

A nighttime photograph of a city skyline with a complex highway interchange in the foreground. Light trails from cars are visible on the roads. The sky is dark blue, and city lights are visible in the background. A red vertical bar is on the left side of the image.

# BDO PENSIONS RESTRUCTURING TEAM

BDO LLP

IDEAS | PEOPLE | TRUST **BDO**



# WE INTEGRATE THE SERVICES YOU NEED

## THE PENSIONS RESTRUCTURING TEAM

We have brought together senior professionals from our Pensions Covenant Advisory and Business Restructuring groups in one integrated team.

Our team will provide you with valuable insights gained through significant experience advising businesses in financial distress with defined benefit schemes.

The value of an integrated offering will increase with the complexities of the the Pensions Schemes Act 2021 and the Insolvency and Corporate Insolvency and Governance Act 2020 which will require real time pensions support and new thinking.

We are licenced insolvency practitioners with experience gained on secondment to the Pension Protection Fund, the Pensions Regulator and major banks. Having worked on many high profile pension restructuring cases in recent years, we have a practical understanding of the intricacies involved and have the experience to deliver fresh thinking.

“ I can highly recommend BDO to anyone facing a defined benefit scheme that is challenging their employer's prospects of growth, survival or value realisation. ”

RESTRUCTURING CLIENT

## WHAT WE DELIVER

It is critical when dealing with sponsors in financial difficulty that the relevant specialist skills are deployed.

From assessing short term cash flow and viability to preparing estimated outcome analysis, our team has the capability to clearly set out the best options for businesses and the pension scheme.

We are committed to service quality and work closely with other BDO specialists, such as our market leading valuations team, to offer you a holistic service.

We have gained extensive experience negotiating with a wide range of stakeholders including lenders and private equity providers in situations where a defined benefit pension scheme is a major creditor.

We also frequently lead engagement with the pensions stakeholders including the PPF, TPR and the trustees.

## WHERE WE CAN SUPPORT YOU



















The BDO Pensions Restructuring team advises trustees, sponsors and other stakeholders on:

- ▶ Solvent and insolvent restructuring
- ▶ Regulated Apportionment Arrangements
- ▶ PPF+ compromises
- ▶ Company Voluntary Arrangements
- ▶ Estimated outcome statements and entity priority modelling
- ▶ Valuations
- ▶ Special situations mergers and acquisitions
- ▶ Expert witness services in relation to regulatory action or financial distress.

BDO is a multi—disciplinary firm and where appropriate we also work closely with colleagues in our valuations, M&A and forensic services teams.

# PENSIONS RESTRUCTURING CREDENTIALS

We have worked across the full range of restructuring scenarios including debt for equity swaps, PPF+ compromises, benefit redesign, RAAs, CVAs and administrations.

DEBT FOR EQUITY	REGULATED APPORTIONMENT ARRANGEMENT	COMPANY VOLUNTARY ARRANGEMENT AND ADMINISTRATION		
<p><b>Trustee Advisor</b> Debt for equity swap House builder</p> 	<p><b>Trustee Advisor</b> Benefit restructure and RAA UK consultancy group</p> 	<p><b>Company Advisor</b> Special situations M&amp;A Ship Yard</p> 	<p><b>Trustee Advisor</b> CVA UK department stores</p> 	<p><b>Trustee Advisor</b> Pre-pack administration UK bed manufacturer</p> 
<p><b>SCHEME RESCUE</b></p>	<p><b>Trustee Advisor</b> Benefit restructure and RAA Steel Manufacturer</p> 	<p><b>Company Advisor</b> CVA Manufacturer</p> 	<p><b>Trustee Advisor</b> Pre-pack administration Estate agent</p> 	<p><b>Company Advisor</b> Pre-pack administration Manufacturer and retailer</p> 
<p><b>Company Advisor</b> SAA - prepack administration Retail</p> 	<p><b>Trustee Advisor</b> PPF+ and RAA Financial services provider</p> 	<p><b>Company Advisor</b> CVA Freight and logistics</p> 	<p><b>Company Advisor</b> Corporate restructuring Retail</p> 	<p><b>Trustee Advisor</b> Pre-pack administration Estate agent</p> 
	<p><b>Company Advisor</b> RAA Food Manufacturer</p> 	<p><b>Trustee Advisor</b> CVA Energy Consultants</p> 	<p><b>Trustee Advisor</b> Pre-pack administration Media Group</p> 	<p><b>Company Advisor</b> Administration Retail</p> 

# SOLUTIONS WE HAVE HELPED DELIVER FOR OUR CLIENTS



## BRITISH STEEL PENSION SCHEME

### ISSUE

The trustees were faced with a request by the scheme's principal employer for a Regulated Apportionment Arrangement.

The trustees needed to understand the alternative options and likely financial outcomes for the scheme in order to inform their consideration of the company proposal.

### SOLUTION

We were able to analyse the complex group structure and security arrangements to provide advice to the trustees on the likely alternative outcomes.

