

Rule 1.24/1.54

The Insolvency Act 1986

Notice to Registrar of Companies
of Voluntary Arrangement
Taking Effect

Pursuant to Section 4 of, or paragraph
30 of Schedule A1 to,
the Insolvency Act 1986

S.4/ Para 30 Sch A1

For Official Use

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Company Number

03846733

To the Registrar of Companies

Insert full name of
Company

Name of Company

Agriprem Holdings Limited

Insert full name and
Address

I Patricia Angela Marsh
Marsh Hammond & Partners LLP
Peek House
20 Eastcheap
London
EC3M 1EB

Insert date

the chairman of meetings held in pursuance of Section 4 the Insolvency Act 1986 on
23 February 2011 enclose a copy of my report of the said meetings

Signed



Date

02/03/2011

Presenter's name,
address and reference
(if any)

AGRHOL
Agriprem Holdings Limited

Patricia Angela Marsh
Marsh Hammond & Partners LL
Peek House
20 Eastcheap
London
EC3M 1EB

For Official Use

Liquidation Section

Post Room



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A18

03/03/2011

19

COMPANIES HOUSE

THURSDAY

CHAIRMAN'S REPORT TO COURT

In the High Court of Justice

857 of 2011

AGRIPREM HOLDINGS LIMITED

**THE CHAIRMAN'S REPORT ON THE MEETING OF CREDITORS
HELD AT AMERICA SQUARE CONFERENCE CENTRE,
1 AMERICA SQUARE, 17 CROSSWALL,
LONDON, EC3N 2LB
AND THE SOLE MEMBER'S RESOLUTIONS PASSED
ON 23 FEBRUARY 2011
CONVENED PURSUANT TO SECTION 3
OF THE INSOLVENCY ACT 1986.**

FILED

01 MAR 2011

I write to inform you that a meeting of the creditors of the above-named company was summoned and held on **23rd February 2011** and the details and outcome of that meeting are in the report set out below -

PERSONS PRESENT OR REPRESENTED AT THE CREDITORS' MEETING

Present:	Simon Rye ("SR")	- Director
Chairman	Patricia Marsh ("PM")	- Joint Nominee (Marsh Hammond & Partners LLP)
In attendance	Barrie Harding ("BH")	- Joint Nominee ((Marsh Hammond & Partners LLP)
	Marc Potter ("MP")	- Marsh Hammond & Partners LLP
	Andrew Morris ("AM")	- Marsh Hammond & Partners LLP
	Ian Grier ("IG")	- Solicitor (Sprecher Grier Halberstam)

Various creditors attending in person or by proxy – Creditor details and how they voted are set out on the attached schedule

CONDUCT OF THE MEETING

The meeting commenced at **2:40pm**

Patricia Marsh introduced herself and her partner Barrie Harding as the joint nominees designated in the proposal document and opened the meeting. Patricia Marsh also explained that she would be the Chairman of the meeting and then introduced the two other persons seated at the top table who were the sole director, Mr Simon Rye, and Mr Ian Grier, the solicitor for the joint nominees.

The following questions were raised and discussed by creditors present or their representatives -

- What were the reasons for the insolvency? The timeframe from which the Company went from being solvent to insolvent was also discussed. SR explained how the position deteriorated and the main factors that contributed to this, including his attempts at raising additional finance which proved unsuccessful as one investor pulled out at the last minute.
- What risk management procedures were in place and were they sufficient to protect the unsecured creditors when dealing in a volatile market? SR advised that they took steps to manage the risk, but the demand was not there. The creditors present advised that the company ought to have foreseen the market changes and should not have been trading without the means to cover its position. The creditors present believed that SR had been very naive and some believed that SR had had a duty to "buy out" the position when in fact he had allowed the deficiency to double. As such, they thought that SR had acted irresponsibly. It was however acknowledged that the decision to continue to trade was in part governed by the forward order book and failure to honour these obligations would have significantly increased claims for damages and breach of contract.
- When was SR aware that the Company was insolvent and what actions did he take following this? SR explained that his first meeting with Marsh Hammond & Partners was on 15 September 2010 and he had been in regular contact with them from this time. The key moment was when the prospective investor pulled out on or about 8th October.
- What actions were taken at the time of the "announcement" circulated on 13 October 2010 and on what basis were these actions founded? The creditors' representatives present asked who the

announcement was made to, whether it was made to the general body of creditors and further did it mean that SR came to an arrangement with some creditors and that they have been paid?

