

## Update Regarding Farmer's Free Range

**Quob Park has the deepest sympathy for any customer of Farmer's Free Range Limited ("FFR"), who may have lost money due to FFR's insolvency which became very clear in early December 2024. For clarity, FFR was never owned or operated by Quob Park, any of its board of directors or by its shareholders.**

However, **no customer has lost any money paid to Quob Park**, or its Quob Park Free Range and Organic brand, any other Quob Park brand, any of its subsidiaries, or any of its suppliers. These suppliers include all of Quob Park's local independent free range and organic supply chain. The Quob Park group of companies remains a solid business with over £20m in assets.

Due to FFR's prior financial difficulties, Quob Park acquired certain assets from FFR in April 2023. For the avoidance of doubt, no monies or legal responsibility was transferred to Quob Park for any prior customer balance paid to FFR before 1 April 2023.

**All monies paid to Quob Park by any customer, including any prior FFR customers, have either already been used by these customers to purchase goods to this value, or any surplus balance remains available on their customer account to spend.**

Quob Park operates several customer loyalty and membership programmes. In return for regular deposits on to their Quob Park account, Quob Park offers each type of customer a range of discounts and other benefits eg. free delivery above a certain order value. Therefore, there is no contractual right for any Quob Park account holder to request a refund of any account balance, as this balance can only be used to purchase Quob Park goods and services.

However, **as a gesture of goodwill, those prior FFR customers not wishing to (or not qualifying to) remain as long-term valued members/customers of Quob Park, may request a refund of any remaining available funds paid to Quob Park.** Clearly, this balance to be refunded would be less any amount already spent with Quob Park.

By the nature of a free range and organic business, it is not usually the cheapest option available to any customer, and therefore not the best choice for those who are purely concerned about saving money or operating on a strict budget. Despite Quob Park being willing to operate on very low gross margins within its free range and organic offering, the cost of organic packing, carbon conscious delivery methods, and supporting local independent suppliers, means that the **Quob Park Free Range and Organic brand was always expected to be used primarily by more affluent customers wishing and able to support local businesses, or alternatively used by those customers wishing to prioritise over their other budgetary considerations, by supporting local independent free range and organic suppliers regularly throughout the year. Quob Park has therefore offered services to prior FFR customers on this basis, and determines whether any such customer is valued and long-term accordingly.**

A key driver behind the Quob Park Free Range and Organic brand is to support local independent suppliers with orders throughout the year, helping them to remain commercially viable, and to allow them to focus on being free range and organic whenever possible. On average it costs Quob Park Free Range and Organic £20 to deliver orders placed, including actual delivery and packaging costs etc. With the low margins available to Quob Park in this area already highlighted, **any orders placed by customers for much less than £100 that include free delivery would normally be loss making and therefore customers expecting to be able to place such orders are clearly not viable long-term customers for any business, including Quob Park.**

**For someone to be considered a potential long-term customer/valued member for Quob Park, and to truly allow the free range and organic independent supply chain to be supported throughout the year, they would generally need to be making a Direct Debit ("DD") payment of no less than £75 every month on to their account and placing orders at least every couple of months. Of course, other factors such as, but not limited to, distance and mix of goods purchased may also affect this qualification.** Therefore, it is highly unlikely that any prior FFR customer meeting the requirement to be considered a potential Quob Park long-term customer/valued member, would have been adversely affected by the extremely unfortunate insolvency of FFR.

