

## Press Information

# Press Release

### **First Quench Pension Fund Trustee agrees £160m buy-in deal with PIC**

Independent Trustee Services Limited (ITS), chair of the First Quench Pension Fund, (First Quench formerly operated under the Threshers, Wine Rack, Bottoms up, Haddows and Victoria Wines brands) is pleased to announce that it has agreed a buy-in transaction with Pension Insurance Corporation (PIC). PIC will receive assets amounting to £160 million. The scheme has 1,966 members.

The buy-in follows a negotiated settlement between Richard Fleming and John Milsom of KPMG as the Joint Administrators of First Quench Retailing Limited (FQRL) and the Trustee in relation to certain funds held in escrow. FQRL entered Administration in October 2009 and the Fund has been in PPF assessment since that time.

As a result of the settlement, the Trustee has, following a tendering process, been able to secure a buy-in policy with PIC. The policy guarantees members' benefits at least equal to 100% of PPF compensation, but it is expected that members will receive a material uplift beyond the PPF level, once the final data and benefit work has been completed.

Chris Martin, Managing Director of Independent Trustee Services Limited, commented, "We are delighted to have completed our settlement discussions and to have achieved what we believe will be a very positive outcome for members. Whilst members will not receive their full Fund benefits, the outcome should mean that overall the Fund can pay materially more than PPF compensation. ITS and its co-trustees have worked closely with their advisers, plus the Joint Administrators, PIC and the PPF to deliver a successful outcome to a very complex situation."

Commenting on the settlement, Richard Fleming of KPMG said, "This is a pragmatic and fair outcome which allowed creditors of FQRL to achieve a significant return which may otherwise have been eroded in extensive and costly legal disputes between parties."

Charlie Finch, partner at LCP, who advised the Trustee on the insurance process, said: "The interaction between the buy-in and the settlement of the escrow account added additional complexity to the insurance process. We are very pleased to have been able to use our practical experience of insurer pricing and commercial terms to help the Trustee put in place a buy-in structure that has delivered such a positive outcome for members."

David Collinson, co-Head of Business Origination at Pension Insurance Corporation, said, “We are proud to have been able to help the Trustee secure members’ benefits for the long-term and bring stability after what must have been a concerning time for the members. I am also delighted we will be able to provide an uplift in members’ benefits over and above what they would have received in the PPF. This has been a complex process and both ITS and LCP have been instrumental in helping achieve the best result for members.”

Martin concluded “We are now working towards delivering certainty to all members in terms of the uplifted benefits they can expect to receive.”

**For further information contact:**

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**About Independent Trustee Services Limited**

Independent Trustee Services Ltd (ITS) was established in February 1991 and provides professional trustee services to ongoing pension schemes as well as working with the Pensions Regulator, Pension Protection Fund and insolvency and Turnaround professions. The high quality of its service is derived from the experience of its management team and staff. Board members of ITS each have significant experience in the pensions industry and are recognised by their peers as specialising in their field.

Independent Trustee of the Year - Professional Pensions UK Pension Awards 2009, 2010, 2011 and 2012.

Independent Trustee of the Year - Financial Times Business Pensions & Investment Provider Awards 2008, 2009 and 2012.

For more information, please visit the ITS website: [www.itslimited.co.uk](http://www.itslimited.co.uk)

**About Pension Insurance Corporation**

Pension Insurance Corporation (“PIC”) provides tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension funds. A market leader, PIC brings safety and security to scheme members' benefits through innovative, bespoke insurance solutions, which include deferred premiums and the use of company assets as part payment.

PIC concluded the first UK public sector backed pension insurance buyout and is the only insurer to have secured accruing benefits of active pension fund members in a buyout. PIC has £7bn in assets and has insured more than 65,000 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit [www.pensioncorporation.com](http://www.pensioncorporation.com)