



Number Eight Business Finance secures £500k loan to help a leading UK engineering business finance a major acquisition

COMPANY

Bassaire Limited

MARKET

Public and private sector, inc. healthcare and pharma

NATURE OF BUSINESS

Design, build, installation of industrial 'clean air' sites

FUNDING

£500k over 5 years

WEBSITE

www.bassaire.co.uk

LOAN PURPOSE

Strategic acquisition

Main points of the deal:

- Loan enabled Bassaire to finance £650k initial payment on acquisition of Thermoplant
- Security was provided by directors' personal guarantees, second charge debenture and a cross-company guarantee
- Acquisition secures the assets and technical skills of a specialist engineering contractor

What was the finance for?

With over 50 years' experience in the design, manufacture, installation and maintenance of vital 'clean air' products to establishments like hospitals, Bassaire is the longest established business in its sector in the UK. The directors remain as ambitious for further growth as ever before and had agreed the £1m acquisition of Thermoplant, a specialist engineering sub-contractor. The finance was needed to help Bassaire make a £650k down payment on the acquisition, with the balance being met in instalments out of Bassaire's cash flow.

Challenges along the way

The directors of Bassaire initially approached their incumbent bank for finance, but found the process too slow and the terms so uncompetitive given the company's successful track record and strong financial position that they decided to look elsewhere. Number Eight Business Finance were able to find a lender match and facilitate the funding.

Managing Director, David Grosse, said: "The bank would have eventually provided a loan, but were so slow and put in so many unreasonable covenants that it appeared that they didn't want to actually write the loan. This frustrated the directors considering their custom over the last 30 years. Following our initial meeting, we were confident of raising the funding required and quickly. Our team considered various loan options from our portfolio of lenders and we chose to work with Ratesetter because of their commercial attitude and clear desire to support high quality businesses."

How Number Eight helped

Bassaire Managing Director, Neil Thomas, said: "We appointed Number Eight Business Finance for advice in this matter. They came up with the finance within the timeframe and with a lot less legal work than any of the others. They were a lot easier to deal with than the bank."

After meeting the management team, Number Eight carried out a detailed analysis of Bassaire's proposal. The loan was approved on the recommendation of a 2nd charge debenture on the trading business and a cross-company guaranteed with the parent company. Director guarantees were also recommended and provided.

What the future holds

Neil Thomas is very optimistic about the future of Bassaire Holdings Limited, his ultimate holding company, which comprises four separate, stand-alone companies. He expects the annual turnover of Bassaire Limited, which took out the loan, to increase to £10m next year – up from £7m – and for the turnover of the new acquisition, Thermoplant, to double to £5m.

The drop in the value of sterling against the other main currencies since the EU Referendum vote, particularly the dollar, has helped improve the company's competitive edge in overseas markets and Shahid expects profits this year to be around £100,000 – an increase of two-thirds over the previous year.



Number Eight Business Finance is focused on providing businesses with quick access to best-fit finance

numbereightbf.com

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