

BEGBIES TRAYNOR

19 May 2009

ADMINISTRATORS SELL CHILTERN MILLS IN PRE-PACK DEAL

Yorkshire textiles retailer Chiltern Mills Ltd has been sold for an undisclosed sum 10 days after filing its notice of intention to appoint administrators, blaming the recession for its trading plight.

The pre-pack sale attracted three offers from seven interested parties. The one accepted by joint administrators David Wilson and Julian Pitts, from the Leeds office of business rescue, recovery and restructuring specialists Begbies Traynor, was from Chiltern Mills founder Merlin Treymaine.

The Leeds-based business had been advertised for sale during the 10-day notice period and the administrators were formally appointed to complete the sale to Mr Treymaine who, with his wife Jennifer and another family member, founded the company in 1993.

In the latest development in the colourful history of the business Mr Treymaine has acquired four active outlets which are (staff numbers in brackets): Crossgates (31); Redcar (17); Worksop (9); Sutton, Lincs (8). The future of the Meanwood outlet, which has been closed for some weeks for refurbishment, is still under consideration.

Outlets in Alfreton (Derbys) and Bridlington were closed earlier this month with 11 and 15 staff respectively losing their jobs.

“It has been a satisfactory conclusion as far as the administrators are concerned, achieving the best possible price for the creditors,” said Mr Wilson

Last year the business then secured investment from Mr Treymaine to secure its future following the administration of its parent company Chiltern Mills Holdings Ltd.

Ends

Notes to Editors: A pre-pack deal, sometimes known as ‘revolving door’ administration, involves a deal for the sale of a company’s business or assets before it enters a formal insolvency process, sometimes with little or no marketing. The alternative – keeping the business going for three to six months while trying to find a more suitable buyer – may simply delay the inevitable and potentially rack up more debt to the detriment of creditors, usually the secured creditors. Keeping a business



media relations and profile

operating at a time when few people are spending is financially a difficult and often a more damaging decision.