voting will be completed by 23:59pm on 18 September 2020.
6. The meeting of the Company's shareholders referred to at paragraph 3 will be


held by telephone at 09:30am on 21 September 2020.

7. Pursuant to Rule 2.9(1) of the Rules, enclosed with this report for delivery to the Court are:
 - c) a copy of the Proposal;
 - d) a summary of the Company's Statement of Affairs (contained at Schedule 9 of the Proposal); and
 - e) a copy of this report.
8. In accordance with Rule 2.9(2) of the Rules, and as referred to in paragraph 3(a) above, the Nominees' comments on why the Proposal has a reasonable prospect of being approved and implemented and why the Company's shareholder and creditors should be invited to consider the Proposal, are annexed to this report.
9. A copy of this report and the Annex have been sent to the Company in accordance with Rule 2.9(4) of the Rules.



Signed by Christopher Robert Pole (Joint Nominee)

Dated: 1 September 2020



Signed by Howard Smith (Joint Nominee)

Dated: 1 September 2020

Chris Pole and Howard Smith are each licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.

Annex

Nominees' Comments on the Proposal

1. These opinions have been prepared pursuant to Rule 2.9(2) of the Insolvency Rules 1986 (the '**Rules**') by Chris Pole of KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH and Howard Smith of KPMG LLP, 1 Sovereign Square, Leeds, LS1 4DA who together are the Joint Nominees (the '**Nominees**'; each a '**Nominee**') in relation to the proposed company voluntary arrangement under Part I of the Insolvency Act 1986 (the '**Act**') (the '**CVA**') of Archant Community Media Limited, a private limited company incorporated in England and Wales with registered number 00019300 and having its registered office at Prospect House, Rouen Road, Norwich, NR1 1RE (the '**Company**') following their review of:
 - a) The proposal for a CVA (the '**Proposal**') by the directors of the Company (the '**Directors**') made pursuant to Part 1 of the Act, a copy of which was received by the Nominees on 1 September 2020; and
 - b) A prescribed statement of the Company's affairs as at 31 July 2020 in conjunction with the additional information regarding the Company's assets and liabilities since that date contained in the Proposal.
2. Following KPMG LLP's introduction to the wider group in August 2019, and in advance of June 2020, KPMG received fees totalling £88,500 relating to tax, pension advisory and restructuring advisory engagements.
3. In June 2020, KPMG LLP, was engaged by the Company's ultimate parent entity, Archant Limited, to advise on the various restructuring options available to the group and, if appropriate, to assist Management in preparing a proposal for a company voluntary arrangement. Total fees payable by the Company for this work will be approximately £240,000. No referral fee was paid in respect of this work.
4. Details of payments estimated to be made to the Nominees are set out at Schedule 3 to the Proposal and amount to £100,000
5. An estimate of the total fee to be paid to the CVA Supervisors is set out at Schedule 3 to the Proposal and amounts to £90,000. That estimate has been produced on the assumptions that (i) the CVA supervisors carry out their duties as Supervisors in accordance with the terms of the Proposal and (ii) that no challenge is brought against the Proposal.
6. The Company has not, within the last twelve months, put forward a company voluntary arrangement proposal that has been rejected.
7. The Nominees have satisfied themselves:
 - a) that the Company's true position as to assets and liabilities is not materially different from that which is represented to the creditors;
 - b) that the Proposal has a reasonable prospect of being approved and implemented in the manner represented in the Proposal;

- c) that there is no unavoidable prospective unfairness which is already manifest; and
- d) accordingly, that the shareholder and creditors of the Company should be invited to consider the Proposal.

