

## LCP M&A Consulting Practice

MERGERS & ACQUISITIONS

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### *Pensions are an ever increasingly significant factor in M&A transactions.*

More than ever before pensions are featuring heavily in the consideration of potential sales and purchases – affecting the ultimate price paid and the transaction structure, and frequently the feasibility of the transaction as a whole.

LCP's M&A Consulting Practice has been advising clients on mergers and acquisitions for more than 20 years. Comprising eight partners who work regularly on transactions, supported by experienced staff and our local offices and network partners in all major markets, we have a wealth of experience of both UK and international pensions issues.

One of the things that sets us apart is that via our Trustee Consulting Practice we also have extensive in-depth and practical experience of advising trustees of pension schemes. This means we can understand and advise on how issues and potential solutions are likely to appear from the perspective of the trustees and their professional advisers, and their likely reactions.

LCP has advised on the pensions aspects of some of the largest and most note-worthy transactions in recent years, as well as many mid-market deals.

#### **LCP's M&A Consulting Practice helps you to:**

- evaluate efficiently the materiality of pensions risks in businesses you are considering acquiring;
- fully understand the pensions issues and ways in which risks can be mitigated;
- confidently discuss and negotiate funding arrangements and price implications with the other side and with pension scheme trustees;
- understand and take action on regulatory issues and risks, including clearance applications and the Pensions Regulator's moral hazard powers; and
- prepare a business for sale, including recommendations on how to make pensions as easy as possible for buyers in order to secure the best price.

#### **Process of supporting a potential purchaser for a business**

##### **STAGE 1** PRELIMINARY ASSESSMENT

- Up-front identification of pensions "red flags"
- Reality check on pension costs (accounting and cash) and valuations
- Assessment of pension implications of post-deal strategy
- Advice on negotiation strategies with vendor
- Headline regulatory issues

##### **STAGE 2** INVESTIGATE & NEGOTIATE

- Full financial due diligence on pensions risks, undertaken in context of overall deal
- Advice on deal documentation
- Support on vendor negotiations
- Assistance with regulatory clearance (if relevant)
- Planning/mitigation of pension risks post-deal
- Liaison with lawyers and other advisers

##### **STAGE 3** POST-DEAL IMPLEMENTATION

- Set up new or interim pension arrangements (if required)
- Represent company in negotiations on funding/investment
- Preparation of company accounting figures
- Implement risk-management strategies on adopted pension risks
- Preparation for future sales/ transactions

For further details regarding the services provided by the LCP M&A Consulting Practice, please contact the partner who normally advises you, or one of the partners listed below, or visit our website at [www.lcp.uk.com](http://www.lcp.uk.com).



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