- SR confirmed that the announcement was to the general body of creditors and further that payments had been made to allow the continuance of trading in order to provide the best return to creditors but no one was paid in full
- The creditors present questioned why payment in full was not made, as envisaged by the 13th October 2010 announcement. It was explained that this would have constituted a preference, paying some creditors ahead of others
- The creditors' representatives present asked which of the CVL/CVA scenarios would produce a more positive recovery in the event of a potential claim being made against Heygates Limited and the possible impact that that would have on the duration of the arrangement
- It was advised by IG that a liquidator stood no better chance of recovery than a Supervisor, but until he had sight of the papers, he was unable to offer an opinion from the point of the Insolvency Practitioner. PM advised the Proposal allowed for extensions of time at clause 5.11, so there would be no need for a modification to be made. It was advised that this matter would be looked into immediately, with the initial thoughts circulated to creditors at the time of the first dividend to creditors at the end of April 2011
- The creditors' representatives present asked whether there had been any significant change in the position/outcome. PM advised that an updated statement as at the date of the creditors meeting had been prepared and this was provided to those creditors and their representatives present
- PM also confirmed that whilst the estimated outcome figures had reduced, the outcome in a CVA was still more than double that of a compulsory or other form of liquidation and this excluded the possible outcome of any actions concerning the Heygates claim for breach of contract
- As a result of the additional information provided to creditors and their representatives SR was asked the following questions -
 - What is the monthly cost of running the business and who are you employing? BH interjected and advised the cost was included in the cash flow provided. SR advised that, in addition to himself, the staffing levels required for the trading period would be two people, his son Edward and Paul Boulton, the Company's trader
 - Creditors and their representatives asked SR what had happened to the raw material costs shown in the forecasts which accompanied the proposals and whether they had been paid. SR advised that all raw material costs had now been paid as anticipated and there would be no further outgoings in that regard
 - SR was asked whether any of the debtors were disputed and the realisable quality of the debtors. SR advised that the realisable balance was collectable and there was only one debtor where there was a potential issue and further advised that Paul Boulton was going to discuss the matter with them the week commencing 28 February 2011
- A Creditors representative present asked for clarification on the winding up petition and it was confirmed which creditor had presented the petition. IG advised that it had not been advertised and had been withdrawn. IG further advised that a payment of £10,000 had been made in order to secure the settlement
- It was also asked whether the petitioning creditor had been paid in full and whether they were still listed as creditor. It was explained that they were not paid in full, and they are still a creditor for the balance of their claim after deduction of the £10,000 paid
- Creditors representatives questioned SR with regard to the Company's former charged property purchased by him as advised at paragraph 4.9 (g) of the CVA proposals and he was asked who had undertaken the valuation. It was explained that the property was valued by agents instructed by SR, however Coutts, the charge holder on the property, thought the valuation was too low and so instructed their own agents, who confirmed a higher valuation price which was then paid in full by SR thereby releasing the charge

- The address of the Company Secretary, Edward Rye listed at Companies House was discussed, his given address was the Company's trading address and SR was asked for clarification SR said he was unaware of this and did not know why that was the case, but assured the meeting that his son did not live at the property as it was an office and non residential property
- A creditors' representative questioned the level of rent being paid by the Company to SR as advised at paragraph 5.13 and asked whether it was in line with market rates and how long payments would be made by the Company SR assured them that it was in line with market rates and that it would only be paid for the trading period and envisaged that the office would be closed by end of April
- A creditor present advised the meeting that SR had been a director of a number of insolvent companies SR advised that these had taken place well over 10 years ago and all creditors had been paid in full SR further advised that the only shortfalls in each of those companies were in relation to the shareholders
- SR was asked whether there were any redundancy payments due to the staff SR advised that there would be none as this had already been taken care of
- A creditors' representative asked whether SR would be willing to make a personal contribution into the arrangement in view of the substantial loss to unsecured creditors SR advised that he had no funds with which to do so and advised that he had invested £250,000 in share capital together with an additional £198,000 SR advised he had been paid some of this back on an ad hoc basis

APPROVAL OF THE PROPOSED ARRANGEMENT

At the formal business of the meeting, the representative acting for Heygates and Sons Limited confirmed that, in view of the fact they now had knowledge of the counterclaim against their client, they would not be voting. In addition there were three general proxies from MCL Transport Limited (2,770 98), F P Blake and Sons Limited (£402 14) and DM Davies & Sons Limited (£852 44) in favour of the Chairman of the meeting, Patricia Marsh and Barrie Harding respectively which were not included in the voting as they did not include specific voting instructions and the joint nominees did not have discretion to vote for the proposal or upon their own remuneration.

