

Debt, restructuring and insolvency assignments

2019



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Snapshot



280

total assignments



£7.1bn

cumulative value
of debt



£25.4m

average assignment
debt value



Lower
mid-market
£0-10m debt

173

assignments

£277.6m

value of debt

£1.6m

average value of debt



Mid-market
£10-50m debt

79

assignments

£1.4bn

value of debt

£17.3m

average value of debt



Upper
mid-market
£50m+ debt

28

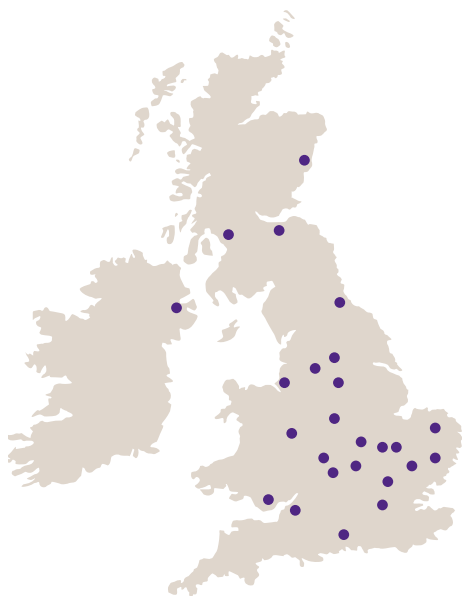
assignments

£5.5bn

value of debt

£195.5m

average value of debt



UK coverage

27

offices (Incl. BVI and Cayman)

42

debt, restructuring and insolvency
partners and directors

200+

debt, restructuring and insolvency specialists

International reach



Corporate Restructuring Firm
of the Year
TRI Awards 2018



Restructuring and Turnaround Firm
of the Year
ACQ5 Law Awards 2018



Asset Recovery Firm of the Year
ACQ5 Law Awards 2018



17 partners and directors recognised
as 'Thought Leaders' across on and
offshore jurisdictions
Who's Who Legal: Asset Recovery
Experts 2018 ranking



UK Corporate Finance House
of the Year
Private Equity Awards 2018



No.1 UK Corporate Finance Adviser
Experian MarketIQ, 2017, 2015, 2014,
2013 and 2012



Insolvency Firm of the Year
ACQ5 Law Awards 2018



Private Healthcare Sector Team
LaingBuisson Financial Advisor
Awards 2017

Business support services

Government policy, an uncertain political climate and controlled budgets are a few of the challenges faced by business support services.



39
assignments
in 2017/18



£1.1bn
cumulative value of
debt raised/restructured



£27.8m
average assignment
debt value



Capita plc

Sale of specialist recruitment businesses to Endless LLP

Recruitment, education, healthcare and social care

£undisclosed total debt

Grant Thornton provided corporate finance advisory, due diligence, SPA and business consulting services



Project Orkney

Going concern assessment

Construction and support services

£834 million total debt

Grant Thornton provided restructuring advisory services



Project Abacus

Pensions advisory

Professional services

£100 million scheme deficit

Grant Thornton provided pensions advisory services



Project Kansas

Independent business review

Business support services/logistics

£20 million total debt

Grant Thornton provided restructuring advisory services



Project Flex

Independent business review

Electronics distribution

£20 million total debt

Grant Thornton provided restructuring advisory services



Project Shannon

Short term cash flow review

Business support services

£3 million total debt

Grant Thornton provided restructuring advisory services



1st Solutions Employment & Training Solutions Limited

Administration and pre-pack sale

Business support services

£1.2 million total debt

Grant Thornton provided insolvency services



Project Dolphin

Pre-lend review

Business support services

£3.5 million total debt

Grant Thornton provided due diligence services



Project Suit

Options assessment and pre-insolvency planning

Recruitment

£4 million total debt

Grant Thornton provided pre-insolvency support



Project Brown

Pensions advisory

Law firm

£30 million scheme deficit

Grant Thornton provided pensions advisory services

Multi-phase restructuring advisory

Client name:

Confidential

Sector:

Logistics

Services provided:

Restructuring, turnaround and contingency planning



Multi-phase restructuring advisory in respect of a multi-national logistics company.

Background to assignment

A logistics business (the Group) had achieved scale through a number of acquisitions of similar businesses, benefitting from a strong position in its chosen sectors.

However, one of the Group's core business streams experienced a significant decline in demand. This was compounded by operational inefficiencies due to a lack of integration of the acquired businesses, and ultimately resulted in the business requiring additional liquidity.

We were approached by the Group to provide assistance with both its funding need and wider support in respect of decreasing operational advantage.

Solution

Initially engaged to undertake a short and focused assignment over several months and phases, we worked closely with the Group and its lender to support its funding negotiations and turnaround plan. This included:

- A review of the Group's short term cash flow forecast to establish the immediate funding requirements
- A review of the Group's longer term forecasts to ascertain future viability, including an operational and market review
- Support in covenant negotiations with the Group's lender
- Support in forecasting and methodology for invoice discounting facility
- Assessing other options

Consumer markets

Consumer markets continue to be affected by an unprecedented pace of disruption in consumer behaviour and technological development. This presents opportunities to new entrants as well as business models that adapt and maintain relevance. However, the current climate also poses significant challenges to vulnerable legacy operating models with high operational gearing and debt leverage. We have been supporting stakeholders and management teams across the consumer markets segments.



