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### Special Features

- p11-13 **Green Business – Environmental Focus**
- p15-25 **Corporate Finance**
- p28-30 **Focus on Guildford**

## Regular Sections

### News

- 4 Surrey University on track to lead the world
- 5 Personal insolvency likely to rocket
- 6 Potential entrepreneurs urged to take the plunge
- 7 South east manufacturers look forward to a prosperous year ahead
- 8 2008 – predicted to be a year of problems and opportunities
- 9 Wilkins Kennedy in multiple mergers
- 10 Green business policies take root

### Deals

- 14 DMH Stallard aids First People Solutions with key acquisition

### Taxation

- 25 Tax tips – R&D tax relief: carpe diem!

### Treasury

- 26 What a year it's been

### International Trade

- 26 Canada – being realistic
- 27 All I want for Christmas ... six white boomers

### Manufacturing

- 31 Taking the lead on best practice

### Hospitality

- 32 Christmas hospitality bonanza – luxury country hotels

### People/Employment

- 33 Movers and risers in the region

### Diary

- 34 Take 7 profiles Lee Bonniface of Canon UK







# Surrey University on track to lead the world

Guildford-based University of Surrey has set out its aim to become a leading international university by 2017. It aims to compete with the best UK and international institutions by increasing its focus on quality, distinction and international impact.

The university plans to improve its links with global institutions, particularly in Asia and the US, to attract the best UK and international students to its courses. Surrey believes that over the next decade the higher education market will become increasingly competitive on a global scale, and it must develop to meet this change.

The university said that as its network develops, Surrey students, from anywhere in the world, will be able to choose where they study in each year of their course. For example, a student may be able to spend the first year studying in the US, the second in China, the third in industry and the final year in Guildford.

Professor Christopher Snowden, vice-chancellor, said: "This 10-year strategy sets some very challenging targets for us to achieve but I believe we can reach these goals. We passionately believe that 21st century higher education is going to become truly global and we must develop to meet this challenge. We are avoiding the excessive costs of building Surrey campuses around the world and instead focussing on working with established universities to provide Surrey degrees.

"Over the next 10 years we will focus on continuing to provide quality in everything that we do while continuing to build on the distinctiveness of Surrey which partly comes from our strong links to industry and our very high levels of graduate employment. These strategic partnerships will help develop our research and enhance our teaching experience while cementing the community in which we exist."

## Finance firm warns that Christmas cheer can cripple cashflow

Small firms in West Sussex and Surrey should view the run-up to Christmas and the first few weeks of the New Year as one of the most dangerous times of the year to experience cashflow problems warns IGF, a Sussex-based independent commercial finance company.

According to IGF, small businesses should consider invoice finance, which is effectively a cash advance on all invoices raised, to enable them to meet the challenge of any potential cashflow problems that arise over the Christmas period.

Steve Leeves, regional sales director for the Sussex region, said: "The Christmas period and the first weeks of January are often a critical time for small businesses. Almost as many man-

aging directors, clerical assistants and finance department staff are away over Christmas as during the summer. As such, small businesses often experience real problems with cashflow at this time."

During the festive period, many business owners have to resort to costly bank overdrafts to see them through or, worse still, the company credit card, both of which can exacerbate their weak cashflow positions in the short term, said Leeves.

"We see this problem getting worse every year, and it can definitely be a contributing factor to the number of start-ups, micro-businesses and even established small firms that go under in the region," he said.

## Thomas Eggar moves into Thames Valley

Thomas Eggar, the fast-growing West Sussex headquartered law firm, is to move into the Thames Valley market with the acquisition of Penningtons' office in Newbury.

Thomas Eggar has ambitious plans to grow into the south east's biggest law firm with offices across the region.

The firm has already announced its intention to tackle the Southampton market - and now it has made a move into the highly competitive M4 Corridor.

Its merger with Penningtons' Newbury office comes after that office decided against following a strategic review that Penningtons plans throughout the firm.

The office thus demerged from Penningtons on December 1 and merged with Thomas Eggar.