8. The Nominees make the following comments in respect of the Proposal:

- a) The Nominees have carried out limited investigations into the Company's circumstances to enable them to assist the Directors in their preparation of the Proposal and report to the Court under section 2(2) of the Act.
- b) The parent company, Archant Limited ('AL'), owes approximately £28 million to the company, and entered administration on 28 August 2020. AL's only material assets are expected to be caught under AL's fixed charge security and there is unlikely to be any unsecured distribution from AL to the Company.
- c) AL ran an options process for the group (the Company, as the main trading entity of the group, was a key entity in that process) whereby it approached potential bidders for the assets and business of the Company to assess value. There has been no potential offer for the Company which results in a repayment in full to the secured creditors (the realisable asset values contained in the statement of affairs have been estimated based on the management accounts for the Company as at 31 July 2020).
- d) The Nominees are not aware of any reason to believe that the information provided by the Directors in relation to the estimate of the liabilities of the Company cannot be relied on by the creditors and shareholder of the Company. On that basis, the Nominees consider that reliance can be placed on such estimates.
- e) The Directors have been totally co-operative and have provided the Nominees with all necessary information.
- f) Details of the security granted by the Company are annexed to the Proposal.
- g) The Directors and Nominees have approached a number of the Company's key creditors to discuss the possibility of proposing a CVA in similar terms to that set out in the Proposal, and received a non-binding indication of voting intention from the majority creditor in respect of the CVA. The discussions with creditors did not cause the Directors and the Nominees to change their opinions that there was a reasonable prospect of the CVA being approved and implemented.
- h) So far as the Nominees are aware, there have been no previous failures of the Company.
- i) The Directors have prepared estimated outcome statements setting out the estimated returns which creditors may expect (i) in an administration of the Company and (ii) if the CVA succeeds. Those statements are annexed to the Proposal and demonstrate that creditors would receive a greater return under the CVA than if the Company were to enter administration. Therefore, the CVA is more beneficial for creditors of the Company than administration.
- j) The Nominees note that the Statement of Affairs prepared by the Directors has been made up to 31 July 2020 being the nearest practical date, but

which is earlier than the earliest date prescribed under Rule 2.6(2) of the Insolvency Rules 1986 for the Statement of Affairs to be made up to. The company produces detailed monthly management information, and the last available set of data was produced to 31 July 2020. Given the demands for information from the stakeholders involved in the restructuring process, it was not in the interests of the business or its stakeholders for management's time to be spent producing detailed financial information to be prepared to a later date rather than in attempting to bring the restructuring to fruition. The Nominees are satisfied that, being the latest available management information, there have been no material changes to the assets and liabilities since that date and, on that basis, they have allowed an extension of the prescribed period in accordance with Rule 2.6(3) of the Rules.

k) The Nominees wish to draw to the attention of creditors to the following:

- Both JCP Three Limited (a loan vehicle of R Capital Nominees Limited) have committed and Secure Trust Bank Plc ('STB') have credit approval to make advances of new funding totalling £3.0 million and £3.9 million (after accounting for reserves and headroom) under revolving credit facilities and asset-based-lending facilities respectively (together the '**Funding**').
- The commitment from STB is a credit-backed offer with a standard set of condition precedents prior to advancement of the funds as is typical with asset-based-lending facilities (the '**Condition Precedents**').
- The Funding is also conditional on i) the approval of the CVA on the decision date as at 18 September 2020; ii) the expiry of the 28 day challenge period with no challenge being issued during the challenge period; (iii) HSBC (one of the secured creditors) being repaid and releasing its security (it is proposed that it be repaid from the new funding); and (iv) new security being granted in their favour (the '**Conditions**').
- As a result of the Conditions, the new funding is not envisaged to be injected into the Company until the week commencing 19 October 2020.
- The Funding, once received by the Company, will be partially used to repay in full the overdraft facility currently provided to the Company by HSBC Bank Plc.
- The Nominees have reviewed the business plan and cash flow forecasts for the period between the filing of this report in Court, and the date the Funding is expected to be received, and consider that during this period the business has a reasonable prospect of continued trading without experiencing any cash-flow challenges based on the existing funding facilities.
- The Nominees have reviewed the longer term business plan and cash flow forecasts for the period and should the Conditions and the Condition Precedents be achieved, then the Proposal has a reasonable prospect of approval and implementation.
- Should the Conditions or the Condition Precedents not be achieved, then the Funding (or in the event of the latter, the funding from STB)

may not be received which will place significant uncertainty on the business model.

