

TG Jones' Part 26A Restructuring Plans

Delivering a holistic restructuring of a 234-year-old business and high street staple

Transaction overview

- In May 2026, TG Jones Retail Holdings Limited and TG Jones High Street Limited (together, "TG Jones") launched inter-conditional restructuring plans under Part 26A of the Companies Act 2006.
- TG Jones implemented a holistic restructuring of its financial and operational liabilities, including certain amendments and extension to its debt facilities and the restructuring of its leasehold estate and arrangements with its suppliers.
- The restructuring plans were sanctioned by Hildyard J on 1 July 2026 despite opposition from certain landlords at the convening hearing and a business rates creditor at the sanction hearing.
- The restructuring followed the acquisition of the former WH Smith high street business by an affiliate of Modella Capital in June 2025 and the subsequent rebranding to "TG Jones".
- Shortly before launch of the restructuring plans, TG Jones also refinanced its senior secured asset backed lending facility on an accelerated timeline.
- We advised on the restructuring alongside Gavin Maher, Jonathan Lees and Harrison Kruger of Teneo and the counsel team of Tom Smith KC, Ryan Perkins and Jon Colclough.

Key facts

British Land opposition

An objection from British Land was subsequently withdrawn following a number of material improvements to the restructuring terms

Broad supplier support

Despite a large number of TG Jones' suppliers being compromised, there was broad support for the RP from TG Jones' suppliers

Deferral of year one rent.

75% of rent on "A" and "B" stores to be deferred until after the RP period

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Interesting features of the restructuring

- **Negotiations with plan creditors**

Certain British Land entities (the "BL Landlords") who were landlords of a number of TG Jones' stores challenged the restructuring plans at the convening hearing and sought an adjournment of the hearing to enable negotiations between TG Jones and plan creditors to take place. At the convening hearing, Marcus Smith J rejected the BL Landlords' adjournment application and instead encouraged the parties to negotiate terms in parallel with TG Jones' suggested restructuring timetable.

Following the convening hearing, TG Jones and the BL Landlords negotiated amendments to the terms of the restructuring which – alongside feedback from certain other plan creditors – led to a number of material amendments to the restructuring being agreed for the benefit of plan creditors and the BL Landlords withdrawing their opposition. The final package was communicated just over 24 hours before the creditor meetings.

- **Compromising suppliers**

Whilst there have been numerous CVAs and restructuring plans which have sought to compromise a company's leasehold estate and business rates liabilities, it is far less common to compromise suppliers through these processes (other than a small number of onerous contracts). TG Jones categorised its suppliers into four categories based on their importance to the business and the difficulty in switching suppliers, and the restructuring compromised all of these other than those that were deemed to be critical to the day-to-day running of the business. The threshold for inclusion in the plans was just £500. A large number of these supplier remained supportive of the business, which resulted in the "core" and "non-core" suppliers voting in favour of the restructuring.

- **Deferred rent**

As a result of underinvestment in the stores and the business prior to Modella Capital's acquisition, the plans originally involved an unusual 75% rent reduction during the first year following the plan across all of TG Jones' "A" and "B" stores to help support the necessary reinvestment in the business.

Following negotiations with the BL Landlords, rather than this 75% of contractual rent constituting a rent reduction, it was agreed that this amount would be repaid after the three year rent concession period (net of the percentage rent reductions that apply in the remaining two years of the rent concession period). The deferred rent is repayable to those landlords who do not taken action to exit the lease within the three year rent concession period, and will be secured by way of third ranking security granted by TG Jones.

Deal team



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