Lesley Lintott, Penningtons chief executive, said: "Penningtons has recently resolved to move away from an office-based structure following a strategic review of how Penningtons delivers its legal services to clients. The Newbury partners felt the needs of the firm's practice in Newbury did not sit well with the results of the strategic review and wished to refocus

that practice. While we will be sorry to lose our colleagues in Newbury, in the circumstances, we have amicably agreed terms for a demerger of their office. We wish them every success in the future.

"The rest of the firm is committed to the implementation of our strategic review which involves all legal services now falling into one of three new firmwide divisions: Business Services, Commercial Property and Private Individuals. The financial performance of the firm in the financial year to date following the creation of this new divisional structure has been very encouraging and shows the value of the changes we have made."

Thomas Eggar managing partner Tony Edwards added: "The merger with the Newbury office gives us a strong foundation to achieve our vision of being a leading law firm in the south.

"There are already strong synergies between the Newbury office and the existing Thomas Eggar offices and we are looking to work together to open a new office in Southampton in the spring of 2008, bringing the total number of offices to six."

### News Extra

- Business adviser and accountancy firm **Baker Tilly** has advised retailers to revert to paying VAT on the full value of goods sold, in the light of a Court of Appeal ruling on retail vouchers awarded to customers when they buy fuel from Total UK. The Court of Appeal released its decision in the case of Total UK, and found in favour of HM Revenue and Customs (HMRC). HMRC believed that VAT was due on the full price of the fuel sold, irrespective of the value of vouchers transferred to the customer.

- **Taj Mahal**, a business-oriented Indian restaurant in Crawley, picked up four gold stars in the recent British Curry Awards. The awards recognise and reward the best curry restaurants in ten regions of the UK. This year's winners were chosen from over 18,000 public nominations covering over 3,000 restaurants. Taj Mahal is now ranked officially in the top 100 Indian restaurants in the UK and is one of just 24 so-rated throughout the whole of the south east.

- Back in March this year, the manufacturer of Hartley's Fruit Bars, **Premier Foods**, won its appeal at tribunal with the result that no VAT was due on the sale of its fruit bars. But the case is back in court, as HM Revenue & Customs (HMRC) did not agree with the outcome and appealed against this decision. The High Court has now ruled that the tribunal decided the case on incorrect principles and the case must go back to tribunal for a further hearing.

- **Roffe Swayne**, one of Surrey's largest independent chartered accountants and business advisers, recently played host to a group of young businessmen who were on an exchange visit from Mexico. The visitors were with the organisation Group Study Exchange which is a Rotary Club vocational scheme which enables young professionals from other countries to visit and learn about the way British businesses operate in this particular culture.



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# Personal insolvency likely to rocket

Interest rate rises, growing consumer debt and tightening lending practices will cause a major escalation in personal insolvency next year, a leading expert at PKF accountants and business advisers has warned.

PKF has offices across the country including Guildford, London and Alton, Hampshire.

As the government's personal insolvency figures, released in early November, showed a further rise in the numbers forced into bankruptcy or applying for an IVA, PKF partner Philip Long said he feared that the signs of future hard times for many Britons are already apparent, and that 2008 insolvency numbers are likely to rocket.

Long said: "We have been helping an increasing number of people who have been using their credit cards to pay their mortgages, which is a mark of extreme desperation given the speed with which the level of debt mounts

up. It's an unsustainable practice and a sign that many are standing on the precipice and only relatively small additional costs will push them over the edge."

Personal insolvencies in England and Wales peaked at just under 30,000 in the last quarter of 2006 and the first quarter of 2007, but Long said the likelihood is that the ceiling will be breached in the first quarter of next year. "I anticipate the numbers will continue to rise throughout the year," he said.

Long continued: "It will not be much of a comfort to those facing this position, but a hard dose of reality in the personal credit market is long overdue. It's deplorable that it's taken a meltdown in the US sub-prime mortgage market for lenders to review their loans and credit policies but it is essential that it happens. It's going to mean short-term pain but unrealistic lending practices had to stop at some point; hopefully this is it."