64

assignments
in 2017/18



£996.8m

cumulative value of
debt raised/restructured



£15.6m

average assignment
debt value



Project Kirk

Options review and
contingency planning

Consumer products

£24 million total debt

Grant Thornton provided
restructuring advisory services



Project Lysander

Independent business review
and turnaround funding
service

Food and beverage

£2.1 million

Grant Thornton provided
independent business review and
restructuring advisory services



Project Morse

Turnaround support

Consumer products
and manufacturing

£24 million total debt

Grant Thornton provided
restructuring advisory services



Project Galaxy

Debt advisory

Leisure

£200 million total debt

Grant Thornton provided
debt advisory services



Project Thread

Valuation methodology
assessment

Consumer products

£50 million revenue

Grant Thornton provided
restructuring advisory services



Project Red

Acquisition advice

Retail

£25 million revenue

Grant Thornton provided
restructuring advisory services



Project Picard

Contingency planning

Consumer products

£7 million total debt

Grant Thornton provided
restructuring advisory services



Project Pillow

Strategic options assessment

Wholesaler – household goods

£undisclosed total debt

Grant Thornton provided
strategic advisory services



Project Bowie

Exit planning/refinance

Leisure

£3 million total debt

Grant Thornton provided
restructuring and
debt advisory services



Project Tree

Pensions advisory

Food and beverage

£20 million scheme deficit

Grant Thornton provided
pensions advisory services



Strategic review and illustrative valuation of a high-end restaurant group

Client name:

Confidential

Sector:

Food and beverage

Services provided:

Restructuring, tax, debt advisory and financial modelling



“We provided an independent view of the key business risks and sustainable levels of EBITDA, which assisted the lender in their decision to continue to support the Group. Following our collaborative approach, responsiveness and sector insight, the Group appointed Grant Thornton to replace its incumbent advisors for accounting, tax and valuations advice.”

Background to assignment

We were engaged by a lender to undertake an independent business review of a high-end restaurant Group with c.£45 million turnover and c.£30 million of lending.

The Group operated its own brand in the UK and a franchised model in overseas territories.

The Group was experiencing cash flow pressures following a failed expansion plan outside London, which led to a number of unprofitable sites entering the portfolio. The Group prepared an exit plan with increasing short-term costs (redundancies, site exits and head office rationalisation). At the same time, the Group experienced downwards pressure from increased costs driven by an increase in underlying input costs and a negative movement in foreign exchange.

Solution

We performed:

- A strategic review, including; an overview of the market; a site-by-site review of the portfolio and Like-For-Like sales analysis; and an assessment of the exit plan and impact on sustainable EBITDA
- A review of the financial forecasts, including cash flow and working capital movements; an overview of the structure of the balance sheet (following a transition away from a PropCo model); and the funding structure
- Sensitivity analysis on the cash flow forecasts for the key trading and working capital risks and a review of the covenant suite and advice on the re-set
- Illustrative valuation of the business with and without the core brand.

Spotlight on asset based lending advisory

Our asset based lending (ABL) advisory team is one of the leading specialist financial advisors to the asset based lending community. Our experienced multidisciplinary team offer a range of services to lenders, their clients and other stakeholders that target specific issues faced by the ABL sector. We have in-depth experience advising on the full lending lifecycle, from initial deal structuring and pre-lend advice through to improving working capital management, facility performance monitoring and exit planning on behalf of all parties.

- **Dedicated** national ABL advisory team with **specialist knowledge** of the sector and products
- **Working in partnership** with our debt advisory team to provide bespoke advice on ABL funding solutions
- **Excellent track record** in restructuring and preserving value in exit scenarios



Covpress Limited

Restructuring advice
and insolvency

Automotive

£17 million total ABL facilities

Grant Thornton advised the lender on the financial position of the company and its funding requirements and were appointed administrator



Project Harnet

Pre lend review

Consumer debt finance

£30m million total ABL facilities

Grant Thornton undertook a pre lend review of the business and an appraisal of exist options for the lender



Project Kansas

Restructuring advice
and refinance

Business support services/logistics

£20 million total ABL facilities

Grant Thornton undertook an IBR and provided restructuring support and advice in the refinance of the debt



Project Lace

Pre lend review

Clothing manufacturer and retail

£2.5 million total ABL facilities

Grant Thornton undertook a pre lend review of the business



Project Hurricane

Pre lend review

Waste metal processing

£28 million total ABL facilities

Grant Thornton undertook a pre lend review of the business



Project Larry

Restructuring advice
and refinance

Consumer products

£2.5 million total ABL facilities

Grant Thornton undertook an options review, critical payments monitoring and refinance



Project Rewind

Options review and critical
payments monitoring

Mechanical repairs
and maintenance

£2.5 million total ABL facilities

Grant Thornton undertook an options review and critical payments monitoring exercise



Project Jack

Pre lend review

Food manufacturer

£4 million total ABL facilities

Grant Thornton advised the lender in respect of an MBO and subsequent trade acquisition



