



**7 March 2018**

**Countrywide Farmers plc.  
Notice filed to appoint administrators**

Countrywide Farmers plc (“Countrywide” or “the Company”), one of the UK’s leading suppliers of products, services and advice to the rural community, today provides a further update.

Over the course of the last year the Board of Countrywide have continued to review strategic options for the Company, seeking to protect the position of stakeholders and the employment of over 800 staff. Countrywide comprised a successful and highly profitable LPG business and an unprofitable Retail business, together with a significant legacy pension scheme liability and a freehold property portfolio. The Board have, through this period of review, taken extensive and appropriate professional advice. Significant focus has been placed on liquidity against a backdrop of weakening Retail performance impacted by withdrawal of credit insurance cover and tightening of supplier credit lines. The Board have also maintained open dialogue with banking partners HSBC and Pension Trustees who represent the key secured creditors.

In April 2017 the Board announced the intention to explore the sale of the Retail business, having already taken action to reduce the cost base and close loss-making stores to improve profitability. The aim of this was to create a sustainable restructured Company which could support the pension scheme. The Board sought to preserve the current corporate structure with a profitable LPG business and property portfolio, whilst securing a future for the Retail business.

On the 23<sup>rd</sup> October 2017, the Board announced that it had agreed terms to sell its Retail business to Mole Valley Farmers Ltd, which was subject to review by the Competition and Markets Authority. Whilst the transaction was pursued as representing the best available outcome with regard to deliverability, this business sale had taken longer to progress and conclude than the Board had expected. As a result, the Board decided that it was appropriate to progress a sale of the successful Countrywide LPG business to secure and maximise value to creditors. The sale of this business to DCC plc was completed on the 1<sup>st</sup> March 2018 for a value of £28.75m. Proceeds from this sale have been largely utilised to pay down banking facilities with HSBC.

In respect of the Retail sale, the Competition and Markets Authority Phase 1 review has now also concluded. The Board is disappointed to report that the sale has not received approval to proceed and has been referred into a Phase 2 process, which ordinarily can be expected to take up to 6 months to conclude.

The Board of Countrywide Farmers plc has carefully considered the implications of this extended timeframe and has discussed options with Mole Valley Farmers to continue a transaction through a Phase 2 process. After receiving extensive professional advice, the Board has concluded that it will be unable to meet its financial obligations for this extended period of time. The Board therefore confirms today that it has filed a notice appointing David Pike, Mark Orton and William Wright, partners of KPMG LLP to act as administrators of the Company. Following their appointment, the administrators will determine the appropriate course of action and future for the business.

It is with significant regret that the Countrywide Retail business which trades from 48 stores and employs over 700 staff will now face a very uncertain future.

***The Directors of Countrywide Farmers plc accept full responsibility for this statement***

*Find more information about Countrywide at [www.countrywidefarmers.co.uk](http://www.countrywidefarmers.co.uk)*

**Countrywide Farmers plc**

Gareth Thomas (Chairman)

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**KPMG**

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