

# CASE STUDY: CARE HOME GROUP RESTRUCTURING

## Financial Leadership in a Crisis

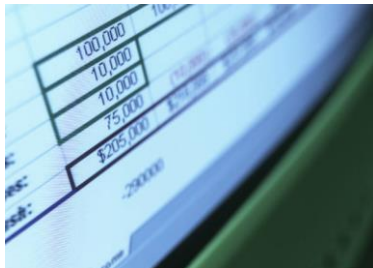
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In light of breached banking covenants and deterioration in trading outlook, Tim Bolot of Bolt Partners LLP appointed as Director of Financial Restructuring, to review strategic options and lead landlord negotiations at Southern Cross.

Southern Cross was the UK's largest care home provider managing 751 care homes. With rising rents and cuts in local authority spending, the company faced defaulting on suppliers, landlords and banks.

Bolt led the negotiations with creditors:

- Set up Restructuring Committee and represented company on it
- Analysed landlord portfolios and developed strategic options
- Agreed rent reduction and rent stand still with landlords



## Key Outcomes

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- Avoided administration or bankruptcy process – creditor voluntary agreement (CVA) agreed
- None of the 751 care homes closed due to the financial difficulty
- Continuity of care ensured for 31,000 residents
- 41,000 staff transferred to new operators
- Wind down process managed by Bolt
- £40m of residual debtors collected during run down period
- £3m utility bonds collected

**Southern  
Cross Healthcare  
Group Plc**

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**Mar 2011  
Jul 2012**

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**Director of  
Financial  
Restructuring**

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**Crisis Management  
Financial  
Leadership  
Restructuring**

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