

CVAs - here to stay?

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Restructuring Partner

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Gateley at a glance

- The first UK law firm to list on AIM
- A professional services group with legal and non-legal businesses within the group
- 1000 staff
- 9 UK offices
- Over £100m turnover
- The UK's most active corporate legal advisers, advising on more corporate deals than any other law firm in 2018
- Advises 18 of the top 20 UK housebuilders

Major retail casualties: 2018/19

Warren Evans



Betterware



Kleeneze.



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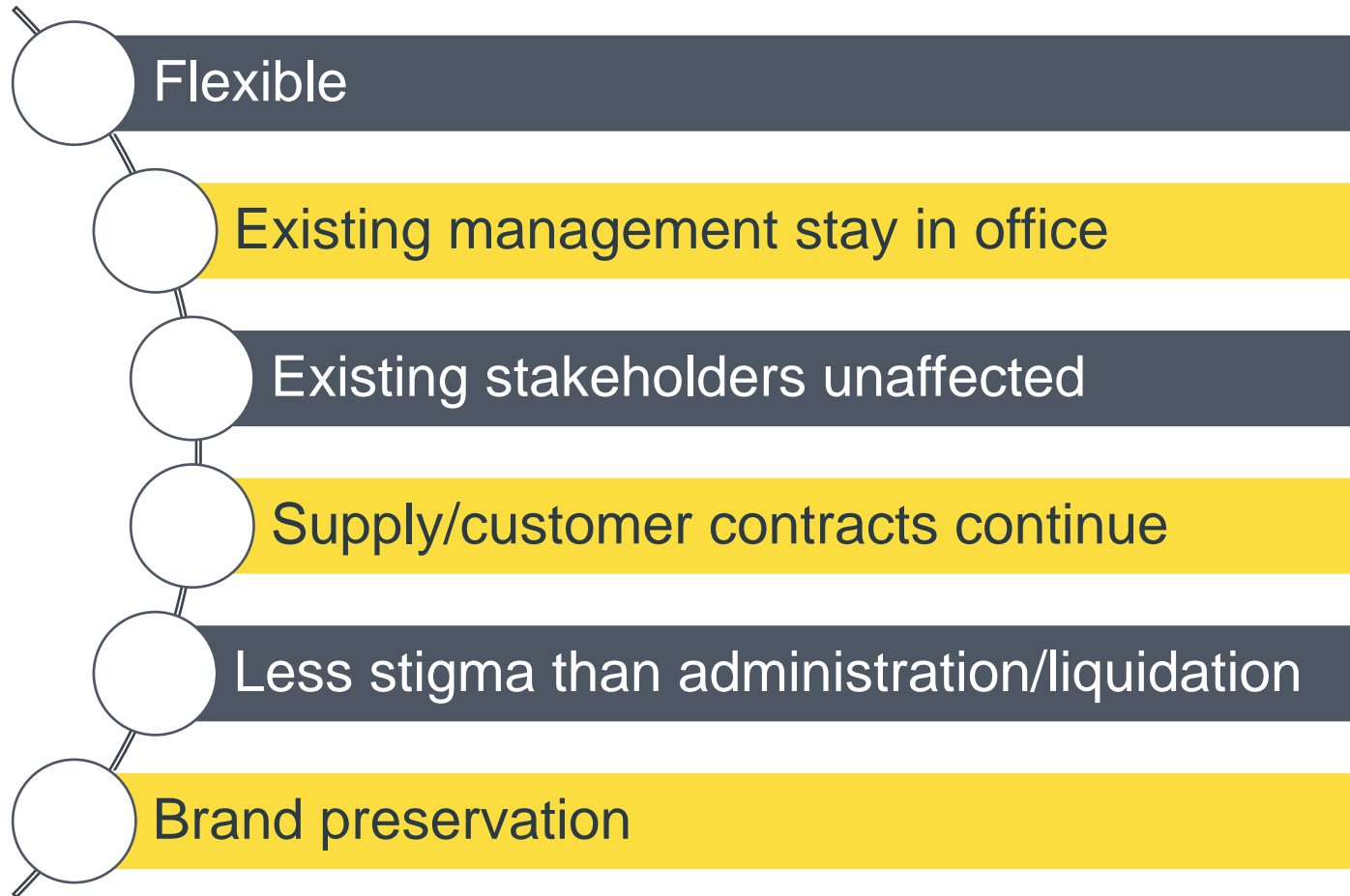
Company Voluntary Arrangement – what is it?

A binding contract between a company and its creditors

Needs approval of 75% or more (in value) of creditors

If approved, binds all creditors, even those that vote against it

CVA - benefits



Challenges to CVA proposals

			C					
			H					
			A					
C	H	A	L	L	E	N	G	E
			L					
			E					
			N					
			G					
			E					

- Trend is increasingly hostile
- Unfair Prejudice
- “Vertical” and “Horizontal” tests of unfairness

Debenhams – the decision

- Future rent – is it a debt?
- Basic fairness/new obligations
- Can a CVA interfere with forfeiture rights?
- Should landlords be treated the same as trade creditors?
- Technical breaches



CVAs – the future



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