

March/April 2009

You deserve the right finance for
your business - right in every respect!

No Property? No problem!

Overdrafts are getting tighter, interest rates are going up and long term business finance has been reduced. Meanwhile, here at ASC, we are still doing good deals.

We have solutions for you.

If Business Finance is not an option because no property is available to use as security, we can arrange Working Capital or Asset Finance. We also have access to all the lenders offering

the new government backed Enterprise Finance Guarantee (EFG) Scheme. This is an option we can discuss with you in order to raise capital required.

Details of the EFG Scheme are outlined inside this newsletter, along with articles about clients that ASC have recently helped. It shows a cross section of different business types and finance requirements, including a case where Working Capital Finance was arranged.

Ray of light or sign of the times?

It's not all doom and gloom, despite what you may see or hear elsewhere! That's the message from ASC, echoed by both Conrad Robins, ASC Director in Cornwall, and his long-standing client, Brian Jenkin, who has run BG Lamps & Lighting successfully for many years.

Three years ago Brian approached Conrad to help with the refinance of an investment property. A deal was swiftly arranged and subsequently completed with little fuss.

Shortly after, Brian sought expansion and diversification by acquiring long-established sign-writing business, Elliott Marshall Signs. Again, he contacted ASC. Delighted to hear from Brian whom by now he regarded a friend, Conrad arranged the facility and a trouble-free completion.

With Brian's son, Ian, introducing 21st century marketing and technology to this 60 year old business, the expansion venture has proved hugely successful, with evident synergy between the two enterprises.



Ian and Brian Jenkin in new premises

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Property Finance

Ray of light or sign of the times?

Continued from
Front page

This is well illustrated by the prestigious work they recently completed for Truro's Plaza cinema.



Plaza
Cinema,
Truro

Conrad also attests to the quality of service, as they provided signage for the recent ASC re-branding.



ASC office
sign in Truro

Late in 2008, an opportunity arose for Brian to acquire premises that could house both businesses under one roof. Providing the deal could be done in a quick time scale, the price was advantageous.

Despite the uncertainty in the economy and commercial finance market, with lenders requiring ever-increasing information, the funding was agreed.

More impressively, from receiving Brian's instructions in mid-November and with the Christmas holidays intervening, **the matter was completed in January, only 9 weeks later!**

Brian was fulsome in his praise: "Conrad pulled out all the stops and, as ever, did a brilliant job!"

Conrad responded "**One of the most satisfying aspects of our work is doing deals for clients and then watching their businesses thrive.**

"Notwithstanding the economic climate, there is still a lending market for entrepreneurs like Brian who possess good sense, foresight and ambition."

Elliot Marshall

W: www.elliottmarshall.com

T: 01726 72863

New fruits in Newton Road

In 2003 Robert and Clair Smith took over operating Rushden Athletic Working Men's Club in an attempt to save it from liquidation. After refurbishing the club, the weekly takings doubled to £4,500 and on average are now £7,000. Having proved their ability to turn round a struggling business, they started looking for their own retail opportunity.

When the flower and vegetable shop near the club was closing they investigated further. They discovered that the owner had died and the shop, which was trading under management, was to be closed by the executors and sold as a detached freehold property with vacant possession. The property had a store-room, a 2 bedroom flat above and potential for expansion.

The property was ideal for their aspirations and while they were able to negotiate a sale price of £70,000, they did not know how they would afford it. The sales agent referred them to Ewen Cameron of ASC Finance for Business in Northamptonshire - **he assured them that their dream was possible.**

Ewen instructed a valuation and business appraisal to support the sale price and the Smiths' business plans, which projected a satisfactory turnover and net profit.

He was then able to present a strong application to ASC's lending sources.

The result was a loan of 75% of the purchase price.

Robert and Clair achieved their dream: they stocked and opened the shop and started trading as 'The Fruit Bowl'. They are now refurbishing the flat prior to letting it out and still continue their stewardship at the Working Men's Club nearby. Ewen recently visited the shop and was impressed by the décor, stock and the number of customers.



The Fruit Bowl

38 Newton Rd
Rushden
Northants
NN10 0HD

T: 01933 312434

ASC Director
Ewen Cameron
with Clair at
The Fruit Bowl

Working Capital Finance

Releasing cash to recycle

“I have orders, but I need more working capital to fulfil them” was the plea from Nigel Hughes at PNP Haulage Ltd in Telford. As an FSB member, Nigel contacted Geoff Parkes at ASC’s Shropshire office for help.

Established over 15 years as a traditional haulage company, PNP in recent years had to diversify their business and identified an opportunity in tyre re-processing. They collect old tyres from garages and commercial transport companies, which they turn into rubber using a ‘giant shredder’ and then sell it on as an alternative fuel source to companies operating kilns. Tarmac is one of their biggest customers.

This well developed business plan unfortunately fell foul of the sudden downturn in the core haulage businesses. The working capital required just wasn’t there. **“We have good quality customers for both haulage and tyre re-cycling but we’re locked into 60-75 day payment cycles”** said Nigel.

Geoff Parkes believed that working capital finance could be the ideal solution. **“For a business like PNP, this flexible form of**

finance has the benefit that a facility of £150k can be set up straight away which the company can draw down from, allowing the tyre re-processing venture to continue full steam.”

Geoff arranged for Nigel to meet a number of finance firms who have worked with ASC for some time.

The finance was arranged from start to finish in 2 weeks. “Because there is no requirement for property or asset valuation, we chose the right firm for PNP to go with quite quickly,” said Geoff. “It is important to select the right lender as each is different in terms of interest rates, fees and style of service.”

Fully capitalised PNP is now moving to the next growth phase in tyre re-cycling, and will call ASC for asset finance when their existing machinery is fully utilised, which at this rate will be soon!

