

Project Green

Corporate Simplification

Business Situation

As a result of losses incurred for a number of years and ongoing poor trading conditions, a large international retailer was considering whether to cease trading in Ireland and wind down its operations in that jurisdiction. Its Irish trading business consisted of a single UK-registered company, managed and run from the UK.

Engagement Description

Deloitte was engaged to assist with a Corporate Simplification offering by:

- developing an analysis of the situation and a breakdown of exit options;
- assessing the actions required to wind the trading entity down and subsequent balance sheet adjustments;
- implementing the corporate simplification plan, including on site support; and
- advising management on ad-hoc issues throughout the process especially in respect of property, pension issues and tax issues.

Critical Success Factors

- A detailed understanding of the trading situation allowing discussion of exit options, including considerations for directors in each case.
- Advice on the operational winding up including advising on settlements with contractors, suppliers and employees, such that a solvent exit would be possible.
- To minimise impact to the group, especially reputational and financial impact to the live UK trading business.
- To minimise management's time and to work closely with business unit co-ordinators across tax, legal, finance and company secretarial departments.

Results and Benefits

- Collaborative approach between Deloitte and the client to address and resolve significant contractual issues, and deal with related settlements, resulting in a swift and non-contentious operational wind down.
- Strategy and work plans agreed with management and implemented in accordance with the project plan to achieve an on-time, within budget exit.
- Arising from this project, a solvent exit was achieved and a considerable saving was realised by the group both in monetary and reputational terms.