PKF predicts stormy weather ahead for many individuals' finances

"We have to help the thousands of people in debt and part of that is removing the stigma of bankruptcy for the current generation. There is life after bankruptcy and people have to view it as the start of

rebuilding their lives. That's a very difficult message to take on board for someone who might have lost their home but it's the reality created by over a decade of spending on credit," concluded Long.

## £7.5m refurbishment and 40 jobs created

This December, South Lodge Hotel near Horsham will begin to fill 40 new vacancies as it expands from 43 to 85 bedrooms, and moves up to five red star status.

Exclusive Hotels, which owns South Lodge, has invested £7.5 million in the refurbishment which is expected to be completed in June 2008. It awarded Crawley construction company Longley a £6.3m contract to build the new four-floor Godman wing, an extension to the hotel which is located in Lower Beeding outside Horsham.

Each floor that houses the 43 new rooms and suites has its own theme

based on "landmarks of the South Downs", "butterflies", "local gardens" and "orchids". Each room on the individual floors will be named after the chosen theme, for example, "monarch" on the butterfly floor, and "Devil's Dyke" on the local landmark level. One special suite will feature a large, luxurious balcony with its own open-air hot tub.

The building work began in February 2007, when an extension and new roof was built, and the three AA Rosette restaurant was redesigned and named the Camellia.

The ornate ceiling and wood-panelling remain, but the look



and feel of the restaurant has been brought up-to-date with a modern colour scheme of claret and ivory used in the wall coverings, fabrics and table linen. The hotel is also building a new restaurant, called

The Pass, after the area in the kitchen where each dish is inspected before being served.

Executive chef Lewis Hamblet will run the new, state-of-the-art, £500,000 kitchen.

## Accent Peerless to provide over 200 homes in Kent

Accent Peerless, a Camberley, Surrey-based housing association, has spent £12.2 million purchasing four development sites in Kent to provide local residents with a solution to rising house prices.

Accent Peerless purchased land at Folkstone, Margate, Sheerness

and Maidstone and over the coming months will be developing the sites to provide over 200 new, affordable homes.

The firm said these developments will bring large amounts of trade to the local area during and after construction, and once com-

pleted the homes will be available from Accent Peerless through a range of tenures including shared ownership and affordable rents.

Paul Reeves, chief executive of Accent Peerless, said: "We have been extremely fortunate to find these excellent development

opportunities all at the same time. The level of our investment in them is a real indicator of how promising these projects are for the areas concerned. We are now in a position to embark on providing a real housing solution for people living in Kent as well as improving the local areas through the construction and development of these sites."



# Potential entrepreneurs urged to take the plunge

Potential entrepreneurs in Sussex were encouraged to think about being their own boss as part of Enterprise Week, a series of events that took place in November.

Designed to inspire young people aged between 14 and 30 years, the fourth annual Enterprise Week featured activities and events taking place across the UK.

Business Link's Rachel Crossey said that the business support organisation, which was established by the South East of England Development

Agency (SEEDA), wanted anyone who might be thinking about working for themselves to take the opportunity to find out more about what is involved.

"Business Link has a comprehensive Start-Up programme and can offer all kinds of advice on what to consider before starting a business as well as on-going support during the first two years of trading," said Crossey.

"Online guides and checklists can be accessed via our website,

which sum up the skills and personal qualities you need to work for yourself. We also run a variety of courses including an introductory workshop exploring the pros and cons of self-employment," she added.

As part of Enterprise Week, a Women's Enterprise Day took place. "Just 15% of all businesses in the UK are majority female owned so we are encouraging more women to become self-employed," said Crossey.



Business Link's Rachel Crossey encourages budding entrepreneurs

## Comtec – UK's 11th fastest growing tech company



Nick Claxson

Reigate-based Comtec Enterprises, an IT services firm, has been ranked eleventh in the 2007 Deloitte Technology Fast 50, a ranking of the 50 fastest-growing technology companies in the UK.

Rankings are based on average percentage revenue growth

over five years. Comtec Enterprises grew 3,026% during this period.

Comtec Enterprises' managing director, Nick Claxson, credits ongoing investment in company resources and expansion of the product and service portfolio for the company's impressive revenue growth over the past five years.

