

# Grant Thornton – 2024 leaders in Restructuring Plan advisory

**Grant Thornton is extremely proud to have been instructed on 5 out of the 9 Restructuring Plans to have been sanctioned in the UK in 2024, building on our credentials as leading advisors in RPs.**

Each case is different. **Our engagement on over half of the Restructuring Plans (RPs) sanctioned this year** means we are privileged to see first-hand how the market is developing, with every judgement providing more insight around what will or will not be acceptable to the Court as well as the changing and innovative approaches taken by challenging creditors.

Our pre-eminent team of skilled advisors in restructuring, valuations and modelling act for plan companies, challenging creditors as well as providing expert evidence to Court. **We look forward to continuing to contribute to the evolution of the market in 2025.**

## Our 2024 credentials:

### **Dobbies Garden Centres Ltd – sanctioned December 2024**

Dobbies is a garden centre and specialist retailer operating from 77 sites across the UK. The Company's financial position deteriorated due to reduced consumer spend through the cost-of-living crisis and significant lease liabilities, many above market rates.

Grant Thornton was engaged to prepare an independent relevant alternative and valuation report, constituting supporting evidence that was submitted to the Court. Our report outlined the most likely scenario considered to be the relevant alternative, which was a series of sales out of an administration process to different trade buyers, combined with the closure of uneconomic sites and the liquidation of assets at those stores.

We worked with our valuation colleagues to determine the valuation metrics of the economically viable sites that we considered could be sold in the relevant alternative scenario. This restructuring plan engagement was undertaken as if we had been instructed under CPR 35.

The plan was sanctioned by the Court on 9 December 2024. The judge dismissed concerns of certain landlord creditors, relying on the independence of the report.



### **Ambatovy JV - sanctioned November 2024**

Ambatovy Minerals S.A. and Dynatec Madagascar S.A. (together, Ambatovy JV) operates a mining site in the Alaotra Mangoro Region and a port and processing facility near Toamasina.

The Ambatovy JV had been unable to achieve the required levels of cashflow to service their debt due to increased international competition and lower commodity pricing and commenced a UK RP in July 2024.

Grant Thornton was engaged by the JV companies to act as an independent advisor, preparing a comparator report, including an assessment of what the relevant alternative might be in the event the Plan is not sanctioned. Our report provided analysis of the trading performance and cash flow of the JV as well as an assessment of the return under the plan to the plan creditors. In considering the relevant alternative and comparator, there were many aspects of this engagement which required researching the mining industry internationally and Malagasy insolvency laws all in the context of a unique economic and political climate. This was a challenging engagement undertaken under strict timeframes and would not have been such a success without a dedicated and hard working team.

This engagement required us to be retained as an expert witness as if we had been instructed under CPR 35 to provide evidence in the run up to and for the sanction hearing.



### Cine-UK Limited – sanctioned September 2024



Cineworld, the largest chain of cinemas in the UK sought to restructure its site portfolio through a UK RP, to restructure the plan companies' portfolio of leases and related liabilities and recapitalise the UK Group through new funding provided from the US parent.

Grant Thornton was engaged to provide a valuation report, outlining the estimated value of specific sites operated by the plan companies, which the plan companies' management team and financial advisor expected to be acquired via a pre-pack in the relevant alternative scenario.

This restructuring plan engagement was undertaken as if we had been instructed under CPR 35.

A key element of the project was assessing financials of each site on a lease-by-lease basis. Our efficient and concise assessment provided significant value to our client and their other advisors ahead of their submissions to Court. We produced a comprehensive valuation report that was submitted to Court along with the explanatory statement outlining the estimated value of the plan companies' sites that had been considered as economically viable going forward.

### C-Retail Limited (trading as SuperDry) – sanctioned June 2024



C-Retail Limited pursued an RP as part of its turnaround strategy to restore financial performance to a more sustainable level following financial and operational challenges in recent years.

Grant Thornton was engaged to assess and opine on the relevant alternative scenario, together with an entity/business unit valuation to enable estimated outcomes for the Group's creditors in the relevant alternative scenario to be calculated.

The plan was not contested, despite a number of landlords instructing advisors to review the proposed restructuring plan in detail. Understanding the correct relevant alternative and value drivers in a pre-packaged scenario was key to enabling the group to avoid a contentious sanction hearing.

### McDermott Group – sanctioned February 2024



McDermott Group pursued parallel inter-dependent restructuring processes via a UK restructuring plan and a Dutch WHOA to restore financial stability through amending/extending credit facilities and compromising unsecured creditors.

Grant Thornton was engaged to prepare a comparator report for the relevant alternative, together with an entity priority model to highlight the outcomes to creditors in the relevant alternative. We were also engaged to undertake a valuation of the Group, specifically for the Dutch WHOA process, where the reorganisation value is a key consideration for the Dutch courts.

The plan was highly contested with the relevant alternative being a core issue at the unprecedented six-day sanction hearing. Grant Thornton supported the process by providing expert evidence and partaking in joint expert meetings, resulting in Grant Thornton partners being cross examined and giving evidence in court as expert witnesses.

## Contact us

#### Kevin Coates

Partner, Restructuring

T +44 (0)20 7865 2756

E kevin.j.coates@uk.gt.com

#### Andrew Charters

Partner, Restructuring

T +44 (0)20 7865 2321

E andrew.charters@uk.gt.com

#### Clare Gilbert

Partner, Valuations and Modelling

T +44 (0)20 7865 2518

E clare.gilbert@uk.gt.com

#### Dan Smith

Partner, Restructuring

T +44 (0)20 7728 2139

E daniel.r.smith@uk.gt.com

#### Oliver Haunch

Partner, Restructuring

T +44 (0)20 7728 3162

E oliver.haunch@uk.gt.com

GRANTTHORNTON.CO.UK

© 2024 Grant Thornton UK LLP. All rights reserved.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please see grantthornton.co.uk for further details. For internal use only. DTSK-9268