These proxies were not therefore included in the voting or calculations of the voting percentages listed. It was, however noted that their inclusion would have had no material effect upon the outcome.

The following resolutions were unanimously approved by all the creditors who voted

- 1 That the proposal as put before the meeting be formally approved without modification
- 2 That pursuant to clause 16.6 of the proposal, all powers conferred upon the Joint Supervisors are exercisable jointly and severally and any act required or authorised to be done by the joint supervisors may be done by either or both of them
- 3 That pursuant to clauses 16.10 and 16.11 of the proposal, the Joint Supervisors' fees be agreed on a time costs basis and drawn from time to time as they consider appropriate in relation to their accruing costs

Therefore in accordance with Rule 1.19 of the Insolvency Rules 1986 a majority in excess of 75% in value of those creditors present in person or by proxy was obtained and the proposed Voluntary Arrangement was accepted.

There being no other business, the meeting terminated at 4.30pm

Written Resolutions of the sole member

The sole member of the Company Mr Simon Masters Rye had been present at the meeting of creditors in his capacity as sole director of the Company. After the meeting of creditors, Mr Rye holding 250,000 ordinary £1 shares being the whole of the issued share capital of the Company passed the following resolutions in writing

- 1 That the proposal as put before the meeting be formally approved without modification

- 2 That pursuant to clause 16 6 of the proposal, all powers conferred upon the Joint Supervisors are exercisable jointly and severally and any act required or authorised to be done by the joint supervisors may be done by either or both of them
- 3 That pursuant to clauses 16 10 and 16 11 of the proposal the Joint Supervisors' fees be agreed on a time costs basis and drawn from time to time as they consider appropriate in relation to their accruing costs

The resolutions were dated 23rd February 2011

European Communities Regulation

In my opinion the Regulation applies to this voluntary arrangement, and the proceedings are main proceedings

Signed



P A Marsh
Chairman of the Meeting

AGRIPREM HOLDINGS LIMITED

VOTING DETAILS

Creditors voting for acceptance	Amount £	% of vote cast
<i>By way of Chairman's proxy</i>		
Allied Mills	65,676 80	1 84%
Bernard Matthews Foods Limited	108,104 00	3 02%
Berry Feed Ingredients Limited	6,770 00	0 19%
Countrywide Farmers Plc	202,523 61	5 66%
CS Commodity Solutions Limited	4,335 13	0 12%
Glasson Grain Limited	4,498 96	0 13%
Harpers Home Mix Limited	52,084 00	1 46%
Hext Bros Limited	10,498 00	0 29%
Kingston Agnecrom Limited	10,292 34	0 29%
M Way & Son (Transport) Limited	1,339 38	0 04%
McGuinness Feeds Limited	44,573 00	1 25%
Mercury Commodities Limited	12,307 76	0 34%
Protein Feeds Limited	126,651 00	3 54%
Riverside Feeds Limited	59,694 00	1 67%
The Silver Spoon Company	37,815 70	1 06%
Thomas Mawer Limited	577,527 48	16 15%
Torre Feed Agriculture Limited	86,937 27	2 43%
Vernere & Co (Bristol) Limited	24,225 83	0 68%
W L Duffield Limited	206,336 00	5 77%
West Bay Brokers	1,044 00	0 03%
Wills & Wilkin Limited	8,524 81	0 24%
Wynnstay Group Plc	249,630 91	6 98%
	1,901,389 98	53 16%
<i>By way of creditors in person</i>		
AB Agri Limited	770,762 00	21 55%
Arkady Feed (UK) Limited	72,053 26	2 01%
E F Wootton & Son	37,700 00	1 05%
Criddle & Co Limited	539,808 38	15 09%
Willett & Son Bristol Limited	224,593 92	6 28%
Comfeeds (Ipswich) Limited	30,597 88	0 86%
	1,675,515 44	46 84%
Total	3,576,905 42	100 00%
Creditors voting against acceptance		
<u>None</u>	-	-