Slate Campaigns Submission to the Joint Parliamentary Committees on the Sale and Acquisition of BHS

Relationship with Retail Acquisitions Ltd
I am happy to confirm that my company has at no time been contracted to Retail Acquisitions Ltd. (RAL) but contracted with BHS Ltd. on 20th April 2015.

My contract stated that I would serve as the public relations consultant to British Home Stores and its new owner, Retail Acquisitions. My client was Darren Topp, the chief executive of BHS. As a specialist issues and crisis public relations consultant, one of my tasks was to handle the many media enquiries relating to Dominic Chappell’s past business dealings purely due to their impact on BHS, as it was felt stories about his bankruptcies were damaging its ability to secure credit insurance.

Although I met with Darren and members of the BHS operations board regularly, I had no meetings with RAL as a separate entity and did not work on any programme for RAL.

 Allegations concerning Dominic Chappell
As BHS’s principal interface with the media, it was my job to receive media enquiries, to put allegations to Dominic Chappell and then to share his response with the media.

At the outset, I made clear to Mr Chappell that we needed to sit down to discuss the facts relating to his past in order that I could prepare for any future media enquiries. Although Mr Chappell agreed that this would be helpful, he did not ever permit this meeting to be scheduled despite several attempts on my part to do so. Whilst it is not unusual for a client to avoid discussing personal matters with a PR consultant, often out of embarrassment or a belief that these matters will never come to public attention, it is highly unusual for a client to lie to its consultant so that misinformation is presented to the media. Yet this is what happened in relation when the media came forward with allegations about Mr Chappell.

An example of this was when I was called by Oliver Shah, a very well-sourced and influential business reporter at the Sunday Times who, from the outset, published stories scrutinising Mr Chappell’s past.
Mr Shah has many sources who have had dealings with Mr Chappell and broke numerous stories about him. This was the main reason that BHS required my services. One such story came from information passed to Mr Shah by one of his sources and related to the claim that Mr Chappell had used RAL money, sourced from BHS, to pay a loan on his father’s home.

I am still unsure of the facts relating to this payment, which can only be verified by scrutiny of RAL’s financial accounts or bank accounts. However, when I put the claim to Mr Chappell in order to elicit his response, he denied that any such payment was made. In a subsequent discussion, he said that RAL had made a payment to a company associated with his family home. He later changed his position to state that a payment of £750k not £1.5m was made. This figure later changed to £1.3m and it was this figure that Mr Shah published in the Sunday Times. I later learned that Mr Shah had been correct at the outset and that the true figure was indeed £1.5m.

Mr Chappell had also stated to me that some of the money had been repaid. This was untrue. He also claimed, when admitting to me that RAL had made a payment, that RAL’s Board of Directors had approved the payment unanimously. This was also untrue. Eddie Parladorio had abstained. Mr Parladorio told me this himself when he questioned why the Sunday Times had been given incorrect information.

Another example relates to Graham Ruddick of the Guardian newspaper. Mr Ruddick is a highly respected reporter who had received information from an anonymous source that RAL had taken an inter-company loan from BHS in its first weeks of ownership. I was unaware of this loan and asked Mr Topp. He confirmed that RAL had taken such a loan before appointing him as chief executive. He could not answer Mr Ruddick’s additional question of whether RAL had profited from the loan and suggested I spoke directly to Mr Chappell. When I called Mr Chappell, he told me that the loan was entirely ‘above board’ and that all of the money had been paid in professional fees to lawyers and accountants. I gave this information to Mr Ruddick. The story appeared under the headline “BHS owners took £8.4m loan from chain” (https://www.theguardian.com/business/2016/mar/04/owners-84-million-pound-loan-from-bhs-staff-job-losses).

I was then contacted by Eddie Parladorio of RAL, who informed me that this was incorrect and that, whilst some of the funds had been paid to advisors, some money had indeed gone to RAL directors. When I spoke again to Mr Chappell, he ignored his earlier statement and argued that it was not an £8.4million loan as RAL had “paid some of the money back”. It later transpired that in its first weeks of ownership RAL and its associates had paid themselves almost £3million of the loan they had taken from the bank accounts of a company that, as the Committee has heard, was extremely short of cash.

After this incident, I did not respond to any media questions about Mr Chappell without verifying the information with Mr Topp and, if unable to obtain verification, made clear to the media that the information was what Mr Chappell has stated specifically and was not the position of BHS. Mr
Chappell, throughout my time working for BHS, spoke to journalists directly in order to deny allegations, many of which have been shown to be true.

I have never had a client who has conducted himself in this way and, although contacted by Mr Chappell after it fell into Administration, declined his invitation to provide him or RAL with assistance but, instead, continued to support my client, BHS, in its efforts to promote the business whilst trying to find a new owner.

**Relationship with Sir Philip Green**

Neither I nor Slate Campaigns has ever worked for Sir Philip Green or any of his companies. I have never met him. I have, however, had many calls from Sir Philip about the ongoing media reporting of BHS. He spoke to me frequently to ask what information I had learned of the media’s intentions and would then offer advice, usually of a robust nature, on how to handle each situation.

Sir Philip is unusual in that he has a very good knowledge of the media and has only recently contracted a media consultant. Previously, he dealt with media matters himself.

In response to your question of Sir Philip’s involvement in advising RAL, I have no knowledge of such matters. I am aware, however, that he continued to speak to many people within BHS about commercial matters. My client, Darren Topp, for example, spoke to him regularly about aspects of the business that remained integrated.

**Sale to Sports Direct**

After the company fell into Administration, I continued to act for BHS and support Darren Topp and the operations team. We were all desperate to save as many jobs as possible and were optimistic that the Administrator would succeed in finding a buyer for the whole company as a going concern. Sadly, on 25th April our hopes were destroyed and I stood ready to implement the communications plan I had prepared, at 10.00 am. Things did not proceed on schedule.

Shortly after 1000 hours, I sat, alone, in Mr Topp’s office awaiting the tardy instruction to proceed when the Administrator walked into the room. I could hear Sir Philip Green on the Administrator’s mobile phone telling him to sell the business to Sports Direct. Sir Philip was being very forceful and arguing his case so loudly I could hear much of what he said. The Administrator was very professional and kept reminding Sir Philip that he had a legal duty to secure the maximum funds for creditors and that, unless Sports Direct was prepared to pay a sufficient sum, he would proceed with the plan to trade out the company. He left the room, still on the call, having made the same point many times in my presence and was still on the phone to Sir Philip when he returned.

It was only later, after the Administrator had spoken directly to Sports Direct and learned that they
were not offering appropriate funds, that Sir Philip accepted that it could not save the jobs. Again I heard the conversation from the Administrator’s end, and discussions then turned to how Sir Philip could help staff. After the call ended, I told the Administrator that no matter how much we all, including Sir Philip, were desperate to save jobs, he had done the right thing to stand firm for creditors. I then implemented the communications plan at 1200 hours.

Given the pressure he applied to bring the Sports Direct deal to fruition, I was most surprised to hear, from Mr Chappell’s evidence to the Committee, the claim that Sir Philip scuppered a deal with Sports Direct. I was told by my clients that the first of Sports Direct’s approaches to the business (which took place after the BHS board meeting that had taken the decision to go into Administration due to legal advice that the Gordon Brothers deal was not fit for purpose) ended with it walking away from BHS after failing to obtain assurances from the Pension Regulator that it could acquire the business without adopting the pension liability. I also understand that its second approach, made during the Administration, was of a far lower monetary value than other bidders.