



TRADE FINANCE SERVICES

HELPING BUSINESS GROW

CASE STUDIES

PACKAGING:

Wakefield, West Yorkshire.

Introduction from Ingram Forrest Corporate Finance, Sheffield.

This deal involved the acquisition of the assets of BP Performance Films Ltd. It was part of a group of companies within BP, perceived to be a non-core business, and recently unprofitable due to a lack of investment.

The Problem

PF Ltd bankers declined the funding package needed as it exceeded clearing bank criteria on lending against plant and machinery and freeholds. There was also a possible conflict of interest in that another interested purchaser also banked with the same clearing bank.

The Solution

Using the unencumbered assets of BPPF and certain assets of PF Ltd, an Asset Based Finance Facility was put together of circa £15/20m to raise the full purchase price. The attractions of this deal were the synergies and cost savings available, cross selling of products to two customer bases, economies of scale on production and the bulk purchase of raw materials. Labour savings were also a possibility in the future and an under utilised modern plant in Poland could be used to service European based customers. Management had an excellent track record when part of a Plc and since a MBO are market sector leaders in innovation.