

November / December 2009

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

Beware the sharks

In this market, while many banks still have negative attitudes to lending, business finance is harder to come by and more people are approaching private lenders.

Warning

Private lenders can be extremely helpful especially in the short term to help people move forward with projects.

However a big warning is necessary. Borrowers have to be careful because there are some private lenders who are charging over the odds with up to 25% interest and extremely high redemption fees – some close to 10%. We do not deal with these companies.



Access to Finance

At ASC Finance for Business, we are realistic and only have relationships with reputable lenders who have open attitudes and offer sensible rates and fees. We have experience of and access to different finance options to suit clients' varying requirements. With a customer focused approach, we aim to maximise on the financial flexibility for the client and minimise their costs.

It's all about getting the **right** finance for the client, not what suits the lender.

The Right Finance

Award winning chef gets his Inn



Many ASC clients in the leisure industry are looking to the future with justifiable optimism despite their sector's gloomy reports.

One such client is Keir Meikle who trained at The Savoy Hotel in London, and worked with various leading chefs including Anthony Worrall-Thompson. For the past 5 years he has run the charming Navy Inn restaurant and pub in Penzance and has established an excellent reputation among local people 'in the know' including, by coincidence, members of ASC Director Conrad Robins' family.

When Keir was offered the opportunity to purchase the freehold from the company landlords he sought advice from his Solicitor, Christian Wilson of Coodes. Christian had acted previously for ASC clients and soon a meeting was arranged with Conrad at which the benefits of purchase became evident very quickly. There would be substantial savings in rent as well as discounts available only to free-houses plus the reassurance of owning the freehold.

Using this information, Conrad created the structure for an overall facility with three elements: a standard business loan, the Enterprise Finance Guarantee scheme and an arrangement for the VAT due on the purchase. He presented a robust and practical case to lenders who quickly confirmed their willingness to assist and the deal was completed within a tight deadline.

Keir's passion for creating delicious and interesting dishes is unsurpassable, as is his absolute commitment to truly local ingredients. With beef from Trevalgan Farm at St Ives and chicken and lamb from Vivian Olds in St Just,

complemented by quality Cornish vegetables direct from the farmer and grower, it's easy to see why The Navy Inn is consistently winning awards.



Just a few steps from the Penzance promenade, you are assured of a warm welcome at this 19th century gem. Just don't upset the ghost! Various former landlords claim that the Navy Inn is haunted by the ghost of Annie Eddy, a publican before the Great War!

The Navy Inn
Queen Street, Penzance, Cornwall
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Business Finance

Cash and Carry Needs Cash, and Quick!

Mr Chadda first spoke to ASC Director John Taylor in Birmingham in 2007. John arranged a loan for the purchase of a property in Manchester into which Mr Chadda intended moving his expanding Cash and Carry clothing business. For reasons beyond his control at the time, Mr Chadda could not complete the deal.



In early 2009 a large property came on the market and caught Mr Chadda's eye; his first call was to John. Being in the middle of the "credit crunch" loans were not easy to obtain, particularly for a young company only trading for 2½ years.

John used the ASC system to review the case and the finance options available. He approached national lenders that had a local manager who understood the area and the wholesale clothing industry which is very prevalent in Manchester.

Timing was of the essence in the deal because Mr Chadda was buying the property from a receiver who wanted a quick deal and needed to know that the finance was in place. Within two weeks of receiving instruction from Mr Chadda two potential lenders had been found and a valuation instructed. Two weeks later a firm offer was received and accepted at a loan to value of 60% at a very keen interest rate of 3.97% (2.5% over the 3 month LIBOR rate).

The solicitors could not keep up with ASC's pace and the formalities of the loan took about 10 weeks but all ended up well and Mr Chadda and his company Mono Manchester Ltd moved into their new premises on 20 September after considerable refurbishment of the property.

Mr Chadda is looking forward to the Christmas trade and would like an additional warehouse in the near future. All this and his wife has just given birth to a lovely baby girl - Congratulations Mr Chadda!

If you need a commercial loan come to ASC – why would you want to go anywhere else?

Mono Manchester Ltd

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Refurbishment work at Mono's new premises

Development Finance

Holiday homes get on the map with our help

Steve Leadley's short career at sea ended after an accident ashore, but following family tradition he was determined to continue in the fishing industry and established Caedmon Nets in 1989.

Today they trade in Whitby, from premises originally built in the 1800's as stables and outbuildings. Part of the property was converted into terraced cottages but they fell into disrepair and Steve and his wife Diane decided to convert one of them into a holiday let 2 years ago. Due to the holiday home's popularity Steve approached his bank for finance in January to convert the other two cottages in time for the summer trade - they refused citing "the current economic climate".

Steve would not accept this as he knew the current climate was actually good for the UK holiday business! A friend who had previously dealt with Iain Blair at ASC's West Yorkshire office recommended a call. Steve was quick to pick up the phone.

ASC always prefer doing business by meeting face to face though we can be flexible to suit clients' needs. On a good day Whitby is 2 to 3 hours from Iain's office in Huddersfield so a conference call was arranged and affairs managed by phone and email. They did also meet half way through the case to discuss progress when Steve was near Huddersfield on business.

Iain offered two proposals to the Leadley's. One was for a single loan, initially on an interest only basis to complete the works, later moving to a repayment mortgage. The second was a simpler and quicker development loan which would allow work to start almost immediately and once completed they could refinance onto a long term mortgage with another lender at attractive terms. They chose the latter option.

Even though completion of the conversion was delayed due to problems with a utility supplier the future looks rosy for Shoe Box Cottages and Caedmon Nets is trading from strength to strength. As Steve put it, "*in order to net the best deal you need to hook up with the right people and ASC's Iain Blair is certainly that*".



ASC Director Iain Blair negotiating the Leadley's deal



Steve Leadley with Luke Casey of Yorkshire TV

Caedmon Nets
W: www.caedmonnets.com
T: 01947 820000

Property Finance

Don't just go by what the banks say

In September 2008 Andrew and Karen Northrop sought funding from their bank to buy their butchers shop in the centre of Cambridge but they couldn't afford the large deposit required. Their accountant, Ian Orford, at Ensors knew just who to call.

Paul Arnold, longstanding regional director in Cambridgeshire was pleased to hear from Ian and quickly arranged a meeting with the Northrops. Their situation was quite normal - having rapidly expanded their retail and wholesale butchery business, working capital was an ongoing requirement. This meant that releasing funds for a deposit would overstretch their resources and limit their ability to achieve continuous growth.



Andrew and Karen happy and satisfied as proud owners of their traditional butchers shop

Paul explained that as leaseholders they could, in fact, borrow against the value of the premises rather than the purchase price. He suggested instructing a valuation immediately and the Newburys agreed. The outcome was great news - Paul obtained a loan with a minimum deposit, leaving an adequate level of working capital in the business.

Issued in October 2008, the offer was quickly accepted and solicitors instructed to execute an urgent completion, but then disaster struck. The elderly vendor sadly died suddenly leaving the deal in the balance pending a lengthy probate period. The file was kept open, and a new offer issued in July 2009 after the probate was concluded. The deal finally completed in September.

Andrew and Karen expressed thanks to all parties for staying with the deal through difficult circumstances, particularly their solicitors, lenders and, of course, Paul Arnold and his team at ASC Finance for Business. They said, *"If we had not called Ian we would never have known of Paul and ASC and like many other business owners would have just accepted what the bank had told us and not achieved a magnificent outcome"*.

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Contact your local office directly for any business finance enquiries

If your region is not listed, call 020 7616 6620

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TO FSB MEMBERS



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