Project Shannon

Pre lend review

Business support services

£3 million total ABL facilities

Grant Thornton undertook a pre lend review of the business



Project Apple

Cash management

Recruitment

£5 million total ABL facilities

Grant Thornton undertook a cash management exercise and ledger collect out



F T Solutions Limited

Restructuring advice

Industrial printing

£2 million total ABL facilities

Grant Thornton undertook an options review and critical payments assessment



Project Box

IBR and restructuring advice

Food packaging manufacturer

£7 million total ABL facilities

Grant Thornton provided restructuring advice



Wellgrain Limited

Restructuring advice
and insolvency

Grain dealer and store keeper

£11 million total ABL facilities

Grant Thornton provided restructuring advice and were appointed administrator of the business



Project Ox

Pre lend review and refinance

Food manufacturer

£12.5 million total ABL facilities

Grant Thornton undertook a pre lend review of the business and provided advice on a refinance



Hobby Products Limited

Restructuring advice
and insolvency

Toy manufacturer

£2 million total ABL facilities

Grant Thornton undertook an options review, were appointed administrator and managed an accelerated disposal

Financial services

The sector is experiencing broad shifts in the market, particularly from the emergence of disruptive FinTech and the move away from “bricks and mortar” business models to online service provision.



24
assignments in
2017/18



£967.5m
cumulative value of
debt raised/restructured



£40.3m
average assignment
debt value



Project Rio

Bank restructuring advice

Banking

£700 million total debt

Grant Thornton provided restructuring advisory services



Project Alfred

Stakeholder management
and restructuring advice

Financial services

£30 million total debt

Grant Thornton provided restructuring advisory services



Burns-Anderson Limited

Liquidation

IFA Network

£35 million total debt

Grant Thornton provided insolvency services



Vehicle Trading Group Limited

Administration

Wholesale and consumer finance

£undisclosed total debt

Grant Thornton provided insolvency services



Project Iron

Independent business review

Financial services

£4.6 million total debt

Grant Thornton provided advisory restructuring services



Project Maldon

Pre-lease review

Financial services

£25 million total debt

Grant Thornton provided restructuring advisory services



Confidential

Covenant review

Financial services

£undisclosed total debt

Grant Thornton provided restructuring advisory services



Polygon Insurance Company (U.K.) Limited

Liquidation

Insurance

£undisclosed total debt

Grant Thornton provided insolvency services



Project Finance

AMA

Financial services

£undisclosed total debt

Grant Thornton undertook an accelerated sale process



Confidential

Board effectiveness review

Financial services

£24 million total debt

Grant Thornton provided restructuring advisory services



Restructuring advice for the Co-operative Bank

Client name:

The Co-operative Bank

Sector:

Financial services

Services provided:

Restructuring and financial modelling



The Co-operative Bank (the Bank) was established in 1872 and provides high street and internet banking, current accounts, mortgages, savings accounts, credit cards and loans.

The situation

As a result of sustained losses, intensified by low interest rates, the Bank required significant restructuring in order to meet the minimum capital requirements set by the Prudential Regulation Authority. After a proposed sale of the Bank was discontinued, the Bank commenced a recapitalisation process. This involved a 'consensual' bail-in to equity and write-off for certain bondholders, under Schemes of Arrangement (the Schemes), together with a capital raise.

In order to carry out the Schemes, the Bank required an independent assessment of the outcome for creditors should the recapitalisation not occur. This was under two scenarios, a resolution and a liquidation. The purpose was to provide creditors with a comparison of the returns in a resolution/liquidation versus the compensation offered by the Bank under the Schemes.

Meeting the challenge

We were engaged under a very short timeframe to assess and value the Bank's balance sheet and map the potential claims to the respective creditor hierarchies under the two scenarios.

Our team rapidly understood the range of financial information presented - including loan datatapes, bond information, and derivative and repo portfolios - and applied our expertise of the Bank Recovery and Resolution Directive (BRRD) and UK insolvency laws to understand the impact of them under each scenario.

Skilled Person's review into the ring-fencing of Barclays plc's retail operations

Client name:

Barclays plc

Sector:

Financial services

Services provided:

Skilled Person's review



As a result of the Banking Reform Act 2013, Barclays plc (the Bank) was required to restructure its business so that retail and small business deposit-taking operations were placed inside a Ring-Fenced Bank (RFB). To comply with the legislation, certain assets, liabilities and contracts were transferred to the RFB through a Ring-Fencing Transfer Scheme (RFTS).

As part of the process, the Bank appointed Mark Byers of Grant Thornton to act as the Skilled Person and determine the effect of the RFTS on stakeholders. The Skilled Person's report was essential for the sanctioning of the Scheme by the High Court.

Background to assignment

The Skilled Person and his team assessed the Bank's ring-fencing proposals and the design of its RFTS over the course of approximately two years.

The areas assessed included: financial and business model sustainability, stakeholder impact, creditor hierarchy (including valuing the liabilities of the Bank), operational continuity, recovery and resolution planning, governance and risk management, project deliverability and execution risk.

We interviewed senior managers and executives, observed committees and working group meetings, reviewed approximately 1,800 documentary artefacts, performed testing and conducted our own analysis.

