**YMCA Pension and Assurance Plan (the Plan)**

**Request for information by the Plan trustee**

**Introduction**

The Plan trustee is required to monitor the covenant strength of YMCA and the Plan’s participating employers because the Plan is a material creditor of both.

The YMCA and / or the Plan’s participating employers ( together referred to as the ‘YMCA PEs’) may wish to undertake transactions which could be materially detrimental to the ability of the Plan to meet its liabilities (sometimes referred to as Type A events).

If YMCA PEs propose a transaction, they must contact the Plan trustee as soon as possible. The Plan trustee can then assess the impact of the proposed transaction on the ability of the YMCA PEs to support the Plan. In some circumstances, there may also be a requirement to notify the Pensions Regulator about the proposed transaction.

The sort of transactions which the YMCA PEs could undertake and are likely to be materially detrimental to the ability of the Plan to meet its liabilities include:

* the purchase or sale of property assets, typically land and buildings;
* any major capital expenditure;
* the grant or release of security, including re-financing debt;
* incorporation;
* the entry into a joint venture or merger with another organisation; or
* liquidation or orderly wind down.

If the proposed transaction is determined by the Plan trustee to be materially detrimental to the ability of the YMCA PEs to support the Plan, the Plan trustees may seek mitigation for the Plan in respect of the proposed transaction.

Mitigation may include, amongst other things, the YMCA PEs: (a) making an additional cash payment into the Plan; (b) paying increased deficit reduction contributions to the Plan over a period; (c) agreeing negative pledges which restrict certain activities without the agreement of the Plan trustees; or (d) putting in place contingent support such as a guarantee from another entity, charges over property or monies to be held in an escrow account.

The Plan trustee may need to seek professional advice regarding the proposed transaction and its impact on the Plan. This may include legal, financial or actuarial advice. The Plan trustee will usually ask the relevant PE to reimburse the Plan for the costs associated with this advice.

**Action for the YMCA PEs**

The Plan trustee requires information to assess the impact of the proposed transaction on the Plan.

The relevant YMCA PE is asked to provide the information set out in Section A (General information) in the case of all proposed transactions.

The relevant YMCA PE should complete the appropriate section depending on the nature of the transaction being proposed:

* Section B (Purchase or sale of property)
* Section C (Grant or release of security)
* Section D (Incorporation)
* Section E (Joint venture or merger)
* Section F (Liquidation or orderly wind-down)

The Plan trustee may need to ask for further information as they progress the assessment of the impact on the Plan of the proposed transaction.

**A. General information**

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| **No** | **Request for information** | **✓ / ✕** |
| 1. | Please provide the name of the Plan participating employer.  |  |
| 2. | Is the Plan participating employer (a) a company limited by shares; (b) a company limited by guarantee; (c) a charitable incorporated organisation; (d) a charitable trust; or (e) an unincorporated association? |  |
| 3. | Is the Plan participating employer registered with the Charity Commission? If yes, are all Charity Commission filings up to date? |  |
| 4. | Who is empowered to act on behalf of the Plan participating employer? Please provide a brief summary of the key trustees, directors and / or senior management with whom the proposed transaction should be discussed.  |  |
| 5. | Please describe the Plan participating employer's current strategy and the commercial reasons / business plan for the proposed transaction. |  |
| 6. | Please provide statutory accounts for the last three years. |  |
| 7. | Please provide full management accounts for the most recent year end and most recent year to date. This should include details of income and expenditure, cash-flow and balance sheet as appropriate. The balance sheet should show fixed assets (e.g. land and buildings, equipment etc.), debtors (trade and others), stock (if applicable) and creditors (trade, accruals etc.).  |  |
| 8. | Please provide details of the Plan participating employer's budget for the current year and future forecasts prepared on the basis that the proposed transaction goes ahead. |  |
| 9. | Please provide any available short term cash forecasts. |  |
| 10. | Please provide details of your cash and liquid investments together with an outline of your reserves policy including a summary of your restricted reserves. |  |
| 11. | Please provide copies of any board meeting and sub-committee meeting minutes which concern the proposed transaction. |  |
| 12. | Please outline the proposed timeline and contingencies for the proposed transaction. |  |
| 13. | Who should the Plan trustees contact for further information? Please provide name, job title, address, telephone number and e-mail address.  |  |

