

The Insolvency Act 1986

Notice to Registrar of Companies of
Supervisor's Abstract of Receipts and
Payments

R.1.26(2)(b)/

Pursuant to Rule 1.26(2)(b) or Rule
1.54 of the Insolvency Rules 1986

For official use

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| | | |
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To the Registrar of Companies

Company Number

00727114

Name of Company

(a) Insert full name of company

(a) Cherryridge Poultry Limited

(b) Insert full name(s) and address(es)

I/We(b)

Stephen Oldfield
PricewaterhouseCoopers LLP
The Atrium St Georges Street
Norwich Norfolk NR3 1AG

MJA Jervis
PricewaterhouseCoopers LLP
7 More London Riverside London
SE1 2RT

supervisor(s) of a voluntary arrangement taking effect on

(c) Insert date

(c) 09/02/2007

present overleaf my/our abstract of receipts and payments for the period
from

(c) 09/02/2011

to

(c) 08/02/2012

Total Pages

Number of continuation sheets (if any) attached

☐

Signed



Date

8/3/12

Presenter's name, Chris Burfutt
address and reference PricewaterhouseCoopers LLP
(if any) 7 More London Riverside London SE1 2RT

WEDNESDAY
THURSDAY



A168JOQI

A17

05/04/2012

#104

COMPANIES HOUSE

A24

14/03/2012

#178

COMPANIES HOUSE



**Private & Confidential
TO CREDITORS AND MEMBERS**

3 April 2012

Dear Sirs

Cherryridge Poultry Limited (the "Company") - Company Voluntary Arrangement ("CVA")
Court reference: 7004 of 2007
Fourth annual report

I last wrote to you on 6 April 2010 to tell you about the progress of the arrangement between 9 February 2009 and 8 February 2010

In that report, I stated that in order to keep costs to a minimum, I wouldn't report to creditors again until the sale of Shrublands Farm was achieved

This report, my fourth to creditors and members, covers the events of the two years ended 8 February 2012 and includes details of the prospective sale of Shrublands Farm ("Shrublands"), the last remaining asset of the company

Further progress against the directors' proposal

I explained last time that the only steps remaining in the CVA were the sale of the freehold property at Shrublands, Northrepps, the settlement of outstanding costs in the CVA and the distribution of the residual proceeds to the fixed chargeholder, Barclays Bank Plc

I report below on the progress achieved against these steps.

Shrublands property

As explained in my earlier reports, Barclays Bank PLC ("the Bank") has a fixed charge (similar to a mortgage) over the whole of the site, including a portion owned by the M E Grief Settlement Trust ("the Roper Family Trust"). This charge secures its outstanding lending to the Company, which stands at over £700k including interest and charges. The Trust's portion represents c18% by value of the site

We told you last time that Barclays was considering whether to agree to the site being placed on the open market based on the existing resolution to grant ("RTG"), rather than at some future date to allow for any potential improvement in its planning status. At that time, Bidwells were in dialogue with North Norfolk District Council ("NNDC") to try and increase its viability and therefore its value to potential developers

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Because the signs at that time were encouraging, we agreed with the Bank that the best course of action was to pursue, through Bidwells' dialogue with NNDC, the chance of an improved planning status for the site. We wanted NNDC to agree to a revised plan containing a lower density of affordable units, to increase the site's potential value to developers. If NNDC agreed, we could then apply to convert the existing RTG into a formal outline planning permission which we could take to the open market.

Regrettably, NNDC would not accept a revised plan. This meant that either we continued trying for an improved planning permission, or we took the site to the open market on the basis of its existing RTG. After much deliberation, the Bank, as mortgage-holder, decided to market the property with the benefit of its existing RTG.

Bidwells were engaged to market the site. Various parties showed interest and a number of offers were received, some of which were conditional on outline planning permission being achieved.

The Bank decided to proceed with an offer from a private developer, in the sum of £350,000. The sale is still subject to contract, so I cannot disclose the buyer's name. Bidwells have provided a letter of recommendation in support of an offer at that level. Also, the Trustees for the Roper Family Trust have confirmed that they will not stand in the way of the sale.

Whilst the Bank could have allowed the Supervisors to conduct the sale, it has chosen to conduct the sale as mortgagee-without-possession. The Bank, as mortgage-holder, has the unfettered right under the terms of its mortgage to be able to do this.

Overall financial outcome

We attach at Appendix B a statement of the Company's overall financial position ("OFO") in the soon to be completed CVA compared to the estimated financial outcome as set out in the directors' proposal. The OFO assumes a sale of Shrublands is completed at £350,000.