Solution

We adopted an approach that built on the Regulators' guidance to ensure a thorough and controlled analysis of Barclays' ring-fencing proposals and the design of its RFTS. This enabled the production of a comprehensive Scheme Report, Supplementary Report and associated Court documents.

Benefit to the organisation

We provided challenge and identified potential issues or gaps in the Bank's proposals. The Bank's proposed RFTS was approved by the High Court and executed as planned.

"I have paid special regard to the Skilled Person's careful, even meticulous, answers to the statutory question. It seems to me that the independence and sheer hard work that he has devoted to his task is to be commended."

Sir Geoffrey Vos, Chancellor of the High Court

Spotlight on debt advisory

Over £1bn

The debt advisory team has been involved in the raising, refinancing or restructuring of over £1bn of debt in the last 12 months.

What we do

Our debt advisory team advises borrowers, owners, sponsors and lenders with the raising, refinancing and restructuring of debt. We work with mid-market corporates including: owner-managed businesses, family offices, listed companies, financial sponsors and entrepreneurs. We act as the lead financial adviser to clients and work closely with them to gain an understanding of their businesses in order to best articulate the credit story to lenders. We focus on understanding our clients' strategic ambitions as that will help dictate the type of funds and deal structure we pursue. On many of our transactions we work together with our M&A colleagues on both buy-side and sell-side deals to provide integrated M&A and financing solutions.



Project Bento

Debt advisory

Casual dining

£30 million total debt

Grant Thornton provided debt advisory services



Project Watch

Debt advisory

Outsourcing solutions

£25 million total debt

Grant Thornton provided debt advisory services



Project Ball

Debt advisory

Recruitment

£10 million total debt

Grant Thornton provided debt advisory services



Project Change

Debt advisory

Industrials

£60 million total debt

Grant Thornton provided debt advisory services



Project Galaxy

Debt advisory

Gaming to Leisure

£200 million total debt

Grant Thornton provided debt advisory services



Project Victoria

Debt advisory

Luxury brands

US\$25 million total debt

Grant Thornton provided debt advisory services



Project Contour

Debt advisory

Manufacturing

£40 million total debt

Grant Thornton provided debt advisory services



Project Monet

Debt advisory

Life sciences

£50 million total debt

Grant Thornton provided debt advisory services



Project Marathon

Debt advisory and restructuring

Construction

£100 million total debt

Grant Thornton provided debt advisory services



Project Violet

Debt advisory

Manufacturing

£undisclosed total debt

Grant Thornton provided debt advisory services



Project Aether

Debt advisory

Aviation

£20 million total debt

Grant Thornton provided debt advisory services



University of Gloucestershire

Debt advisory

Education

£undisclosed total debt

Grant Thornton provided debt advisory services



Project Ray

Debt advisory and restructuring

Construction

£2 billion total debt

Grant Thornton provided debt advisory services



Project Celeste

Debt advisory

Technology, media and telecommunications

£11 million total debt

Grant Thornton provided debt advisory services



Westmoreland Developments Limited

Debt advisory

Real estate

£25 million total debt

Grant Thornton provided debt advisory services

Healthcare

It is no secret that healthcare is a sector under increasing pressure. The issues raised by an ageing population, living longer with complex medical needs, are exasperated by NHS inefficiencies and health and social care funding restrictions. However, in part because of the strong demographics supporting it, the sector continues to attract significant investment.



25

assignments in 2017/18



£2.0bn

cumulative value of
debt raised/restructured



£81.7m

average assignment
debt value



Project Heathcote

Company side restructuring
and debt advisory services

Healthcare – specialist care

Undisclosed total debt

Grant Thornton provided
restructuring advisory services



Elder Group

Trading administration
and sale

Care homes

£22 million total debt

Grant Thornton provided
insolvency services



Larchwood Homes

Asset management and
restructuring advice

Healthcare

£400 million total debt

Grant Thornton provided
restructuring advisory services



Project Lloyd

Financial advice and
preparation of financial
statements

Healthcare

£120 million total debt

Grant Thornton provided
restructuring advisory services



Project Hawthorn

IBR and options review

Care homes

£400 million total debt

Grant Thornton provided
restructuring advisory services



Project Firestone

Valuation and
restructuring advice

Care homes

£700 million total debt

Grant Thornton provided
restructuring advisory and
valuation services



Project Howard

Restructuring and
insolvency advice

Supported living accommodation

£200 million total debt

Grant Thornton provided
restructuring advisory services



Confidential

Transaction and debt
advisory services

Domiciliary services

£500 million total debt

Grant Thornton provided
transaction and debt advisory
services



Project Vulcan

Restructuring and
transaction advice

Specialist care

£60 million total debt

Grant Thornton provided
restructuring advisory services



Project Benchmark

Healthcare client
benchmarking analysis

Healthcare

£24 million total debt

Grant Thornton provided
restructuring advisory services

Asset management and turnaround advice to Larchwood Homes



Client name:

Larchwood Homes

Sector:

Aged care provider

Services provided:

Healthcare advisory, turnaround advisory and monitoring

The situation

The Larchwood Care Home Group is one of the top 20 care home providers in the UK. Originally operated by Southern Cross prior to its collapse in 2011, the business has had a number of different operators in the intervening years, none of whom have been able to reverse a long-term decline in financial performance.