**B. Purchase or sale of property assets (principally land and buildings) or major capital expenditure**

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| **No** | **Request for information** | **✓ / ✕** |
| 1. | Is the Plan participating employer looking to purchase or sell property assets or undertake major capital expenditure? |  |
| 2. | Please describe the property assets which the Plan participating employer is looking to acquire or dispose of or describe the major capital expenditure. |  |
| 3. | If the property assets are land and buildings, are they freehold or leasehold? |  |
| 4. | What is the current book and market value of the property assets? Please provide copies of the latest valuations. |  |
| 5. | How is the purchase of property assets or capital expenditure going to be funded?  |  |
| 6. | If the Plan participating employer is taking security over property assets to fund the purchase or major capital expenditure, please provide details of the financing facilities: (a) name of the bank; (b) type of security to be granted; (c) term of loan; (d) interest rate; (e) terms of security; and (f) key covenants.  |  |
| 7. | If the Plan participating employer is taking security over property assets to fund the purchase or undertake the major capital expenditure, please confirm where the security will rank in relation to the Plan as an unsecured creditor: (a) ahead of the Plan; (b) equally with the Plan; or (c) below the Plan? |  |
| 9. | If the Plan participating employer is looking to dispose of property assets, how will the sale proceeds by used? Are the sale proceeds sufficient to repay any financing facilities? Will any sale proceeds leave the Plan participating employer which supports the Scheme? |  |

**C. Grant or release of security (including re-financing of debt)**

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| **No.** | **Request for information** | **✓ / ✕** |
| 1. | What are the reasons for looking to grant or release security? |  |
| 2. | Please provide details of the security being granted or released: (a) name of bank; (b) type of security being granted or released; (c) term of loan; (d) interest rate; (e) terms of security; and (f) key banking covenants. |  |
| 3. | Please confirm where the security ranks in relation to the Plan as an unsecured creditor: (a) ahead of the Plan; (b) equally with the Plan; or (c) below the Plan. |  |
| 4. | Please provide details of the Plan participating employer's current liquidity / availability including any constraints or conditionality, for example, covenant headroom. |  |
| 5. | Has the Plan participating employer breached any banking covenants? If so, please provide details. |  |

**D. Incorporation**

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| **No** | **Request for information** | **✓ / ✕** |
| 1. | What is the name of the proposed incorporated entity? |  |
| 2. | Is the incorporated entity going to be (a) a company limited by shares; (b) a company limited by guarantee; or (c) a charitable incorporated organisation? |  |
| 3. | Has the incorporated entity been established? If so, please provide its registered number and registered office. |  |
| 4. | When is the proposed incorporation date? |  |
| 5. | Please confirm that the incorporated entity is not granting any security to creditors as part of the incorporation process which may rank ahead, equally or below the Plan in the event of insolvency.  |  |
| 6. | Is the incorporated entity going to take over responsibility for all of the unincorporated Plan's participating employer's assets, liabilities, employees, Plan members and all of the unincorporated Plan employer's liabilities in relation to the Plan.  |  |
| 7. | Please provide a copy of the proposed transfer agreement setting out the transfer of all assets, liabilities, employees and Plan members from the Plan participating employer to the incorporated entity. |  |

**E. Joint venture or merger**

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| **No** | **Request for information**  | **✓ / ✕** |
| 1. | What are the reasons for the Plan participating employer's decision to enter into a joint venture or merger with another organisation? |  |
| 2. | How will the joint venture or merger be structured? In particular, are the assets and liabilities of the Plan participating employer going to be transferred to another entity or vice versa? |  |
| 3. | Is the other organisation also a participating employer in the Plan? |  |
| 4. | If the assets and liabilities of the Plan's participating employer are going to be transferred to another entity, how do you propose to deal with the Plan participating employer's obligations to the Plan? |  |
| 5. | Does the joint venture or merger involve the Plan participating employer entering into new financing facilities. If so, please provide details of the financing facilities: (a) name of the bank; (b) type of security to be granted; (c) term of loan; (d) interest rate; (e) terms of security; and (f) key covenants.  |  |
| 6. | If the Plan participating employer is granting security over property assets as part of the joint venture or merger, please confirm where the security will rank in relation to the Plan as an unsecured creditor: (a) ahead of the Plan; (b) equally with the Plan; or (c) below the Plan? |  |

**F. Liquidation or wind-down**

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| **No** | **Request for information** | **✓ / ✕** |
| 1. | What are the reasons for the Plan participating employer's proposed liquidation or wind down? |  |
| 2. | Will the liquidation or wind down involve redundancies? If so, how many employees are deferred members or pensioners of the Plan? |  |
| 3. | Are there sufficient assets in the Plan participating employer to pay any debt on the employer that would arise under section 75 Pensions Act 1995 in full on a liquidation or orderly wind-down of the Plan participating employer? If so, how and when does the Plan participating employer intend to settle this debt to the Plan? |  |
| 4. | If there are insufficient assets in the Plan participating to pay any debt on the employer that would arise under section 75 Pensions Act 1995, how does the Plan participating employer intend to deal with this and any potential entry into a PPF assessment period for a segregated part of the Plan relating to the Plan participating employer? |  |