PNP Haulage

6 Monet Close, Telford Shropshire TF5 0PP

T: 01952 246017



Nigel and his ‘giant shredder’ with ASC Director Geoff Parkes

Enterprise Finance Guarantee

The Enterprise Finance Guarantee (EFG) Scheme will support up to £1.3bn of new lending by banks to viable SMEs with working capital or investment needs until March 2010. Government will guarantee 75% of the loans.

Who benefits?

- * Businesses with an annual turnover of up to £25m
- * Businesses requiring loans of £1,000 to £1m - repayable over a period of up to 10 years
- * Most sectors are eligible except agriculture, coal and steel

What lending is covered?

- * New loans
- * Refinance of existing loans
- * Conversion of part or all of existing overdraft to a loan to release capital

All lenders currently offering the EFG Scheme are on ASC Finance for Business’ lender panel.

Business Finance

Buying against the odds

Peter Sorrell was looking to take more control of his working life, to be his own boss again. With the full backing of his wife Sharon, he wanted



ASC's Carl Samerson with Peter

to buy a business which could be run from home.

So when Peter saw a business opportunity with Delta Hygiene Supplies, it was too good to miss. He spoke to his financial adviser, Rob Burton at Ferris Financial Solutions Ltd, who referred him to ASC Finance for Business.

He met ASC Director Sandra Harvey and Carl Samerson to discuss the proposal and a few weeks later he agreed a purchase price with the owner of Delta. Established for ten years and **with up to date accounts, the business was solid, however, Peter had no liquid capital available for the deposit.**

Together with his wife Sharon, he decided to use the equity in the family home as security to complete the deal and **even though house price valuations were falling, a deal was arranged and successfully completed with a high street bank.**

The loan is interest only for the first 12 months to allow Peter to build on the existing client base.

Overdraft facilities and a business charge card were also arranged, as requested. Peter exchanged just before Christmas.

Peter Sorrell
T: 07967343487
E: deltahygiene@blueyonder.co.uk

Escape... starts up despite the climate

With the help of ASC in Nottingham, two friends realised their dream to launch a family entertainment centre promoting fun activities and healthy lifestyles.

Escape, on the new Giltbrook Industrial Park, is the brainchild of directors Julie Hough and Samantha Bower. They have spent six years developing plans and gaining funding for the project, whilst creating 15 new jobs.

Offering play sessions, curriculum-based activities and party packages for children of 6 months to 12 years old, Escape also provide nutritional menus to assist with Government health-related targets. Recycling policies and green travel are also promoted for a clean environment.



Julie and Samantha with happy Mums and kids in the new play area



Julie and Samantha with ASC Director Paul Scarborough

Julie, from Mansfield, commented: "It took several years to find the right 9,000sqft location and then we were increasingly frustrated talking to lenders, getting nowhere." The economic downturn was also not on their side.

"Victoria Willis of Kingswood Tax & Wealth Management put us in touch with **ASC Finance for Business, who wasted no time finding an appropriate lender to make our dream a reality.**"

The bank was so impressed with the business plans and efforts Julie & Samantha had made for such a venture, they went the extra mile. **A Small Firms Loan Guarantee was arranged and Samantha's home used as extra security.**

"It's been a long journey but it's been worth it and thanks to ASC, we managed to get everything finalised for 2009. We're very excited to be open for business."

Escape W: www.escapeplay.co.uk T: 01159 386 206

The Right Finance

Yet another sweet deal...

In 2004 Danus Radauskas came to the UK from his native Lithuania and identified a market opportunity.

He opened a shop in Boston in Lincolnshire offering Lithuanian food to service the needs of an increasing number of Eastern Europeans living in the UK, and particularly in Lincolnshire.

A year later, he set up another shop in Lincoln and then also opened a second outlet in Boston. During this period fellow Lithuanians, Rolandas Bickus and Ramunas Songaila joined him in the UK. Together they built a very successful business, Baltic Food & Grocery Limited.

In 2008 they were offered the freehold of one of the shops in Boston.

They made enquiries for the necessary funding with local banks but had no success.

Fortunately for them, the vendor was aware of ASC through his own dealings with the Director in Peterborough, Paul Arnold. A meeting was quickly arranged.

Danus ideally wanted a 15% deposit and Paul explained that with an appropriate discount on the price this was very possible.

The end result was a £189,000 mortgage towards a purchase price of £220,000 with a valuation of £230,000.

The repayments would be covered by the current rent as well as from the rent

received from a residential letting above the shop.

An interesting feature of this particular transaction was the language barriers involved.

Paul had to liaise very closely with the clients' accountants, Brian James & Co as well as Richard Tinn Solicitors to monitor progress, and to request additional information when required.

The ASC team in Peterborough also assisted in resolving other non-legal issues to ensure the clients achieved their objective.

Pictured with Danus is sweet toothed Paul Arnold sampling a "Dadu Dessert Cheese Bar" - one of the many Lithuanian delicacies offered by Danus and his colleagues.



Danus Radauskas with ASC Director Paul Arnold enjoying the Lithuanian delicacies

For the best in Eastern European food pop in to -

**Baltic Food and Grocery
Boston or Lincoln**

For more information, contact:

**Danus Radauskas
T: 07723 305089**

Why would you want to go anywhere else?

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* Other UK Areas include Bedfordshire, Buckinghamshire, Dorset, East Yorkshire, Hampshire, Manchester, Newcastle, Northern Ireland, North Yorkshire, Scotland and South Wales

Contact your local office directly for any business finance enquiries

If your region is not listed, call 020 7616 6620

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finance
for business

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TO FSB MEMBERS



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