"Growing the top line enough to make the Deloitte Technology Fast 50 is especially meaningful during competitive times for the technology sector," said Simon Kerton-Johnson, chairman of Deloitte's UK & Ireland Fast 50.

"We congratulate Comtec Enterprises on becoming one of the 50 fastest growing technology companies in the UK."

Comtec Enterprises specialises in enabling secure, converged IP communications for UK organisations. It was established by Claxson in 1994.

## Redhill's Artesis wins prestigious global award for innovation

A company based in Redhill has won a prestigious global award for innovation, at the annual Institution of Engineering and Technology (IET) Innovation in Engineering Awards.

Artesis won the Control, Instrumentation and Robotics award for Artesis MCM, a diagnostic tool for simplifying predictive maintenance.

The Artesis MCM technology monitors and predicts faults in electric motor driven equipment. Faults are typically recognised up to three months before they become serious, saving companies with electrical machinery thousands of pounds in downtime and costly maintenance bills.

The judges said in a statement: "We felt this entry provided a great example of applied model based learning with a significant economic value. The Artesis MCM is a clever diagnostic tool that has been commercialised and demonstrated significant value for customers."

A total of 15 awards, each sponsored by a major company, were presented and at a ceremony at the Marriott Hotel, Grosvenor Square in London, and hosted by TV personality and science enthusiast Johnny Ball.

He commented: "What makes a great innovator? Perhaps a little eccentricity, a desire for improvement, plus vision and the determination to see it through. All that equals the type of projects recognised through these awards. Innovators always ask 'Why can't it be better?' If it wasn't for innovation we would still have black and white television and mono radio.

"Innovation is at the heart of business and wealth creation. It is right that we acknowledge those who push the boundaries of science, engineering and technology and it will be exciting to see how the innovations awarded this year will make their mark in the future."

## Surrey business leader among IoD's top directors

Five businessmen were named as the Institute of Director's South East Directors of the Year at an Oscars-style dinner at the IoD's London headquarters on November 8. The five were chosen from over 200 nominees in an area stretching from Dover to Banbury.

The individuals included Danny Pecorelli, from Exclusive Hotels in Bagshot, Surrey. He was recognised as an IoD South East Young Director of the Year, in the category for people under 42 years of age.

Pecorelli leads a company with 600 employees and a turnover of £36 million. He was recognised for his commitment to quality, from expanding his business to his hands-on involvement to encour-

age personal development and training within his industry.

Pecorelli described his hotels as "beautifully situated destinations with personality, flair and innovation delivered by passionate people who give exceptional service".

Every property is in the AA's top 200 Red Stars, with the restaurants having three AA Rosettes - the only group in England to have such ratings. He is now busy developing a second brand of hotels.

Jonathan Neame, chief executive of Shepherd Neame, in Faversham, Kent; and Guy Whitehead, group chief executive officer of Armourcoat in Sevenoaks, Kent, were also among those named IoD South East Directors of the Year.



Danny Pecorelli with BBC presenter Maggie Philbin

## Pharma giant to cut 300 jobs

**Pharmaceuticals giant Glaxo-SmithKline is to shed over 300 jobs in Sussex as part of a drive to cut costs by £700 million over the next three years.**

**The firm said it is making 180 workers redundant at its manufacturing plant in South-downview Way, Worthing, and a further 130 jobs would be lost at its factory on the Manor Royal industrial estate in Crawley. The multinational company made £1.9 billion in the three months to September. Job losses in Sussex are expected to take effect between April next year and the end of 2009.**



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## Prosperous year for manufacturers

Manufacturers in the south east are riding a business growth curve that looks set to continue through to 2008, according to research conducted by EEF South, the regional manufacturers' organisation.

The research points to strong performance among local companies, including those in West Sussex, in the key areas of output and new orders.

The EEF South business trends survey shows that 77% of manufacturers are seeing steady or

improving total output, with an even higher proportion anticipating further growth over the next three months.

Seven in 10 manufacturers report stable or improving new orders, and 91% expect the picture to remain positive through the rest of the year.

