Rt Hon Frank Field MP  
Chair of Work and Pensions Committee  
14 Tothill Street  
London  
SW1H 9NB

Iain Wright MP  
Chair of Business, Innovation and Skills Committee  
House of Commons  
London  
SW1A 0AA

10 June 2016

Dear Mr Field and Mr Wright

BHS

We refer to yesterday’s Press Release stating that the Committees intend to invite further witnesses to give evidence to the BHS inquiry, and for certain witnesses to be recalled.

To assist the Committees, we would like to set the record straight on a number of points raised in Mr Chappell’s evidence to the Committees and to restate Mr Gutman's evidence in that regard:

- In response to Questions 1416 and 1424, Mr Chappell suggested “I met with Anthony Gutman, two or three times. My team met with him two or three times. Farallon met with him and so did River Rock” and “I believe Grant Thornton had spoken to them”. This is not correct. As the log and supporting documents we have provided record, Mr Gutman met with River Rock once on 8 December 2014 (row #23 of the log), dialled into a second meeting attended by River Rock on 11 December 2014 (row #27) and met with Mr Chappell once on 28 January 2015 (row #76), with Mr Budge of Arcadia also in attendance at that third meeting. Mr Gutman spoke to Farallon on the telephone once in February 2015 (row #86) but did not meet with them. Goldman Sachs employees did not speak to Grant Thornton at all and did not otherwise meet with Mr Chappell, Swiss Rock, their advisors or Farallon.

- In response to Questions 1504-1509 from Mr Quin regarding the extent of Farallon’s commitment to provide financing to Swiss Rock, Mr Chappell suggested that Farallon had told Mr Gutman that they were “very committed to doing this deal”. This is not correct. As Mr Quin noted, as the log and supporting documents record (rows #87-92), and as Mr Gutman relayed to Arcadia in the days following his call with Farallon, Farallon had indicated that their interest was subject to due diligence and documentation (as is standard at that stage of a process). We note that this is also the evidence Mr Giauque of Farallon provided to the Committees on 7 June 2016.
• Mr Chappell also suggested in response to Question 1550 that Goldman Sachs had received a copy of the Farallon document that was published on the Work and Pensions Committee’s website yesterday entitled “Redacted Farallon non-binding term sheet”. Again, this is incorrect.

We have been transparent throughout and have sought to assist the Committees with their inquiries on an expedited basis. Mr Gutman gave evidence to the Committees at an early stage of their inquiries to explain Goldman Sachs’ limited involvement; we provided a detailed log of all of the material interactions that we had with both Arcadia and Swiss Rock during our involvement; we have answered follow up questions from the Committees; and we have provided copies of all documents identified that correspond to those interactions.

As Mr Gutman has previously described the log records that over a 5 month period, he participated in only 3 meetings, 13 telephone calls and sent 21 emails. This level of activity is but a small fraction of that which would be seen over such a period when acting as an advisor under a formal mandate.

We would be happy to answer in writing any further questions that the Committees may have but do not believe that Goldman Sachs employees are able to provide the Committees with any new evidence.

Yours sincerely

Goldman Sachs International

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