We compare the OFO to the "No BM deal" scenario in the proposal, which envisaged the company entering administration in the event that the CVA was not approved. This is the only relevant comparative from the proposal as the other two comparatives were both based on the BM deal proceeding. As creditors are aware, BM withdrew from the trading deal shortly after the outbreak of Avian influenza in February 2007.

The OFO confirms that Barclays will be the only creditor to benefit from the realisation of Shrublands. This reflects the disappointing sale price achieved and the agreement of the Trustees of the Roper Family Trust not to seek to participate in the Farm's realisations.

Once all professional costs are accounted for (see "Supervisors' remuneration" below), the resulting payment to Barclays will take its total distribution to £3.92m. This compares to the Company's overall indebtedness to the Bank of £4.47m, which includes invoice and chattel asset finance.

With there being no preferential claims, the only other creditors to benefit from the realisations in the CVA have been Tesco plc, who had a fixed charge against the Company's trading debt at 8 February 2007 of £1.18m, and 3 other chattel asset financiers also with specific charges (Bank of Ireland, Norfolk and Suffolk Finance Ltd and HFGL Ltd) who all received 100 pence in the pound.



Regrettably, as envisaged in the "No BM deal" administration scenario, there were insufficient funds available to pay unsecured creditors any dividend. It should be noted that the administration scenario was based on an assumed realisation of at least £1.1m for Shrublands, some three times the actual realisation likely now to be achieved.

Supervisors' remuneration

The CVA provides for the joint Supervisors to be remunerated on a time cost basis plus VAT. The directors' proposals estimated that our total fee would be £115k plus disbursements and VAT, including £35k plus disbursements and VAT for assistance to the directors in the preparation of the proposals. These figures were based on our estimate of the total time likely to be incurred, assuming the terms of the arrangement in its original form were fully complied with. As indicated above, the basis of the CVA changed significantly in September 2007 and it has taken several years longer than expected to complete the sale of the assets.

We have so far incurred time costs of £318k at the centrally negotiated (and lower) "panel" insolvency average hourly rates of £138/hour and £150/hour, required by the Bank. We are in discussion with the Bank on the level of our fees but have assumed for the OFO that they will total £250k. This reduction on our actual costs is in recognition of the shortfall suffered by Barclays upon the sale of Shrublands.

The Supervisors are entitled under the terms of the CVA to draw disbursements as follows:

- 1 Photocopying at 4p per sheet copied (only charged for circulars to creditors and other bulk copying),
- 2 Mileage, at a maximum of 67p per mile (from 1 June 2011) (cars up to 2,000 cc) or 80p per mile (from 1 June 2011) (cars over 2,000 cc),
- 3 All other disbursements to be reimbursed at cost.

It has been our policy to delegate the routine administration of the CVA to junior staff in order to maximise the cost effectiveness of the work performed. These members of staff are supervised by senior staff and the Supervisor. Any matters of particular complexity or significance are dealt with by senior staff and the Supervisor.

We have incurred a number of further disbursements in addition to those reported last time. These are scheduled at Appendix D.

A schedule giving details of the costs incurred from 1 January 2007 to date by work category is attached at Appendix C.

Receipts and payments

We attach at Appendix A receipts and payments accounts for the two years ended 8 February 2012, which detail the limited number of transactions during the period. A number of these relate to the settlement of outstanding trading and professional costs accrued earlier in the CVA, as referred to in my third annual report.



I am currently holding a balance of c£7k in the Supervisors account. These funds will be utilised to settle residual costs in the CVA, including an outstanding Crown liability and accountants' fees. The balance will go towards our fees as set out above.

Conclusion of the arrangement

I will issue a brief final report once the sale of Shrublands is complete and all outstanding formalities in the CVA are dealt with. I will include with this report a copy of my certificate of due completion, which will signify the completion of the CVA.

If in the meantime you have any queries or wish to discuss the arrangement, please do not hesitate to contact Adrian Poole or Stephen Oldfield at the above address.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S Oldfield'.

