



Vidett professional trustee and client director, Kevin Dolan

Please tell us about Communisis and its recent restructure.

Communisis specialises in the provision of transactional communications, procurement services and marketing execution to customers across the fast-moving consumer goods, retail and regulated markets.

The group eventually went into administration in December 2023. Parts of it were acquired by Paragon, saving 581 jobs, although sadly 638 staff were made redundant.

What was the situation with the pension scheme?

The Communisis Defined Benefit



Aiming high

Vidett professional trustee and client director, Kevin Dolan, explains the role the trustee firm played in helping enhance members' outcomes following a corporate restructuring of Communisis

Pension Scheme, with over 2,000 members, had a substantial funding deficit and only limited security from the employer's US parent company, OSG Group. The parent itself was also encountering financial difficulties having, in October 2023, revealed it was to enter a Chapter 11 restructuring process for a second time. Vidett was engaged as sole trustee for the scheme.

The sponsoring employer was encountering financial difficulties in a sector that had experienced significant rationalisation over the past decade. It was unable to continue trading without further assistance from its customer base, which included large global financial services brands, or otherwise.

What was Vidett's solution?

Given the employer's financial position, as a trustee Vidett faced significant challenges in attempting to optimise the outcome for members, especially when it became clear that the US parent was embarking on a financial restructuring of its debt burden and keen to divest itself of the UK operations.

Time was of the essence. Vidett entered into lengthy discussions with the numerous stakeholders involved, including the group's global chief

restructuring officer, its lender group and US/UK lawyers, the customer base, The Pensions Regulator, the Pension Protection Fund (PPF) and the various UK professional advisers.

Vidett worked closely with these parties over several months to explore a range of options that would enable the business to move forward on a more sustainable footing, including a whole or partial sale of the businesses, whilst always seeking to achieve the best outcome for the scheme and its members.

What was the outcome?

After detailed negotiations, Vidett procured a significant cash injection from the Chapter 11 proceedings, as well as a security package that should result in a significantly improved return for the scheme as part of an insolvent restructuring.

As a result, members are expected to receive benefits in excess of what they would have received were the scheme to formally enter the PPF.

What was essential to this highly successful outcome was Vidett's ability to negotiate with numerous parties; manage a large and diverse stakeholder group; obtain relevant advisory input; and have a good understanding of the restructuring and insolvency processes in both the US and UK.

As a result of Vidett's work, returns to the scheme have been considerably enhanced with an agreement that should result in a much-improved outcome over the longer term for scheme members.