

MEETING	Full Council
DATE	1st March 2011
TITLE	Barcud Derwen Cyf
PURPOSE	Report back to Council Members
RECOMMENDATION	To note the contents of the report
AUTHOR	Head of Economy and Community Service
PORTFOLIO LEADER	Cllr Dewi Lewis

1. BACKGROUND

- 1.1 During its meeting on 15th July 2010, The Council resolved to support a Notice of Motion for Gwynedd Council to write urgently to Grant Thornton, the administrators of Barcud Derwen, to ask them to secure a meeting of the company's creditors in Caernarfon.
- 1.2 Following the Council's resolution, correspondence dated 22nd July 2010 was sent to the administrators requesting that such a meeting be held in Caernarfon.

2. ADMINISTRATION PROCESS

- 2.1 In accordance with administration procedures, a report setting out the administrators' proposals for achieving the purpose of the Administration was prepared in August 2010.
- 2.2 A creditors meeting was not convened at this stage since, in accordance with the provisions of the Insolvency Act 1986, the administrators were of the opinion that there was insufficient property to enable a distribution to be made to unsecured creditors. However, the administrators' report was issued to all creditors, whom had a right within a period of 8 business days to requisition a creditors' meeting provided that those debts amounted by those creditors amounted to at least 10% by value of the total debts relating to the company.
- 2.3 Following the issue of the report, and following the associated consultation period, it appears only a limited number of requests were received from creditors to hold such a meeting. Furthermore, the limited number of requests were below the 10% threshold which would have required the administrators to call a formal meeting of creditors.
- 2.4 Consequently, following the consultation with the creditors, the Administrator's report was approved, and in accordance with legal process, a formal meeting of creditors was not arranged.

3. RECOMMENDATION

3.1 To note the contents of the report.