

MinuteMeal Plc Case Study

Purpose of this session

This case study is designed to help you practise thinking and working like a newly qualified lawyer on a live transaction. You will focus on identifying key issues, prioritising what matters most to the client, and understanding how legal, commercial and practical considerations interact as a deal develops.

The emphasis is on judgement, structure and client-focused thinking, rather than technical legal detail.

Your role

You should assume you are junior members of the deal team advising a corporate client on the disposal of part of its business.

Your role is to:

- scope issues for the client and senior lawyers,
- identify risks and potential problem areas,
- consider what specialist input may be needed, and
- think about how developments affect timing, price and deal certainty.

You are not expected to reach definitive answers, but your thinking should be practical and focused on what matters most.

The activity

The case study unfolds in stages to reflect how real transactions evolve:

- **Part One** focuses on understanding the client, the transaction structure and initial risks.
- **Part Two** introduces new information that increases pressure and requires reassessment of strategy.
- **Part Three** asks you to reframe the same developments from a different perspective.

MinuteMeal Plc workshop - Part One

The MinuteMeal Disposal Proposal

MinuteMeal Plc is an unlisted company incorporated in England and Wales. It operates throughout Europe in the prepared foods sector, manufacturing and distributing a large range of frozen and chilled food items. It has expanded rapidly over the last 5 years as a result of acquiring several smaller operations across Europe.

The board of directors of MinuteMeal Plc has decided that the company should dispose of its frozen food business to concentrate on developing chilled food products. MinuteMeal Plc is one of your firm's long-standing clients and they instruct you to advise on the proposed transaction.

Your task

You receive the attached paper prepared by the board of directors giving some more background on their proposals. In your group, please spend 15 minutes discussing the proposals and identify:

1. any further information you need from the client;
2. any issues that could cause problems for your client and how those issues might be addressed;
3. any specialist groups within the firm you might involve, and broadly why;
4. any advice or assistance you may need from other advisers

Extract from minutes of Board Meeting of MinuteMeal plc (taken by Belinda Williams, Company Secretary)

1. We want to dispose of our frozen food operations so that we can focus on the chilled food business.
2. The majority of frozen products are manufactured in Lithuania and Estonia. We have 2 subsidiary companies – FrozenMeal UAB and TVdinners OÜ. The subsidiary companies own the manufacturing facilities, recipes and brands associated with the frozen products.
3. All distribution contracts with supermarket chains, local retailers and so on are concluded with either FrozenMeal UAB or TVdinners OÜ.
4. The FrozenMeal operation has been suffering from falling sales figures. Its main distribution channel is the UK and it has suffered particularly badly with the stock control problems at a leading supermarket.
5. The employees of both subsidiaries will probably react badly to the disposal of the frozen food business as it may have an impact on their employment. They are particularly concerned regarding their pension schemes as many have been employed for some years and state provision for pensions is limited.

MinuteMeal Plc workshop - Part Two

Progress of the Transaction - 2 months later

MinuteMeal Plc has decided to sell the business by means of an asset sale to Ice Market Inc - a frozen food company based in the US which wants to expand further into the European market. A price of \$100m has been agreed between the parties and a draft contract has been prepared.

A few things have happened recently which are causing MinuteMeal Plc some concern. They want the transaction to proceed as quickly as possible and had hoped to be in a position to sign contracts within the next few weeks. The directors have explained:

- The frozen foods division has just published its latest sales figures. They have reached an all-time low.
- Several of the frozen meals produced in Lithuania have been contaminated with an illegal food dye known as Sudan 1. All the affected products have been recalled throughout Europe and are being returned to the plant by the retailers. There is further concern that other products may contain another banned food dye, Para Red. The Food Standards Agency in Lithuania is commencing an investigation into the plant and there are rumours that the food production licence may be suspended, or even revoked.
- In both Lithuania and Estonia, the financial press have published articles on the MinuteMeal Plc group and the proposed sale of the frozen food business operating out of these countries. The press have suggested that Ice Market Inc will close down the current production plants and move operations to their own sites elsewhere in Europe, resulting in heavy job losses. All the Estonian plant workers have gone on strike.

Your task

In your group, please spend 30 minutes discussing these developments. Although primarily you will be considering these issues from the perspective of MinuteMeal, please also give some thought to the perspective of Ice Market Inc.

In your group, discuss the following:

1. Identify the issues that your client should be considering.
2. How might these issues impact on the transaction?
3. What could your client do at this stage to deal with these issues?
4. Will you potentially need advice or assistance from other advisers?
5. Is it likely that the transaction will sign within the next week as your client would like?

Your secretary has just left you a message saying that the Company Secretary of MinuteMeal Plc is emailing you some recent press articles.

Presentations to the board of Ice Market – Part Three

In the final stage, you will now step into the shoes of Ice Market Inc, the buyer. This change of perspective is deliberate and is designed to help you see how the same facts are assessed differently by each side of a transaction.

As you prepare for Part Three, consider how the issues identified earlier would be viewed by a buyer, and which concerns may now carry the greatest weight.

Advising the Buyer: Ice Market Inc

The board of Ice Market Inc is concerned about the transaction and has called an urgent board meeting to discuss the developments and the progress of the transaction generally. You are asked to attend that meeting and present your advice on the above questions to the board.

Your task: In groups, prepare a presentation on the key issues for Ice Market Inc and your recommended next steps. Your presentation should be no longer than 10 minutes.

You will receive feedback on what you communicated and your presentation skills.

The board may ask questions at the end.