

Some Case Studies

1. Directors of Limited Company seeking £25k to finance costs of attending exhibitions and improving Wholesale and Retail web sites. Company accounts did not warrant “bank” support but clients were able to raise Secured Personal Loans in order to inject monies into the Company by way of Directors’ Loans. Facility taken over 15 years in order to “reduce” initial monthly outlays. Loans repaid early with only a “very minimal penalty”
2. Client had obtained a leasehold interest in a city centre property. £70k was required for refurbishment purposes in addition to circa £100k contributed from family members. Client had no security. Previous experience in managing restaurants. Facilities obtained through the Enterprise Finance Guarantee Scheme.
3. Client had previously sold her business. It took 12 months to identify suitable leasehold premises in which to open a “similar business”. Facilities of £9k obtained under the Start Up Loan Scheme.
4. Client owned land which had planning permission. Funds were required to “work on the Land” and have an element of working capital, in order to make the site a “more attractive proposal” to sell it on. Short Term Bridging Finance obtained for a period of 12 months. All interest and costs, except for the Survey Fee were added onto the loan. An example of making your “capital asset” work for you.
5. Client had acquired an “older commercial property”. It took several years to obtain the necessary permissions to convert into a domestic property. Client had utilised all their available funds. Short Term Bridging Finance for a period of six months was obtained with all costs, except for the survey fee, were added onto the loan. Client able to complete the conversion. Exit route was to either sell or convert to a “buy to let mortgage”
6. Client owned several properties, many of which were unencumbered. Short Term Funding obtained to enable the client to acquire additional properties. Loan facilities were converted into long term funding.
7. Client wished to acquire the freehold interest in a “leisure development”. Short Term Funding obtained by way of Bridging Finance based upon the “value” of the property which in this case was considerably more than the purchase price. Once acquired certain properties within the development were to be sold or the facility refinanced on a longer term commercial mortgage.
8. Client was requested by a High Street Lender to arrange an alternative funder for their Commercial Loan Facilities. Based upon “value” and “income” the facility was refinanced by another competitor.

2.

9. Client had successfully established a Company providing “green energy products.” Had not been trading “long enough” to meet the criteria of a High Street lender and a considerable number of “hoops” were expected to be “jumped through.” £100k was obtained within a matter of a few weeks through “crowd funding”. There are now a number of specialist funders in the UK. One national lender will in Scotland consider a maximum of circa £250k which can be raised for businesses without having to provide security over property. A Scottish based lender will also consider unsecured lending as well as secured lending for “higher amounts” as well as for additional sectors. The lenders will assess the proposal on businesses having traded for a minimum of two years. Personal Guarantees, which can in certain circumstances, be unsupported, are required. No need to “jump through the hoops” to provide business plans and full financials.
10. High Street lenders; Asset Finance providers; Invoice Finance/Factoring providers should consider introducing clients to “advisers” who can a) assist the client and b) enable the principal lender to still maintain the Banking connection. A win win situation.
11. Client was offered the opportunity to acquire the freehold interest in a restaurant where he had been trading as a tenant for almost 2 years. Having had no experience in obtaining funding and getting little advice/support from his current bank, we were able, with the help of a “proactive” and experienced Accountant, prepare and present to a High Street lender a proposal for the required funding.
12. Client had “inherited” the ownership of Kennels and Cattery, following the untimely death of a parent. Funding was required to refurbish the property to comply with current regulations. As the client had no experience in obtaining funding we fully discussed with the client and their Accountant our requirements in order that we could prepare and present to a High Street lender an application for the required facilities This was done in such a manner that the lender advised that they were not in the “habit” of receiving such a comprehensive proposal. As in many instances the client had other matters to address and we were able to put them in contact with suitable and trustworthy professionals.
13. Client leased restaurant premises. A Bank had taken “ownership” of the Freehold interest in the property in which the restaurant had the street level premises. The upper floors of the property were “uninhabitable.” We acted for the client to negotiate with the current lender to obtain the necessary facilities, which could not have been obtained elsewhere because of the condition of the upper floors and in normal circumstances would have required the client to have had monies set aside for the “refurbishment.” The client’s own funds went to provide for their share of the acquisition price. Whilst not the best possible cost for the initial facility the client had arranged with family members to undertake the necessary work and within a short period of time arrange CER arranged the refinance on a longer term and much more cost-effective facility.

3.

14. Development projects; Houses and flats. With the experienced professional we can identify suitable lenders who are prepared to assist. It can be a difficult and “expensive” route for the developer to “explore” funding options without the knowledge of who best to approach.
15. A client requested us to identify major funding for an “investment project” in Central London 85% of the facility required. We introduced the client to a suitable Institution to progress this project and indeed future ones.
16. Our client had acquired a former “department store” and had converted the ground floor into an extensive bar/leisure area. They also wished to refurbish the upper floor into a bar/function suite. The property had been “transferred” into their Pension Fund. With many lenders NOT considering the “hospitality sector,” businesses trading for less than two years and “unsecured facilities” the clients were having great difficulty in obtaining funding of £250k in order to complete the refurbishment of the upper floor and refinance the “expensive” Asset Finance Facilities obtained prior to trading. Having made representation to three High Street Lenders CER were at the 4th application, able to obtain the required funding through the Enterprise Finance Guarantee Scheme (EFG).
17. In the case of the case above (16) CER recognised that the work undertaken by the clients would probably qualify for Capital Allowances. The clients and their Accountants having been unaware of this valuable property tax relief were delighted to be introduced to the appropriate professional who arranged the considerable additional income.
18. There have been several occasions when discussing with clients their various business activities that I have realised that they have “invented;” “adapted/improved” a “product” or “process” which is very often in the “technology sector” and they have been totally unaware of “Research and Development” (R & D) Tax Relief which has enabled the business to qualify for in some cases a “considerably” payment from the Government.
19. Client was acquiring land on an island of the West Coast of Scotland in order to build a number of properties. CER were able to assist with the Development Finance and the longer term funding.
20. Clients had acquired a number of properties for Rental Purposes and had purchased them from their own resources. CER were able to assist in the Company drawing down funds from their existing portfolio and arrange Funding to acquire further properties.