"These new orders are coming from both domestic and overseas markets, which demonstrates the ability of our manufacturers to compete effectively across the world

with the right products and associated services," says EEF South chief executive David Seall. "This is happening despite significant pressure on prices and margins – indeed there is an underlying confidence that is reflected both in increased capital expenditure and in the recruitment of additional people," he added.

The Manufacturing Advisory Service in the south east believes that this survey confirms that many companies are improving their

competitive position as a result of adopting the latest lean manufacturing techniques and developing innovative new products.

MAS South East principal specialist David Caddle, said: "We know our local companies find it difficult to compete on low value work, but they are clearly succeeding through higher value new product development and better workplace productivity. These are areas where our manufacturers can increasingly gain commercial advantage."

### New Sussex fruit company formed

A new fruit company, Berry Gardens, has been formed in Tonbridge, East Sussex, as three of the most experienced and respected fruit companies merge together to create one brand across Europe. The new group said that combined, they will aim to supply the tastiest and freshest range of berries to the consumer all year round via most major supermarkets.

The group received financial support from the Royal Bank of Scotland (RBS) Corporate Team in Gatwick, which arranged a £15 million funding package.

KG Fruits, Alconeras UK and Driscoll European Genetics are all successful fruit companies in their own right. They combined their specific skills to create a leading European fresh berry company serving the UK and continental Europe.

Each firm has its own core skills, which include genetic research and development, marketing, and extensive fruit production in the UK and Spain.

Berry Gardens worked with RBS which provided a funding package which will be used for working capital facilities.

Barry Sexton, director of business origination and Steve Meynell, relationship manager at Gatwick's RBS Corporate Team worked in close partnership with David MacGregor, financial director of Berry Gardens, to facilitate the formation.

### Plans afoot for science and innovation campus

The South East England Development Agency (SEEDA) has appointed Professor Jim Lynch OBE to develop a science and innovation campus in sustainable systems, and an international institute for sustainability.

The campus will be located at Kent Thameside, just south east of the river Thames. It will mirror and complement projects at Shellhaven in the east of England, Dagenham Dockyard and Lower Lea Valley in London.

SEEDA said it will "stimulate the creation of new businesses and address global market opportunities by exploiting the new knowledge and ideas produced in south east universities." It aims to bring academics and businesses together to collaborate on the acceleration of products and processes.

Lynch is a distinguished professor of life sciences at the University of Surrey, chairman of Terraform and director of C-Questor.



Professor Jim Lynch OBE

### Former cabinet minister Michael Portillo gives advice at Lloyds TSB South East Corporate Finance dinner

Former conservative cabinet minister Michael Portillo was the keynote speaker at the recent Lloyds TSB South East Corporate Finance Dinner.

The event, now in its second decade, drew in a record attendance of over 140 key professionals from across the south east region.

Portillo talked openly about his time working with former prime minister Margaret Thatcher, and shared with the audience his views of the country's likely choice of government over the next seven years.

From a business perspective, Portillo also shared his thoughts on the challenges of the "lonely" nature of leadership.

The stage was shared by Jonathan Caswell from Lloyds TSB's private equity arm, LDC. He outlined that private equity M&A activity across the south of England was extremely strong in the first half of 2007 and highlighted a number of signature transactions.

Caswell also covered the current market conditions and their likely impact but concluded that deals will still happen in this hotbed of business activity.

Commenting on the success of the evening, Mark Medd, director and head of corporate markets and corporate finance for Lloyds TSB said: "The Lloyds TSB South East Corporate Finance Dinner continues to be a must-attend network-

ing event. It's a superb gathering of the key professionals across the south east, and is testament to the quality, strength and depth of the advisory community. What's more, it represents a great opportunity to catch up with colleagues we've worked with throughout the year."

Andy Lee, area director Lloyds TSB Business and the event organiser, added: "I am truly thrilled with the support we've received from our professional colleagues, indeed, one of my biggest challenges is meeting demand for the event. Michael Portillo proved to be a brilliant choice of keynote speaker, and has set us the challenge of living up to his contribution in 2008."

