

16,000 jobs at risk as convenience store chain McColl's collapses

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onvenience chain McColl's has confirmed it will collapse into [administration](#), putting 1,100 shop and 16,000 workers at risk.

The troubled retailer held talks with its lenders on Friday morning in the hope they could extend their loan agreements.

Supermarket giant Morrisons, which is a major wholesale partner, also tabled a last-ditch effort to buy the business.

However, the company confirmed "the lenders made clear that they were not satisfied that such discussions would reach an outcome acceptable to them".

Morrisons has tabled a last-minute rescue deal to save McColl's (Ian West/PA) / PA Wire

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It said the company will now appoint administrators from PwC in an effort to "preserve the future of the business and to

protect the interests of employees”.

The company said it hopes that the administrators will help to “implement a sale of the business to a third-party purchaser as soon as possible”.

It is understood that Morrisons is still interested in a takeover, while Sky News has reported that forecourt giant EG Group is interested in a deal.

Earlier on Friday, Morrisons tabled a rescue deal which would also take on the business as a going concern, absorb its debts of over £100 million and take responsibility for the company’s pension scheme.

The two businesses are major partners, with McColl’s operating hundreds of convenience shops under the Morrisons Daily brand.

McColl’s has struggled financially in recent years after witnessing soaring costs due to supply chain disruption, inflation and its large debt burden.

On Thursday evening, McColl’s had said it was in talks over “potential financing solutions” to resolve its funding issues.

Shares in McColl’s were suspended earlier this week after the company delayed the publication of its latest financial results due to its financing talks.

A spokesperson for the trustee of the McColl’s Pension Schemes warned staff could miss out on payments following administration and urged any new owner to protect the schemes.

The said: “The pension schemes are significant stakeholders in the company, and the trustees call on all potential bidders to make clear that they will respect the pension promises made to the 2,000 members by McColl’s and its subsidiaries, and will not seek to break the link between the schemes and the company.”

The trustees added: "Breaking the link between the schemes and the sponsor company, by way of a pre-pack administration, would represent a serious breach of the pension promises made to staff who have served the business loyally over many years, and risks causing the schemes to enter the Pension Protection Fund with a resulting reduction in benefits."