- The Nominees however consider that there is a reasonable prospect that the Conditions and the Condition Precedents will be achieved and therefore the Proposal has a reasonable prospect of approval and implementation.

- l) If the Proposal is rejected by the Company's creditors, the likely effect is that the Company will enter administration or liquidation.
- m) The Nominees are not aware of any claims which might be capable of being pursued by a liquidator or administrator of the Company if one were appointed.

Enclosure

**Copy of the Proposal incorporating (at Schedule 9)
a summary of the Company's Statement of Affairs as at 31 July 2020**

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (Ch D)

No. 003608 of 2020

21 Sep 2020



IN THE MATTER OF: ARCHANT COMMUNITY MEDIA LIMITED (Registered Number: 00019300)
COMPANY VOLUNTARY ARRANGEMENT under Part I of the Insolvency Act 1986 (as CR-2020-003608 amended)

CHAIR'S REPORT

**of the Creditors' Decision Procedure and of the Meeting of Members of the Company
in relation to a Proposal for a Company Voluntary Arrangement (the 'Proposal')**

THIS REPORT is made by Chris Pole, licensed insolvency practitioner and partner in KPMG LLP, One Snowhill, Snow Hill Queensway, Birmingham, B4 6GH (the 'Chair'), and one of the Joint Supervisors of the voluntary arrangement of the Company, pursuant to the provisions of Section 4(6) of the Insolvency Act 1986 (the 'Act') and Rule 2.38 of the Insolvency (England and Wales) Rules 2016 (the 'Rules') and is the Chair's Report on the result of the creditors' decision procedure and the meeting of members of the Company contemplated by such Section and Rule.

1 CREDITORS' DECISION PROCEDURE

- 1.1 Pursuant to Section 3 of the Act, a decision of creditors was taken at 23.59 on 18 September 2020 by way of electronic voting.
- 1.2 The legislation which deals with company voluntary arrangements is contained in Part I of the Act.
- 1.3 As convener of the decision procedure, the convener confirms that there were no objections to the notice of the decision procedure and the Proposal, all as despatched to creditors and members on 1 September 2020.
- 1.4 The convener confirms that creditors were asked if they wished to propose any modification to the Proposal. None did so.
- 1.5 The following decision was proposed.
 - a) *"That the proposed voluntary arrangement be approved"*.
- 1.6 Set out in Appendices 1 to 3 are summaries and lists of the creditors (with their respective values), showing how they voted on the decision set out at para 1.5(a).
- 1.7 The requisite majority to approve a decision is three-quarters or more in value of creditors voting on the decisions voting in favour. Having regard (inter alia) to the provisions of Rule 15.34, the convener confirms the decision set out at para 1.5(a) was passed.

2 Meeting of the Company

- 2.1 Pursuant to Section 3 of the Act, the meeting of the Company was held at 9:30 am on 21 September 2020.

- 2.2 The Chair noted that the legislation which deals with company voluntary arrangements was contained in Part I of the Act.
- 2.3 The Chair noted that as convenor of the meeting and pursuant to Rule 2.34 he was Chair thereof. The Chair asked whether there was any objection to the notice of meeting and the Proposal all as despatched to creditors and members on 1 September 2020 being taken as read and there was none.
- 2.4 The following resolution (the 'Members' Resolution') was then proposed:
- a) *"That the proposed company voluntary agreement be approved"*.
- 2.5 Set out in Appendix 4 to this report is a list of the members (with their respective values) who were present or represented at the meeting, showing how they voted on the Members' Resolution, being the decision set out at para 2.4(a).
- 2.6 It was noted that the Members' Resolution was to be regarded as passed if voted for by more than one-half in value (determined by reference to the number of votes conferred on each member by the Company's Articles of Association) of the members present in person or by proxy and voting on the Members' Resolution. Having regard (inter alia) to the provisions of Rule 2.36, the Chair declared the Members' Resolution passed.
- 2.7 Accordingly, the Proposal was approved by the members.

