

Rt Hon Frank Field MP
Chairman of the Work and Pensions Select Committee
House of Commons
Westminster
SW1A 0AA

27 June 2016

Dear Mr Field,

BHS: PPF contacts with Taveta group companies, RAL & advisers

As requested, please find enclosed a log of substantive contacts regarding BHS, from 2014 onwards, between the PPF and representatives from Taveta group companies, Retail Acquisitions Ltd (RAL), as well as their external advisors.

Please note that, in producing this we have undertaken reasonable searches to identify the main communications we had with the above parties during the time period specified. It runs up until close of business on 24 June 2016. We have excluded contacts of a non-substantive and/or purely administrative nature, and where appropriate sought to amalgamate some exchanges into a single entry for ease of reading whilst identifying the key communications.

As detailed in our previous correspondence with the Committees, we had limited involvement in the discussions around Project Thor in 2014 and 2015. We were kept informed of developments during this time, primarily through our regular dialogue with the Pensions Regulator (TPR), as well as the trustees. Hence, the log shows that our contacts with Taveta group companies, RAL and advisers primarily reflect our active involvement, commencing in early 2016, on various commercial proposals (eg. the CVA, RAA offers).

I trust this is helpful. Please do not hesitate to contact me or my colleagues if I can be of any further assistance.

Yours sincerely,



David Taylor
General Counsel

Enc

CC: Iain Wright MP, Chairman of the Business, Innovation and Skills Select Committee

Initials	Name	Company/Organisation
MW	Malcolm Weir	PPF
KD	Kevin Dolan	PPF
SPG	Sir Philip Green	Arcadia
PB	Paul Budge	Arcadia
CH	Chris Harris	Arcadia
AG	Adam Goldman	Arcadia
NK	Neville Kahn	Deloitte
TC	Tony Clare	Deloitte
DC-RAL	Dominic Chappell	RAL
DC-BHS	Dominic Chandler	BHS
CM	Chris Martin	ITS
MP	Mike Pink	KPMG

No	Date	Time	Type	Parties			Nature and Purpose of Communication
				From	To	cc	
1	9 Oct – 16 Dec 2015	Various	Emails / Call	Arcadia/BHS Group Pensions Manager, PPF, CM			<p>Between 9 October and 16 December 2015, there were various email exchanges, of a largely administrative nature, regarding collection of the 2015/16 levy invoices and the accruing interest charges arising from late payment.</p> <p>The PPF made initial contact by email on 9 October with the recorded contacts for the BHS Pension Schemes regarding payment of the levy invoices. The exchanges were between BHS and the PPF, with CM copied throughout.</p> <p>There was also a call on 22 October between the PPF and BHS about the reasons for delay in payment.</p> <p>The exchanges culminated in the PPF confirming receipt of the levy invoice payment on 9 December, and payment of the accrued interest charges shortly thereafter.</p>

2	26 Jan 2016	09.00	Meeting (Weil Gotshal & Manges office)	BHS, RAL, CM & advisors, TPR, PPF (MW & KD)	Meeting instigated by BHS. Project Vera proposal presented and discussed. Possible RAA also discussed.
3	9 Feb 16	09.00	Meeting (Weil Gotshal & Manges office)	BHS, RAL, CM & advisors, TPR, PPF (MW & KD)	Meeting instigated by BHS. Discussed proposed CVA in relation to the pension scheme. Company presented a RAA proposal.
4	12 Feb 16	12.24	Email	MW KH	Requested KH to get his client to provide a "best and final" offer for the RAA.
5	26 Feb 16	14.42	Email	DC-BHS MW	Draft CVA proposals delivered to PPF.
6	29 Feb 16	PM	Meeting 1 (Weil Gotshal & Manges office)	BHS, RAL, CM & advisors TPR, PPF (MW & KD)	Meeting instigated by BHS. Discussion over potential revised offer to pension scheme in advance of a meeting between the PPF, Arcadia, and others, later that day.
7	29 Feb 16	PM	Meeting 2 (Deloitte offices)	Arcadia (SPG, PB, CH, AG) & advisors (Deloitte, Linklaters), TPR, PPF (MW & KD)	Meeting instigated by Arcadia. Discussion over potential revised offer to pension scheme. PPF indicated that the offer was not attractive and unlikely to meet its published principles. The meeting ended inconclusively and TPR left. Following on from this, at SPG's instigation, there was continued discussion involving the PPF (MW & KD) with the PPF advising that any revised proposal would require the approval of TPR and the trustees.
8	29 Feb 16	14.48	Email	DC-BHS MW	Formal restructuring proposal received from BHS.
BHS lodge CVA in court, triggering start of PPF assessment period					
9	7-23 Mar 16	Various	Emails / calls / Meeting on 11 March	PPF (MW/KD) & DC-BHS, KPMG (MP)	PPF instigated a meeting (held on 11 March, involving DC-BHS & MP) to set out our dissatisfaction with the CVA, expressing concern that the final version of the proposal lodged at court differed substantially from the draft previously