The business had been marketed for sale for some time, without eliciting deliverable offers acceptable to the stakeholders of the business. The special servicer, acting on behalf of £400 million of loan note holders, engaged us to advise on the group's two-year financial projections and operational performance, in order to assist in determining wider strategy for the group.

Meeting the challenge

In light of our analysis of the operational underperformance of the business and assessment of the financial forecast horizon, we were appointed as asset managers.

In this role we were engaged to devise and execute a turnaround plan, working in close collaboration with the operators and the special servicer of the business to deliver enhanced value to stakeholders over a longer-term period.

Larchwood is a group of more than 70 social care homes operating in the UK.

Advice to support the financial restructuring of a large care home operator in the UK



Client name:

Confidential

Sector:

Healthcare

Services provided:

Restructuring and valuations advisory services

Background to assignment

The business is one of the UK's largest care home operators providing services across the spectrum of elderly residential, nursing and specialist care. However, the business had a number of financial challenges. It was over-leveraged, struggling to meet its financing costs and faced with a loss-making leasehold portfolio.

Solution

We were initially engaged to advise on a proposed scheme of arrangement, undertaking restructuring and scheme comparator valuation work. Our work underpinned the proposal ensuring the business would be properly capitalised and financially viable going forwards.

Our work was instrumental in the Company and its key stakeholders agreeing to pursue a consensual restructuring deal, which avoided the need for a scheme of arrangement.

We were also engaged to provide further valuation advice in support of the consensual restructuring process, ensuring that different categories of stakeholders were equitably treated.

Benefit to the organisation

The overall result of the restructuring process will be a properly capitalised and viable entity, no longer constrained by an unserviceable level of debt, and able to concentrate on delivering good quality care to some of the UK's most vulnerable individuals.

Spotlight on insolvency across our member firms



No.1 market leader

Who's Who Legal Asset Recovery Firm of the year and Offshore Thought Leaders



Dedicated offshore and midshore network

to undertake joint cross border assignments working towards one agreed set of principles

What we do

We have the largest international team focused solely on recovering hidden assets for global clients who have suffered a financial loss. We are regularly instructed by major financial institutions, regulators, government bodies and individuals on a domestic and international level.

Our strength lies in the coordinated approach of our offshore firms; together we combine geographical reach with dedicated sector expertise.

Our solutions include:

- Corporate intelligence and contentious asset recovery
- Computer forensics and data discovery capabilities
- Fraud investigations
- Investigative accounting and forensic expertise
- Tracing misappropriated and hidden assets
- Strategies of international asset recovery



65+ jurisdictions

where we have successfully recovered assets



Immediate service delivery

gives clients access to our people, advice and resource in time critical cases



£3bn of asset recovery

globally in previous seven years



Flexible approach to fees,

funding solutions and structures



Confidential

Judgment enforcement

\$300 million judgment value

Grant Thornton provided insolvency services



Axiom Legal Financing Fund

Receivers

Financial services

£120 million total debt

Grant Thornton provided insolvency services



Andrey Chernyakov

Bankruptcy

Personal insolvency

£200 million circa total debt

Grant Thornton provided insolvency services



Stanford International Bank

Liquidation

Financial services

\$7 billion gross creditor claims

Grant Thornton provided insolvency services



Boris Berezovsky

Bankruptcy

Personal insolvency

£305 million total debt

Grant Thornton provided insolvency services



China Fisheries

Monitoring accountant

Fishing

\$700 million total debt

Grant Thornton provided insolvency services



Saad Investment Company Limited

Liquidation

Various

\$3.6 billion total debt

Grant Thornton provided insolvency services



Madoff Securities International Limited (MSIL)

Liquidation

Financial services

\$330 million total debt

Grant Thornton provided insolvency services



Bilta (UK) Limited

Liquidation

Carbon emission voucher trader

£39 million total debt

Grant Thornton provided insolvency services



CL Financial Limited

Liquidation

Financial services

£4.5 billion total debt

Grant Thornton provided insolvency services

Manufacturing and industrials

Manufacturing and industrial businesses are getting more attention in Europe and the UK. Increasing numbers of financial investors are looking to manufacturing as an alternate option for cash generation and growth. Corporates are being forced to react to cost pressures and invest in efficiencies, while others are forced to change their business model due to disruptive technologies.



58

assignments in 2017/18



£532.1m

cumulative value of
debt raised/restructured



£9.2m

average assignment
debt value



Gibson Innovations Limited

Administration

Manufacturer of
electrical equipment

£75 million total debt

Grant Thornton provided
insolvency services



Project Indigo

Assessment of trading
forecasts and covenants

Manufacturing

£41.5 million total debt

Grant Thornton provided
restructuring advisory services



Project Whiskey

Forecast and options review

Pharmaceuticals

£22 million total debt

Grant Thornton provided
restructuring advisory services



Thos. Proctor and Son Limited

Administration and
pre-pack sale

Industrial products

£0.4 million

Grant Thornton provided
insolvency services



Project Triangle

Pensions advisory

Manufacturing and industrials

£750 million scheme deficit

Grant Thornton provided pensions
advisory services



Project Contour

PE/debt advisory

Manufacturing / industrials

£40 million total debt

Grant Thornton provided corporate
finance and debt advisory services



Project Leather

Debt advisory

Pharmaceuticals

£100 million total debt

Grant Thornton provided corporate
finance and debt advisory services



Project Velvet

Distressed acquisition support

Manufacturing

£undisclosed total debt

Grant Thornton provided
acquisition advisory services



Project Gladiator

PE/debt advisory

Waste management

£10 million total debt

Grant Thornton provided corporate
finance and debt advisory services



Project Trail

Independent business review
and options review

Manufacturing

£4 million total debt

Grant Thornton provided
restructuring advisory services

Administration and sale of CovPress Limited

Client name:

CovPress Limited

Sector:

Insolvency and sale of business

Services provided:

Administrators



Corporate Rescue of the Year – Covpress

TRI Awards 2017

“We were very pleased to be able to work with Grant Thornton on the Covpress engagement, the nature of which changed over the course of 2016 from that envisaged at the end of 2015. In these changing circumstances Eddie Williams and the team were very flexible in their approach and the management and communications with the key stakeholders in the business was impressive throughout. This was particularly the case in the early days of the insolvency and the challenge of delivering continuity of operations. They have delivered an outcome whereby the business can hopefully prosper in future years under its new ownership after the challenge of the insolvency in 2016.”

Andy Thompson, Head of Financial Restructuring & Recovery, ABN AMRO Commercial Finance PLC

Background to assignment

CovPress Limited (the Company) was established in 1890 as the Coventry Radiator, home to the largest manufacturers of radiators in Britain, and presswork company.

The Company was experiencing liquidity challenges. We were therefore appointed by ABN Amro to ascertain the funding requirements and assess the future viability of the Company by completing an independent business review.

What did we do?

Following our independent business review, we provided ongoing cash flow monitoring to the Company. However, changes in senior financial personnel compounded by the continued liquidity challenges contributed to a worsening financial position.

Ultimately, this resulted in a significant cash crisis and our assistance with the Company evolved into providing contingency planning to the key stakeholders, which ultimately led to the appointment of David Dunckley and Eddie Williams as Joint Administrators.

Meeting the challenge

The Administration required heavy resourcing and firefighting from appointment which our team handled with care.

During the Administration, we investigated efficiencies and improvements to the business operations to increase the potential sale value and thus elicit the best outcome to the creditors.

Furthermore, we explored the possibility of saving the Company’s defined benefit pension scheme.

What value did we deliver to the client?

With the support of employees, customers, suppliers and ABN Amro, the team traded Covpress successfully for four months and secured Liberty House Group as the buyer.

Our sales process preserved 750 skilled jobs, as well as 50 agency staff in the short-term. ABN Amro was repaid in full and subsequently financed the new business. Furthermore, all preferential creditors were paid in full and there will also be a return to unsecured creditors.

The sale of Covpress also included a successful transfer of the Company’s defined benefit pension scheme to Liberty House Group, thus avoiding the scheme passing into the Pension Protection Fund, which is believed to be the first such transfer for an administration.

In addition, our team was asked to assist the buyer for a period post-sale to implement the operational improvements we identified.

Real estate and construction

The real estate investment market is in a state of flux, and technology will play a vital role in its future. It is already changing the way that we occupy, lease, buy, sell and value real estate assets.



32

assignments in 2017/18



£1.3bn

cumulative value of
debt raised/restructured



£39.2m

average assignment
debt value



Project Emerald

Options review and refinance

Construction

£2 million total debt

Grant Thornton provided restructuring and debt advisory services



Project Steel

Independent business review

Construction and real estate

£10 million total debt

Grant Thornton provided restructuring advisory services



Project Witch

Contingency planning

Construction and real estate

£45 million total debt

Grant Thornton provided restructuring advisory services



Project Marathon

Strategic and restructuring advice

Construction and support services

£640 million total debt

Grant Thornton provided restructuring advisory services



Project Ray

Debt advisory and restructuring

Construction

£2 billion total debt

Grant Thornton provided debt advisory services



Project Edison

Independent business review

Mining

£25 million total debt

Grant Thornton provided restructuring advisory services



Project Knight

Restructuring advice

Construction and real estate

£60 million total debt

Grant Thornton provided restructuring advisory services



Ambrian Plc

Administration

Construction and real estate

£9 million total debt

Grant Thornton provided insolvency services



Project Maintain

Pre-insolvency planning and assessment of potential antecedent transactions
Property management

£undisclosed total debt

Grant Thornton provided restructuring advisory services



Confidential

Receivership

Construction and real estate

£13 million total debt

Grant Thornton provided insolvency services

Refinance of Westmoreland Developments Limited

Client name:

Westmoreland Developments Limited

Transaction type:

Debt fundraise

Services provided:

Debt advisory services



Our debt advisory services team advised on the refinancing of a commercial real estate portfolio for Westmoreland Developments Limited, an associated company of Citygrove Securities plc.

Background to deal

Citygrove Securities plc is a property development and investment company specialising in commercial and residential projects with offices in London and Madrid.

Citygrove Securities plc was founded in 1990 by Toby Baines after a successful career at Jones Lang Wootton. Since the early 1990s, Toby has specialised in the acquisition and development of leisure and retail development projects for institutional clients with a combined value in excess of £750 million.