**After becoming aware of the insolvency situation with FFR in early December 2024, each customer that Quob Park concluded could have been affected - primarily those that still had a low or very low value DD setup prior to 1 April 2023 - had their DD cancelled as soon as practical. These customers were also automatically emailed to this effect. This action was taken to allow each customer to decide on whatever future course of action they may wish to take, based on this new information relating to their account status. If after the DD was cancelled any additional DD payments were received by Quob Park due to delays with banks acting on the cancellation instructions, these monies will of course be refunded if requested or can be used to purchase Quob Park goods and services.**

**For clarity, Quob Park did NOT effectively ‘absorb’ FFR into its Quob Park Free Range and Organic Brand, or buy the business, and neither Quob Park or its board of directors, have had any involvement with the ownership or running of the FFR business at any time.** However, Quob Park did:

- purchase certain assets from the business in April 2023;
- offer to service new orders for prior FFR customers, but only if:
  - Quob Park was paid for these orders directly by the customer; or
  - the customer had not paid Quob Park sufficient monies since April 2023 to cover the total cost of new orders placed, then FFR would, if ultimately required, cover any shortfall.
- effectively loan FFR over £170,000 prior to early December 2024 when FFR became insolvent. This was only done so that FFR (not Quob Park) could ultimately try to meet their commitment to protect Customer Balances paid prior to 1 April 2023. For the avoidance of doubt, no such legal commitment was ever given by Quob Park, nor is there any legal or contractual responsibility for Quob Park for these prior FFR Customer Balances. To reiterate, Quob Park never received any FFR prior balances directly from customers, nor were these prior balances transferred from FFR.

Through information only provided in early December 2024 to Quob Park’s board of directors, it became evident that FFR had become insolvent and that it was imperative the effective loan facility to FFR was cut off immediately, as any loans could now never be repaid. A significant contributor to the timing of FFR’s insolvency was, of course, the increase in the volume and size of potential orders in December that would need to be paid for by FFR, where insufficient funds had been paid to Quob Park to cover these potential orders.

These ‘orders’ were only ever potential orders, as all orders do not become final and remain adjustable/or able to be cancelled up to 48 hours before delivery, by either the customer or the supplier, and of course would ultimately only ever be delivered if Quob Park was paid in full for them.

Many of these potential orders had to be cancelled, as Quob Park had not been paid in full for them by the customer, and the shortfall now cannot ultimately be paid by FFR. However, if payment is made by the customer to cover the full amount of the potential order value, these potential orders can still be reinstated. In instances where a Quob Park customer balance is available but does not cover the full potential order value, customers may also request to change the potential order to ensure their balance covers the revised amount.

As outlined above, in instances where Quob Park was not paid enough to cover any potential order either directly by the customer concerned, or by FFR (if sufficient prior customer balance existed with FFR), then FFR was ultimately required to cover any shortfall if needed. Clearly, as FFR is now insolvent, it is commercially unviable for Quob Park to continue to provide FFR with loans to cover any ultimate shortfall in payments. Furthermore, it would also potentially be illegal for FFR and for FFR’s directors, to accept further loans, when these new additional loans (and other existing debts including those to prior FFR customers) could clearly now never be repaid by FFR.

To once again reiterate, Quob Park effectively loaned circa £170,000 to FFR to help FFR protect FFR customers’ prior balances, but FFR has never repaid any of this money. Due to FFR’s insolvency, these effective loans will now never be recovered by Quob Park, making Quob Park by the far the largest creditor losing out to FFR.

**Furthermore, neither Quob Park Free Range and Organic, or any other part of Quob Park’s business, has ever made any net profit out of servicing orders for FFR customers since 1 April 2023. Despite this, Quob Park has helped protect the livelihood of many local independent free range and organic suppliers, and with the significant financial contribution via its effective loans to FFR, has also materially reduced the losses that most prior FFR customers would have suffered from as a result of FFR’s insolvency.**

Any affected customers seeking further information regarding their ongoing relationship with Quob Park should please email [FRAO@quobpark.com](mailto:FRAO@quobpark.com).

If you wish to pursue FFR for any prior credit balances, you should contact FFR directly as Quob Park cannot help in this regard, or contact FFRs liquidator or receiver when and if you become aware that one has been appointed.

**Released on 16 December 2024**

**For and on behalf of the Board of Directors of  
Quob Park, and Quob Park Estate Limited**