

## Receivers end of July 2009 update

### Achieved to date

Following an assiduous June we are able to up date you on the Receivership for July as follows:

- Going concern sale achieved of the Lubborn cheese factory, the Llandyrnog cheese factory and 9 depots.
- Transition of 1,813 farmers as follows:

First 2 weeks	<ul style="list-style-type: none"><li>• 300 to Milk Link as part of sale of Llandyrnog</li><li>• 1,301 to other dairies</li><li>• 15 Retired</li></ul>
Subsequent 4 weeks	<ul style="list-style-type: none"><li>• 105 to Milk Link</li><li>• 59 to other dairies</li><li>• 33 Retired</li></ul>

- As a consequence the Receivers and Managers stopped collecting milk from farmers on 16 July 2009.
- Consultation with Financial Services Authority (“FSA”) and the Insolvency Services (“IS”) over the receivership and our reporting to creditors and members.
- Employees - many jobs have been saved via the sale of some parts of the business as a going concern. For those employees in the business areas we have had to close, we have been successful in collating and sending all relevant forms to the Redundancy Payments Office (“RPO”) within a short period and the RPO started to make payments for holiday pay and redundancy pay during week 6, well in advance of the 8 to 10 week guideline.

### Recently

The Receivers have met with the Department for Environment Food and Rural Affairs (“DEFRA”), the National Farmers Union (“NFU”), the Farmers Union of Wales (“FUW”) and the Minister for Rural Affairs within the Welsh Assembly in order to provide updates.

The Receivers have held a meeting with the Chairman of the Environment, Food and Rural Affairs Committee (“EFRA”) regarding the select committee hearing on DFB.

### Still to do

- We have been unable to find a buyer for the closed sites of Bridgend, Blaydon and Lincoln despite national and international advertisement, consequently our next steps are to:
  - Decommission the dairy plant facilities and arrange the auction of the plant over the forthcoming months. This auction will be advertised in the trade press.
  - Advertise for sale the freehold properties.
  - Links to both of these actions will be posted on the website in due course.
- Any interest in the sites as a complete facility will still be pursued during the period right up to the auction.
- Calculation of the final milk price for the Receivership trading period.
- Final calculation of milk swaps and haulage being carried out with a view to concluding by the middle of August.
- Continued legal advice in connection with the status of members guarantees.

### **Receivers Report and Creditors and Members meeting**

We are currently compiling our Receivers report following consultation with the FSA & IS. In order to do this we have been speaking to farmers, creditors, employees and regulatory authorities about their concerns and worries with a view to try and answer as many concerns as possible.

This report is due to be released between 17-21 August and will be sent to all creditors and members including ex members. It will be posted on the website as well as being lodged with the FSA and IS.

As previously advised, the meeting will take place at 11.00 am on 7 September 2009 at De Vere Venues Whites at Bolton Wanderers Football Club, De Havilland Way, Bolton, Greater Manchester, BL6 6SF. All members and creditors will be able to attend. Confirmation of the meeting will be sent with the Receivers report. There will be a separate press conference after the meeting.