Citygrove Securities plc has a strong culture of giving back to the community and has raised over £1 million for charitable organisations.

How we made a difference

The debt advisory team began a dialogue with Toby regarding the financing of four commercial properties.

The team highlighted its experience of financing similar development portfolios and following further discussions, Westmoreland engaged with us to refinance the £25 million debt facility under more favourable terms.

The team leveraged its extensive network and initially approached several selected lenders (banks, insurance firms and real estate funds) highlighting Westmoreland's strong asset base and experienced senior management team.

Exclusivity was granted to Legal & General in February 2017 and the team worked with the Westmoreland's legal team at Pinsent Masons to negotiate and agree the loan documentation.

"Grant Thornton listened carefully to my requirements and demonstrated great knowledge of the funding landscape. We found Grant Thornton efficient, reliable and direct. They utilised their extensive network and quickly organised meetings with appropriate lenders. We enjoyed working with Jeremy and William and we hope that this is one of many times we use Grant Thornton's services."

Toby Baines, Shareholder
Westmoreland Developments Limited

Spotlight on pensions advisory



86

total number of assignments in 2017/18



61%

advice regarding covenant strength



68%

trustee side advice



39%

other pensions and actuarial advice



32%

corporate side advice

What we do

Pensions advisory services specialises in defined pension schemes, i.e. occupational schemes that are managed and supervised by an independent board of trustees but are funded by the employer. We provide a range of pensions services for corporates and trustees alike. Our work primarily comes from independent trustees, as well as actuaries, lawyers, direct from corporates and internal referrals.

The assignments over the last 18 months have involved us working on schemes with assets of between £20 million and £3.5 billion.



Confidential

Covenant advice in support of triennial valuation processes

Mining

Eundisclosed scheme deficit

Grant Thornton provided trustee side advice



Project Abacus

Advice on various de-risking exercises

Professional services

£100 million scheme deficit

Grant Thornton provided corporate side advice



Project Colour

Covenant advice on impact of corporate refinancing

Technology, media and telecommunications

£30 million scheme deficit

Grant Thornton provided trustee side advice



Project Holiday

Covenant advice on impact of corporate refinancing

Leisure

£250 million scheme deficit

Grant Thornton provided trustee side advice



Project Diamond

Covenant advice in support of triennial valuation process

Construction

£300 million scheme deficit

Grant Thornton provided trustee side advice



Project Starfruit

Pensions advice in respect of proposed corporate restructuring

Chemicals

£750 million scheme deficit

Grant Thornton provided corporate side advice



Project Fizz

Covenant advice on impact of an acquisition on the underlying covenant

Food and beverage

£10 million scheme deficit

Grant Thornton provided trustee side advice



Project Alpha

Advising on a scheme closure and replacement benefits

Transport

£3 million scheme deficit

Grant Thornton provided corporate side advice



Project Tree

Covenant advice in support of triennial valuation process

Food and beverage

£20 million scheme deficit

Grant Thornton provided trustee side advice



Project Royal

Pension scheme restructuring advice

Not for profit

£50 million scheme deficit

Grant Thornton provided corporate side advice

Technology, media and telecommunications

There are significant opportunities in the sector as it continues to evolve at pace, but also risks especially in highly leveraged models.



17

assignments in 2017/18



£81.9m

cumulative value of
debt raised/restructured



£4.8m

average assignment debt value



Project Colour

Pensions advisory

Technology, media and telecommunications

£30 million scheme deficit

Grant Thornton provided pensions advisory services



Gold Key Media

Carve out and sale of Gold Key Media to frontline limited

Magazine distribution and marketing services

£undisclosed total debt

Grant Thornton provided corporate finance advisory and SPA advisory services



Rigby Group plc, Private Equity Division

Acquisition of data communication business BVBA

Benelux value added distributor of cyber security hardware and software products

£undisclosed total debt

Grant Thornton provided due diligence services



Project Celeste

Buy side corporate finance/ debt advisory

Technology, media and telecommunications

£11 million total debt

Grant Thornton provided corporate finance and debt advisory services



Project Feature

Options review/AMA/ contingency planning/ cash monitoring
Printing

£3 million total debt

Grant Thornton provided restructuring advisory services



idox plc

Acquisition of 6PM Holdings plc

Software solutions and services

£18.5 million enterprise value

Grant Thornton provided due diligence services



Project Frank

Options analysis

Technology, media and telecommunications

£4 million total debt

Grant Thornton provided restructuring advisory services



Project Data

Independent business review

Outsourcing and telecommunications

£4.5 million total debt

Grant Thornton provided restructuring advisory services



Project Rope

Review of financial forecast

Technology, media and telecommunications

£2 million total debt

Grant Thornton provided restructuring advisory services



Infomedia Services Limited

Debt finance from Beechbrook Capital LLP

Monetisation of mobile content via direct carrier billing

£undisclosed

Grant Thornton provided vendor due diligence services

Project Ashburton

Client name:

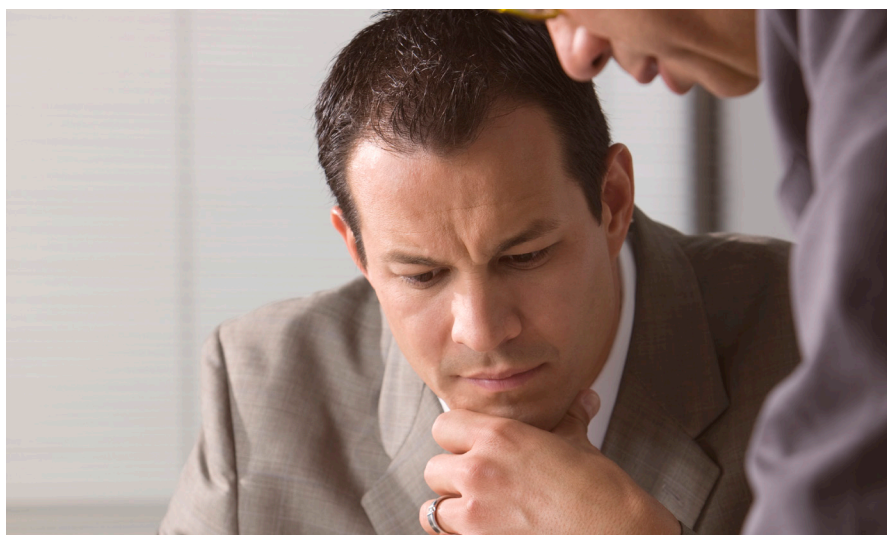
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Sector:

Media

Services provided:

Restructuring, corporate finance, financial modelling, restructuring tax and corporate simplification



Background to deal

The business was a leading distributor of high profile, popularist and specialist magazines and newspapers throughout the UK and overseas, generating revenues of c.£200 million.

However, recognising the increasingly challenging market for physical print publishing, the shareholders agreed that the business was no longer viable and sought our assistance to manage an orderly wind-down of the business and operations, delivering a soft landing for the business' diverse stakeholder groups whilst maximising asset realisations and minimising losses.

Solution

We assisted the shareholders by:
















- producing a detailed and cost estimated delivery plan for the controlled wind-down of the business
- working to upskill an in-house (management led) delivery team, providing daily / as needed support
- developing a detailed stakeholder plan and financial model giving shareholders greater clarity as to the ultimate risks and costs of the wind-down, incorporating an estimated outcome statement and supporting cash flows identifying trading, exceptional and contingent costs
- providing delivery support and on-going project oversight during the course of the wind-down
- advising on the maximisation of asset value including the successful carve-out and sale of a profitable division of the business following a full, competitive marketing process.

Spotlight on turnaround funding

- 1** Dedicated turnaround funder database
- 2** Targeted funding and efficient process
- 3** National turnaround experts

What we do

Our turnaround funding team specialises in sourcing liquidity to facilitate the turnaround of stressed or distressed corporates. We maintain an extensive turnaround investor database which enables us to market opportunities to investors based on their stated investment criteria. This targeted approach allows us to execute transactions efficiently and to protect and enhance value for corporates and lenders.

 <p>Project Orange</p> <p>Restructuring and transaction advice</p> <p>Construction</p> <p>£8.5 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Project Scarlet</p> <p>Transaction advisory</p> <p>Retail</p> <p>£12 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Project Foyle</p> <p>AMA</p> <p>Engineering</p> <p>£9 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Project Feature</p> <p>Options review/AMA/contingency planning/cash monitoring</p> <p>Printing</p> <p>£3 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Project Witch</p> <p>Fundraising</p> <p>Construction and real estate</p> <p>£45 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>
 <p>Project Frank</p> <p>Options analysis</p> <p>Technology, media and telecommunications</p> <p>£4 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Project Finance</p> <p>AMA</p> <p>Financial services</p> <p>£undisclosed total debt</p> <p>Grant Thornton undertook an accelerated sale process</p>	 <p>All Leisure Holidays Limited</p> <p>Administration sale and group restructure</p> <p>Travel</p> <p>£60 million total debt</p> <p>Grant Thornton provided insolvency services</p>	 <p>Project Vulcan</p> <p>Restructuring and transaction advice</p> <p>Specialist care</p> <p>£60 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Green Rides Limited</p> <p>AMA/pre pack</p> <p>Travel, tourism and leisure</p> <p>£0.2 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>
 <p>1st Solutions Employment & Training Solutions Limited</p> <p>Administration and pre-pack sale</p> <p>Business support services</p> <p>£1.2 million total debt</p> <p>Grant Thornton provided insolvency services</p>	 <p>Project Diamond</p> <p>AMA process</p> <p>Industrial products</p> <p>£0.4 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Project Juniper</p> <p>Transaction advisory</p> <p>Manufacturing</p> <p>£10 million total debt</p> <p>Grant Thornton provided restructuring advisory services</p>	 <p>Covpress Limited</p> <p>Trading administration and sale</p> <p>Automotive</p> <p>£17 million total debt</p> <p>Grant Thornton provided insolvency services</p>	 <p>Colson Castors Limited</p> <p>Trading administration, sale and credit bid</p> <p>Manufacturing</p> <p>£35 million total debt</p> <p>Grant Thornton provided insolvency services</p>

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