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

27 June 2016

Dear Mr Field and Mr Wright

BHS

We refer to the upcoming oral evidence session on 29 June 2016. Ahead of that session, we wish to bring the following matters to the attention of the Committees:

1. On 17 June 2016, the FT published a story online and later in print entitled “Goldman advised Sir Philip Green on BHS pension measures”. In that story, it was suggested that “Goldman Sachs advised Sir Philip Green against supporting measures intended to make their pensions safer”. We would like to take the opportunity to correct that assertion. Goldman Sachs did not advise Sir Philip Green or Arcadia against supporting the de-risking of the BHS pension schemes. To the contrary, Goldman Sachs supported the de-risking of the schemes.

2. We believe there may have been a further call between Michael Sherwood and Sir Philip Green in relation to the Swiss Rock proposal that is not noted in the log that we have previously provided, which we believe took place in early February 2015, around the time of Mr Gutman’s call with Farallon on 3 February. Mr Sherwood recalls a short call in which Sir Philip called him to ask if he had heard of Farallon; Mr Sherwood confirmed that he had; and Sir Philip noted that Farallon were being considered as a potential lender to Swiss Rock.

3. For completeness we should also note that shortly before the transaction closed, Mr Sherwood also received a call from Sir Philip Green with the request that Goldman Sachs consider extending a £40 million loan to support the transaction, to be guaranteed by Arcadia. Shortly thereafter, and before they had reached an advanced stage, our Leveraged Finance team were asked to stand down by Arcadia as they had found alternative funding.

Yours sincerely

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