								sent to us, particularly in relation to termination clauses, and that the amendments had not been discussed with us, as the major unsecured creditor, beforehand. KPMG (acting as CVA Nominee) subsequently advised that it was not possible for a date to be inserted for resolution of the pension issues. After further detailed discussions with BHS (via email and calls), the PPF entered into a separate agreement with the company. This entailed the PPF not voting in the CVA and giving the company a period of time to resolve the pension issue. This was undertaken to protect the PPF's position and allowed the company's other creditors to determine the outcome of the CVA, which was primarily intended to address ongoing payments to landlords.
10	8 Mar 16	10.03	Email	MW	DC-BHS	DC-RAL	Formally notified BHS that the restructuring proposal was unacceptable to the PPF.	
CVA approved by creditors								
11	4 Apr 16	17.47	Voicemail	KH (Grant Thornton for BHS) and TC (Deloitte for Arcadia)			KH & TC called to enquire about the prospects for reaching a satisfactory funding arrangement with regards the pension scheme.	
12	5 Apr 16	09.45	Conf call	Grant Thornton for BHS, Deloitte for Arcadia, PPF			Discussed the current situation. Agreed to meet Arcadia/SPG.	
13	7 Apr 16	11.00	Meeting (Arcadia offices)	SPG, Deloitte (TC & NK), PPF (MW & KD)			Meeting instigated by SPG. Discussion on revised offer in relation to the pension scheme. It was agreed that the PPF would convey details to TPR and that Deloitte would follow up with TPR thereafter.	

14	13 Apr 16	08.30	Meeting	PPF & TPR	Senior level meeting to discuss the Arcadia/SPG approach. TPR confirmed that they would be willing to discuss the matter with Deloitte.
15	13 Apr 16	15.00	Conf call	Arcadia (SPG), Deloitte (NK) and PPF (MW & KD)	Briefed on call with TPR, left it that Deloitte would make contact with TPR to take forward.
16	21 Apr 16	Various	Calls	DC-RAL & MW	Series of calls during the course of the evening on a potential rescue deal.
17	24 Apr 16	Various	Calls	DC-RAL & DC-BHS & MW	Calls concerning a potential deal with Sports Direct International.
18	24 Apr 16	20.58	Voicemail	DC-RAL	Confirmed no deal was possible and BHS would go into administration the next day.
BHS goes into administration					
19	6 May 16	08.35	Call	SPG	SPG queried whether there was an alternative approach he could adopt to engage with TPR.
20	18 May 16	15.20	Text	SPG	Message asking to speak to MW.
21	18 May 16	15.28	Call	MW	Discussion on potential arrangement to secure the business' future. MW explained that the PPF's requirement is to maximise realisations to protect levy payers.
22	20 May 16	20.02	Text	SPG	Message asking to speak to MW.
23	20 May 16	20.27	Call	MW	SPG sought confirmation that the PPF would consider a restructuring proposal aimed at keeping the BHS pension schemes out of the PPF. MW said PPF remained willing to engage, but that any proposal would require approval of TPR and trustees, as well as PPF.

24	11 Jun 16	20.26	Text		SPG	MW		Message asking to speak to MW.
25	12 Jun 16	14.57	Call		MW	SPG		Short discussion recapping previous engagement as detailed above. MW raised whether fresh restructuring proposal was under consideration – SPG indicated intention to continue engagement but no detailed discussion on fresh proposal.