3 EC Regulation on Insolvency Proceedings

- 3.1 In the opinion of the Joint Supervisors, the EC Regulation on Insolvency Proceedings applies to the voluntary arrangement and these proceedings are main proceedings as defined by Article 3 of that regulation for the following reasons: the company is incorporated in England and Wales and the company's registered office is situated in England which is the place where the company conducts the administration of its interests on a regular basis as ascertainable by third parties.

Signed



Dated 21 September 2020

Chris Pole

Convener of the Creditors Decision Procedure/Chair of the Company Meeting

Archant Community Media Limited – under a Voluntary Arrangement

Appendix 1

Details of voting on decision at para 1.5(a)

Voting in respect of decision "that the proposed voluntary arrangement be approved":

	£	% of voting creditors
For the above decision:		
Creditors listed in Appendix 2	99,307,125	93.9%
Against the above decision:		
Creditors listed in Appendix 3	6,447,970	6.1%
Abstained from voting on the decision	Nil	Nil
	<u>105,755,095</u>	

The above figures include voting by connected creditors. The table below summaries the voting position excluding the connected creditors.

	£	% of voting creditors
For the above decision:		
Creditors listed in Appendix 2	99,265,744	93.9%
Against the above decision:		
Creditors listed in Appendix 3	6,447,970	6.1%
Abstained from voting on the decision	Nil	Nil
	<u>105,713,714</u>	

Archant Community Media Limited – under a Voluntary Arrangement **Appendix 2**

List of creditors voting “for” decision at para 1.5(a)

Unconnected creditors	Voting value (£)
The Pension Protection Fund	98,039,216
Alan Boswell Insurance Brokers	562,908
News UK & Ireland Limited	394,859
Palm Paper Limited	62,422
British Telecom	50,008
Sharman & Company Limited	46,866
Swallowtail Print Limited	40,811
Express KCS Limited	17,117
John Menzies (UK) Limited	15,531
Denmaur Papers Plc	14,610
Citipost Limited	6,100
Fore Partnership	4,600
S&G Print Group Limited	4,090
JPI Print Media Holdings Limited	3,276
Weatherquest Limited	3,030
Leslie Bliss	300
New Spark Media Inc	NIL
Total unconnected votes	99,265,744

Connected creditors**Voting value
(£)**

Nicholas Steven-Jones	9,692
Matthew Smith	6,663
John Ford	6,301
Tara Cross	5,896
Vicki Smith	5,550
Greg Parton	4,977
John Patrick Asher	2,302

Total connected votes

41,381

**Voting value
(£)****Total creditors voting in favour**

99,307,125

Archant Community Media Limited – under a Voluntary Arrangement **Appendix 3**

List of creditors voting “against” decision at para 1.5(a)

Unconnected creditors	Voting value (£)
HM Revenue & Customs	6,248,000
Ipswich Borough Assets Limited	142,188
Brown & Lee Chartered Surveyors	57,782
Total unconnected claims	6,447,970

Connected creditors	Voting value (£)
Total connected claims	NIL

	Voting value (£)
Total creditors voting against	6,447,970

Archant Community Media Limited – under a Voluntary Arrangement

Appendix 4

Details of shareholders present or represented and voting “for” decision at para 2.4(a):

Shareholders	Shareholding value (£)
Archant Community Media Holdings Limited (in administration)	5,000,000
Total	<u>5,000,000</u>

Details of shareholders present or represented and voting “against” at para 2.4(a):

Shareholders	Shareholding value (£)
Total	<u>NIL</u>

Details of shareholders present or represented and “abstaining” from voting either for or against decision at para 2.4(a):

Shareholders	Shareholding value (£)
Total	<u>NIL</u>