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BM&T principal picks up Turnaround of the Year Award

Leading turnaround boutique Bryan, Mansell & Tilley has been honoured with a prestigious award that recognises outstanding work in European turnaround management.

The firm's founding principal Alan Tilley was last month named winner of Turnaround Management Association Europe's Turnaround of the Year Awards at the body's annual conference in Stockholm.

Mr Tilley shared the award with Dr Lukas Fecker, of Innovation Brain LLC, for their joint work on the restructuring of Cyprus holding company Finatrade Group, a key commodities trading and distribution company active in the West African countries of Ghana, Nigeria, Benin and Togo.

In 2013 it began to lose money. Bank debt built up to €205 million due primarily to a loss making bulk distribution business in Nigeria hampered by an onerous and one-sided trading arrangement with a Swiss minority shareholder, together with a recent imposition of heavy import duties in that country. It also owed \$60 million to the minority shareholder and was in breach of covenant. The minority shareholder had conversion rights which would have enabled it to take control of the group. An IBR indicated the company would become insolvent in 2014 if losses and cash drain were not stopped.

Mr Tilley was appointed as CRO in April 2014. Together with Dr Fecker, acting as Chairman, the pair took over negotiations from management with the minority shareholder to reduce the debt and sell the loss making business, thus allowing management to concentrate on local cash flow management, cost reductions and operational improvements. Sufficient uncertainty of jurisdictional preference, recoveries in any liquidation and enforceability of security rights in West Africa persuaded the minority shareholder to purchase the loss making Nigerian assets and brands in full settlement of its debt, its minority interests and conversion rights,



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enabling the company to regain 100 per cent control, concentrate on its profitable entities and reduce its local bank debts.

By December 2014 the group had returned to profitability, reduced bank debt by \$60 million and increased equity by \$40 million. Many jobs and essential businesses were saved in Ghana where Finatrade was a significant local employer in retail distribution, logistics and cocoa procurement for the Ghana Cocoa Board.

The pair were assisted in their work by legal counsel, Alan Gar, of Simmons & Simmons.

Mr Tilley said: "Finatrade not only serves human needs, it also fills a leadership role in management in West Africa - and long may its work continue. We are proud of what was achieved in this case, and believe it is a great example of consensual turnaround saving greater value than the insolvency process."

Christian Jakovlew, conference co-chair, who helped judge the awards, said: "This was an extremely complex turnaround which required skilled loan renegotiations followed by extensive operational improvements in order to transform an indebted distressed company into a profitable operation. It is an outstanding example of a consensual turnaround by two truly talented professionals."

BM&T, which is a founding member of European Restructuring Solutions, a network of firms in the five major economies of Europe, also won a TMA Europe Turnaround of the Year Award in 2013 for a turnaround led by David Bryan and Giles Campbell.

Last year Alan Tilley received the TMA Chairman's Award at the annual global conference of the TMA in Toronto in recognition of his contribution to the international turnaround industry. He was also winner of the TMA Global International Turnaround of the Year Award in 2011 for work on La Seda de Barcelona, and was Insolvency and Rescue's UK Turnaround Manager of the Year in 2010.



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