Stephen Oldfield
Joint Supervisor

- Appendix A Receipts and payments account
- Appendix B Statement of Estimated Overall Financial Outcome
- Appendix C Schedule of Supervisors' time costs
- Appendix D Schedule of Supervisors' disbursements

Mr Stephen Mark Oldfield and Mr Michael John Andrew Jervis are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Accountants in England and Wales respectively



Appendix A Receipts and payments account

Rules 1.26/1.54

The Insolvency Act 1986

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and address(es)

I/We(b)

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to

(c) 08/02/2012

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Number of continuation sheets (if any) attached

☐

Signed

mja

Date

8/3/12

Presenter's name, Chris Burfutt
address and reference PricewaterhouseCoopers LLP
(if any) 7 More London Riverside London SE1 2RT

Supervisor's abstract of receipts and payments

Company Number

00727114

Company Name

Insert full name of
company

Cherryridge Poultry Limited

ABSTRACT

[illegible]

The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed

Except where otherwise stated all values shown are exclusive of VAT

Supervisor's abstract of receipts and payments

00727114

Insert full name of
company

Cherryridge Poultry Limited

ABSTRACT

[illegible]

Page 3

The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the supervisor since he was appointed.

Rules 1.36/1.54

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PricewaterhouseCoopers LLP
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St Georges Street
Norwich
Norfolk NR3 1AG

MJA Jervis
PricewaterhouseCoopers LLP
Plumtree Court
London
EC4A 4HT

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(c) 09/02/2010

to

(c) 08/02/2011

Number of continuation sheets (if any) attached

Signed



Date

11/4/11

Presenter's name Chris Burfull
address and reference PricewaterhouseCoopers LLP
(if any) Plumtree Court
London
EC4A 4HT

For Official Use

Liquidation Section Post Room

Supervisor's abstract of receipts and payments

00727114

Company Name **Cherryridge Poultry Limited**

Receipts

£ p

| | |
|--------|----|
| 68,249 | 23 |
|--------|----|

| | |
|--------|----|
| 20,084 | 10 |
|--------|----|

11 05

Carried forward to next abstract

88,344 | 38

Except where otherwise stated all values shown are exclusive of VAT

Supervisor's abstract of receipts and payments

00727114

Insert full name of
company

Cherryridge Poultry Limited

Payments

E **P**

| | |
|--------|----|
| 60,599 | 84 |
|--------|----|

| | |
|--------|----|
| 14,284 | 40 |
|--------|----|

| | |
|-------|----|
| 2,610 | 33 |
|-------|----|

590 | 60

| | |
|-------|----|
| 2,502 | 75 |
|-------|----|

Carried forward to next abstract

80,587 92

Except where otherwise stated all values shown are exclusive of VAT

CHERRYRIDGE POULTRY LIMITED

ESTIMATED FINANCIAL OUTCOME - CVA COMPARED TO ADMINISTRATION FROM 9 FEBRUARY 2007

| | Administration | | CVA | | |
|---|---------------------|-------|-----------------------------------|-------------------------------|-----------------------------|
| | No BM deal £'000 | £'000 | Actuals to 8 Feb 2012 £'000 | Estimated to come £'000 | Estimated Total £'000 |
| ASSETS SUBJECT TO FIXED CHARGE | | | | | |
| Freehold Property | | | | | |
| Shrublands Farm | | 1,080 | | 350 | 350 |
| Other freeholds | | 2,015 | 2,015 | 0 | 2,015 |
| Total | | 3,095 | 2,015 | 350 | 2,365 |
| Book debts - part subject to fixed charge | 3,199 | | 3,199 | | |
| Less - Tesco secured loan | (1,180) | | (1,180) | | |
| - contras / credit notes / provisions | (617) | | (473) | | |
| Net | 1,402 | | 1,546 | | |
| Less - Barclays CID balance | (1,292) | | (1,292) | | |
| - Barclays terminal charges | - | | (24) | | |
| Surplus available to floating charge | 110 | | 230 | - | - |
| Other debtors and prepayments | | 0 | | - | - |
| Total assets available under the fixed charge before costs of realisation | | 3,095 | 2,015 | 350 | 2,365 |
| Less Fixed Charge costs | | | | | |
| - Administration (say 10%) | | (310) | | | |
| - Supervisors | | - | (44) | (36) | (80) |
| - Bidwells re Shrublands Planning advice 2008 | | - | - | (70) | (70) |
| - Agents & Legal re Shrublands Farm | | - | - | (12) | (12) |
| - Insurance | | - | - | - | 0 |
| Available to Bank from Fixed Charge | | 2,785 | 1,971 | 232 | 2,203 |
| ASSETS SUBJECT TO FLOATING CHARGE | | | | | |
| Book debts not subject to fixed charge | | 110 | 230 | 0 | 230 |
| Chiller, plant, machinery, vehicles & F&F before HP liabilities | 411 | | 388 | | |
| Less owed to HP houses | (153) | | (153) | | |
| - Barclays | (83) | | (83) | | |
| - non Barclays | | 175 | 152 | 0 | 152 |
| Stock realisation | 19 | | 1,446 | | |
| Less estimated costs of realisation (trading costs) | 0 | | (1,398) | | |
| Total Assets available under floating charge before costs of realisation | | 304 | 429 | 0 | 429 |
| Less Preferential Creditors | | (4) | 0 | 0 | 0 |
| Less Floating Charge costs | | | | | |
| - Administration including Trading & Supervision | | (300) | - | - | - |
| - Supervisors | | - | (60) | (110) | (170) |
| - Holding costs / statutory compliance | | - | - | (7) | (7) |
| Available to Bank from Floating Charge | | (0) | 369 | (117) | 252 |
| TOTAL AVAILABLE TO BARCLAYS BANK PLC | | 2,785 | 2,340 | 115 | 2,455 |
| Less owed to Barclays Bank plc | | | | | |
| - loan fixed rate | 900 | | 900 | | |
| - loan variable rate | 680 | | 680 | | |
| - loan chiller | 187 | | 187 | | |
| - overdraft | 1,110 | | 1,110 | | |
| Per Statement of Affairs | 2,877 | | 2,877 | | |
| Bank interest and charges | 89 | | 122 | | |
| | (2,966) | | (2,999) | | (2,999) |
| SURPLUS/(DEFICIT) BEFORE ACCRUED INTEREST & CHARGES | | (181) | (659) | 115 | (544) |