We also provided support and guidance in negotiations with the Company and discussions with tPR, PPF and UK Government around the merits of the proposed RAA.

### IMPACT

With our support the trustees negotiated a better deal for the members than the alternatives (including entry to the PPF) and with the possibility of future improvements to member benefits.



## HALCROW

### ISSUE

As part of a restructuring, scheme members were offered the option to transfer to a new scheme with benefits guaranteed to exceed PPF benefits or receive PPF benefits.

### SOLUTION

We provided the Trustees with support by assessing whether insolvency was inevitable, the potential outcome for the scheme and forensic investigation of the original acquisition of the UK employer.

We also provided negotiation support for the trustees to agree appropriate mitigation.

An RAA was agreed which met the PPF's restructuring conditions and protections for the scheme.

### IMPACT

The employer now has an affordable scheme that is better funded with members receiving PPF or above benefits.



## PROJECT MERIDIAN

### ISSUE

The company, a UK high-street retailer, was implementing a turnaround when COVID-19 adversely impacted their trading. The business entered an accelerated search to find a buyer. Our client, a potential purchaser was prepared to take on the company's defined benefit pension scheme.

### SOLUTION

A substantial part of the business was sold to our client through a pre-pack administration.

We supported our client through negotiations with the pension stakeholders to implement a scheme apportionment arrangement to transfer the pension scheme to our client. This involved agreeing a package of mitigation to protect the scheme going forwards

### IMPACT

A substantial proportion of the retail business was saved along with c2,500 jobs and the members have a prospect of receiving their benefits in full rather than entering the PPF.

# BDO PENSIONS RESTRUCTURING TEAM



**MATTHEW GIBSON**  
PARTNER

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Matthew leads the BDO's Pensions Covenant Advisory team and has 30 years of experience advising in respect of scheme valuations, transactions, restructurings and regulatory matters. Matthew has completed a secondment to the PPF and is an authorised insolvency practitioner.

Matthew has significant experience advising schemes which are undergoing corporate restructuring and also where this has involved insolvency proceedings. Cases include Great Lakes, Cattles plc, Miller Group, Silentnight, Johnston Press, Halcrow, Laura Ashley, M&Co, Colliers, Cluttons and Harland and Woolf.



**ANDY PALMER**  
PARTNER

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Andy has over 21 years' experience assessing the financial health of companies. Andy previously worked in credit at Natwest bank and is a authorised insolvency practitioner. He has become a market leader in bringing back CVAs to deliver pension restructuring.

Andy's advises on a wide range of employer covenant matters, refinancing, M&A, disposal and withdrawals. His clients include 'household names', and listed businesses. Cases include the innovative CVAs, Project Pressure and John Sutcliffe & Sons.



**MARK SHAW**  
PARTNER

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Mark is Head of Business Restructuring at BDO. He has worked in restructuring, insolvency and related disciplines for 27 years. He is an authorised insolvency practitioner in the UK and an authorised insolvency practitioner and official liquidator in the Dubai International Financial Centre.

He has acted as supervisor to CVAs in various pension led restructuring cases. He has also advised on regulated apportionment arrangements including in respect of the British Steel Pension Scheme.



**IAN STEWARD**  
DIRECTOR

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Ian was seconded to tPR in 2006 and advised on its original guidance. Ian is a qualified insolvency practitioner with 20 years' experience of turnaround work.

Ian has advised many trustees and employers on employer covenant related issues including negotiated compromises involving tPR and the PPF. Ian worked on the Uniq, Halcrow and Cluttons cases.

# BDO PENSIONS RESTRUCTURING TEAM (CONT)



**JO HARPER**  
ASSOCIATE DIRECTOR

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Jo provides employer covenant advice to both employers and trustees. Jo has six years experience working on independent business reviews, short term cash flow reviews and strategic reviews for businesses in financial distress.

During 2011, Jo completed a 12 month secondment with the Royal Bank of Scotland in the restructuring team. Jo advised the trustees of the Johnston Press Pension Plan for three years.



**MIKE PRANGLEY**  
PRINCIPAL

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Mike has worked in business restructuring for over 30 years.

Mike is experienced in building complex entity priority models to support this analysis and in wider contingency planning.

Mike has previously advised the trustees of several large schemes in respect of likely outcomes for the schemes in complex insolvency scenarios and supporting them in negotiations with the scheme sponsors. These include British Steel Pension Scheme and Johnston Press.



**KEVIN LAMB**  
DIRECTOR

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Kevin provides turnaround and recovery advice.

Kevin has advised the trustees of several schemes and the PPF on CVA implementation. This included a complex charity case where objectives differed from corporate entities.

As part of his role, Kevin also assists employers in cash flow management, planning and affordability assessments for deficit recovery plans.



**JOHN HUBBLEDAY**  
DIRECTOR

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John heads up BDO's corporate pensions advisory and pensions M&A offerings.

John has over 20 years pensions advisory experience and has advised employers and trustees on a wide variety of restructuring transactions, many of which have involved tPR and the PPF.

John is a Fellow of the Institute & Faculty of Actuaries.