

# **PCC Technology Puts Evesham Brand Up For Sale After Successful Re-Structuring.**

Submitted by: Supanet

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PCC Technology Limited, the Dubai based investment group headed by Tahir Mohsan, reports that the re-structuring of troubled UK PC assembler, Evesham Technology Limited, has been successfully completed.

Evesham Technology Limited was placed into administration in August of last year, having been hit dramatically by the sudden withdrawal of the Home Computer Initiative by the then Chancellor, Gordon Brown.

In a structured deal PCC Technology Limited acquired certain assets of stricken Evesham from its administrators, including the Evesham brand. Tahir Mohsan, speaking on behalf of PCC Technology, commented:

“We are pleased with this investment and what we have been able to achieve, not just in terms of return on investment, but the structuring of the deal in such a way to minimise the adverse effects of an insolvency situation on consumers and employees alike. It shows just what can be achieved when issues are approached in a sensitive commercial manner.”

Notwithstanding Evesham's administration all consumer orders were fulfilled or deposits refunded, a marked difference to other administration scenarios that have occurred in recent years. Whilst Evesham's administrators were forced to make redundancies upon appointment, the manner in which PCC structured the deal enabled large numbers of staff to be retained by Evesham for an extended period whilst its operations were reduced in a controlled manner. This allowed many of Evesham's staff to actively seek alternative employment whilst being employed, rather than being made redundant on the day of administration. Evesham's customers also received free product support until early February. Now that this free support has come to an end, Total Care and Support Ltd are offering ongoing product support to customers of Evesham Technology Limited at a subsidised monthly rate. Tahir Mohsan commented, “It was no longer possible for Evesham to provide free support to its customers. However, PCC was conscious not to leave customers out on a limb without any support so has negotiated reduced rates with Total Care so that customers can take up support should they desire”

Commenting on PCC's involvement, Richard Austin, the founder and former Chairman of Evesham, said:

“Given the circumstances at Evesham, I feel that the best all round outcome was achieved. The Directors did all that they could to save Evesham and explored every possible avenue to try and secure the company's future. When it became apparent that administration was unavoidable I am glad that PCC were able to strike a sensible deal with the appointed administrators to protect as many customers and employees as possible. After all, it was these people that made Evesham what it was”

PCC now intends to divest in its investment and is looking to sell the Evesham brand. Tahir Mohsan explained:

“When PCC made its investment it was always on the basis that it would look to divest in the future.

That time has now come. 'Evesham' is a very established and strong brand, standing for quality but affordable product with excellent customer care. It is hoped that notwithstanding the administration, the values that the brand stands for has been protected and it is hoped that 'Evesham' will continue long into the future."

The Evesham brand is currently being licensed to Geemore Technology Limited, who has been selling Evesham branded products since August of last year. Tahir Mohsan explained:

"It is PCC's objective to seek a buyer for Geemore Technology Limited. The Company has been offered to Richard [Austin] but he has decided for his own reasons that this is not the right time for him. If a buyer cannot be found, Geemore intends to continue but the operation may be reduced to a smaller operation with lower overheads, in a controlled and responsible manner, whilst ensuring that customers are not affected."

When asked about the position, Richard Austin explained:

"Despite some initial involvement with Geemore, I left the company in January, having decided to take a break in my career as far as IT is concerned. Whilst the opportunity to acquire Geemore was certainly an interesting one, the UK consumer electronics market is exceptionally tough, as highlighted by the poor performance figures of the DSG Group over the Christmas period. I guess that having spent the last 25 years in the industry and given the past 12 months, I just don't have the energy required to make the most of the exciting prospect that Geemore presents."

Whilst Mohsan said that PCC hoped to secure a buyer he insisted that the success of the re-structuring was in no way dependant on this. He commented:

"What PCC wanted to demonstrate was that it could achieve a commercial success in a re-structuring scenario whilst at the same time looking after consumers and employees as far as possible. Whilst the solution was by no means perfect, PCC is very proud of what it has been able to achieve." He added: "Our view is that customers and staff alike should have priority over other creditors in situations where a company has failed. It is noteworthy that the Government itself has this week acted to nationalize the Northern Rock, with one of its main aims being the protection of customers and staff, as a standard administration process would have caused chaos. I am not suggesting that the Government should step in whenever there is an insolvency situation, but I do think that the Government should give further consideration as to ways in which these classes of people, who are often unaware of a businesses trading difficulties, can be further protected when things go wrong. Indeed PCC would welcome engaging the Government in a constructive dialogue on this topic."

PCC Technology are looking forward to working constructively with other businesses and insolvency practitioners in similar positions to that of Evesham and to assisting in restructuring that offers as much protection as possible to staff and customers.

#### About PCC Technology

The company, which is managed by Tahir Mohsan, is an investment vehicle involved in the IT and property industry across the Europe, Middle East and Asia and has significant investments in the IT sector

totalling over \$300 million. These range from Hardware Manufacturing and Sales, Internet Services, Software Development and 'Voice over IP' Technology. PCC aims to invest in companies that provide good medium to long-term growth, which can eventually be realised either through trade sales or management buyout.

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