Appendix C

| Cherryridge Poultry Limited – in CVA | | | | | | |
|---|--|----------------|------------------|-----------|-----------------|------------------|
| Supervisors' time costs from 21 March 2010 to 8 February 2011 | | | | | | |
| Category of work | Hours | | | | | Total (@£150) |
| | Partner | Senior Mgr. | Senior Assoc. | Assoc. | Total | £ |
| Asset realisations – freehold property | 1 | 57 | 0 | 0 | 58 | 8,700 |
| Creditors' claims | 0 | 0 | 0 | 14 | 14 | 2,100 |
| Accounting & treasury | 0 | 0 | 6 5 | 0 | 6 5 | 975 |
| Reporting | 1.5 | 36 5 | 0 | 0 | 38 | 5,700 |
| Statutory & compliance | 0 | 8 | 1 5 | 5 | 14 5 | 2,175 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Total - 21 March 2010 to 8 February 2011 | 2.5 | 101.5 | 8 | 19 | 131 | 19,650 |
| Brought forward at 21 March 2010 | <i>Note – Barclays' rate £129/hr to 30 June 2007</i> | | | | 2,129 18 | 294,288 |
| Total – 8 February 2011 | | | | | 2,260.18 | 313,938 |



Appendix C - continued

| Cherryridge Poultry Limited – in CVA | | | | | | |
|--|--|------------------------|--------------------------|---------------|-----------------|--------------------------|
| Supervisors' time costs from 8 February 2011 to 8 February 2012 | | | | | | |
| Category of work | Hours | | | | | Total (@£150) |
| | Partner | Senior Mgr. | Senior Assoc. | Assoc. | Total | £ |
| Asset realisations – freehold property | 0 | 11 | 0 | 0 | 11 | 1,650 |
| Creditors' claims | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounting & treasury | 0 | 0 | 2 | 4 | 6 | 900 |
| Reporting | 0 | 1 | 3 | 3 | 7 | 1,050 |
| Statutory & compliance | 0 | 0 | 2 | 1 | 3 | 450 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Total – 8 February 2011 to 8 February 2012 | 0 | 12 | 7 | 8 | 27 | 4,050 |
| Brought forward at 9 February 2011 | <i>Note – Barclays' rate £129/hr to 30 June 2007</i> | | | | 2,260 18 | 313,938 |
| Total – 8 February 2012 | | | | | 2,287.18 | 317,988 |



Appendix D Schedule of Supervisors' disbursements

| | |
|---|--------------|
| Cherryridge Poultry Limited | |
| Supervisors disbursements to 8 February 2012 | |
| Disbursement element | Total |
| | £ |
| Car parking (incurred between 21 March 2010 and 8 February 2011) | 6 |
| Mileage - 350 miles @ £0.77 per mile (incurred between 21 March 2010 and 8 February 2011) | 270 |
| Photocopying & postage | 0 |
| Subsistence | 0 |
| Other | 0 |
| Total for period 21 March 2010 to 8 February 2012 | 276 |
| Brought forward at 21 March 2010 | 6,441 |
| Total | 6,717 |