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## Baker Tilly confirms acquisition of RSM Tenon

by Rachael Singh

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**BAKER TILLY** has announced an agreement to acquire the trading operations of RSM Tenon Group.

A statement from [Baker Tilly](#) said although the RSM Tenon parent company is in administration it has acquired the "profitable trading subsidiaries as going concerns" through a pre-pack administration.

Matt Smith, Nick Edwards and Clare Boardman of [Deloitte](#) have been appointed to RSM Tenon and immediately agreed a sale of the company's trading entities to Baker Tilly.

A pre-pack administration is where the sale of a business is marketed and organised prior to it entering an insolvency process. The whole or part of the business is sold immediately on appointment of administrators.

The statement from Baker Tilly said it has acquired the trading operations "free from the burden of the group's historic debt obligations" in order to create an "enlarged and financially strong Baker Tilly group".

"This transaction allows for the ongoing success of RSM's Tenon's profitable trading businesses, free from the burden of the group's historic debt obligations, as part of an enlarged and financially strong Baker Tilly group. We believe that this is an excellent outcome for RSM Tenon's clients and employees," it said.

Lloyds Bank has backed Baker Tilly's acquisition, with the bank previously the sole lender at [RSM Tenon](#).

Laurence Longe, (pictured) Baker Tilly's National managing partner, said: "As a people business, the key asset of RSM Tenon has always been its highly skilled and professional workforce of partners and staff.

"Baker Tilly and RSM Tenon are businesses of a comparable scale operating in similar markets across the UK and internationally, and so combining our strengths and skills will provide us with new opportunities for growth, as well as further strengthening and expanding our offering to the market."

Earlier this morning Baker Tilly announced it would not make an offer for RSM Tenon's entire issued share capital. However, Baker Tilly said it would be interested in an acquisition of "part or all of the business".

In February, RSM Tenon announced it was unable to reach a new agreement with its sole lenders [Lloyds Bank](#) to "reset" the terms of its lending facility, though it had added that discussions were ongoing.

The announcement came in its interim results, which revealed the covenants on its credit facilities were set and based on a larger firm than it now operates. Unless a reset was achieved it was likely to breach its covenants in the forthcoming 12 months.

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