# 2008 – predicted to be a year of problems and opportunities



Chris Barling

## Russell Bell, senior partner at law firm asb law

"Last spring, anyone looking at the UK business environment would be entitled to ask a few questions. Could the economy continue to grow at sustainable levels? Would increased interest rates curb consumer debt? Would the burgeoning M&A market last forever?"

"Then came August. Maybe the silly season took over, but the combined impact of the US subprime crisis, a rapid increase in mortgage repossessions and then Northern Rock, provided a lot of people with food for thought. 2008 was on the horizon and wasn't likely to be welcomed with open arms.

"Well we've all had a chance to pause and draw breath since then, so how does the start of the New Year look now? There's continued growth in the housing market. The economy is predicted to expand at a moderate but encouraging rate. The next interest rate movement is likely to be downwards. And the increase of CGT rates by the removal of taper relief is likely to result in a flurry of exit activity as owner-managers look to realise their investments before April 5, 2008."

## Chris Barling, chief executive officer of ecommerce and EPOS supplier, Actinic, based in West Byfleet, Surrey

"To me, the US looks at risk after consumers have got heavily in debt buying houses, and now prices are dropping like a stone. It can also be argued that conditions are similar in the UK, albeit running a bit behind. The saying is that when the US sneezes, the rest of the world catches a cold, so I do worry about a recession

## Businesses will start the New Year with concerns about economic stability, bank rates and customer spending levels. A range of firms share their thoughts with *The Business Magazine*

next year in both the US and the UK.

"At my company, Actinic, we feel we have some protection. My experience from previous recessions is that the tide tends to lift all boats, but not all go aground when the tide falls. Some companies will be badly hit, but others much less.

"As suppliers of ecommerce solutions, we've been in a booming market for several years, and I think that this is likely to continue. If both consumers and conventional retailers start to suffer, it may even accelerate the move online. Also, our proposition generally emphasises value for money. It's a good possibility that if times get hard, then many businesses will look harder at costs and we will see our market share increase."

## Trish Breach, director of recruitment firm Search Consultancy's south region

"The challenge facing our own business, and every other company, is one of finding quality job applicants; particularly at Christmas when there is a big increase in the number of temporary positions.

"The UK's skills shortage is becoming increasingly evident, particularly in West Sussex where many skilled workers are drawn to London. More and more firms will have to offer better packages to attract the best talent.

"However, the outlook is good for Search. We continue to perform strongly, particularly in recruiting for the call and contact centre sector and in the legal and insurance industries. Our aim at Search is to match candidates to their ideal job so we focus on the needs and aspirations of individual candidates as much as on the needs of employers.

"There are positives too, for example with the Government's pledge to double the number of apprenticeship places from 250,000 to 500,000 by 2020 which will help the skills shortage."

## Andy Cassie, managing director at construction marketing agency CIB Communications

"As a small business the Government's u-turn on the reform of capital gains tax from taper relief

is the biggest disincentive to small business and it should remain as it is. As well as this, the tightening of margins across all services and the employment of experienced and reliable staff are constant challenges facing any business.

"The issue of transport is a major problem that we are constantly battling with. For a small business situated in Surrey, travelling for meetings and events by road or rail can bring many frustrations. A radical approach to the entire transport structure needs to be developed to ease congestion and travelling time as well as contributing to a greener environment.

"As a construction-orientated marketing agency the planned activity and spend for the majority of our clients is relatively constant. The housing market may become problematical for some clients in the next few months, but less so for those in the south east where there is still a shortage of good housing stock and therefore the need to continue marketing."

## Paul Samrah, partner at accountancy firm Kingston Smith LLP

"I think that 2008 will be clouded with uncertainty. A feel-good factor will be needed and I'm not sure where that will come from – certainly not from the England football team that's for sure.

"The unparalleled period of financial uncertainty started by the banks themselves will cause anxiety throughout the markets: the strong pound against the US dollar is not going to help exporters.

"Interest rates are likely to move further northwards as house prices at best plateau, but in certain hotspots, more than likely fall. Tough times are ahead, but if your business is lean and mean as we go into 2008, then the ride won't be too rough. Know your market and don't hesitate to make bold decisions."

## Mike Nelson, director at Hassocks-based Weald Computer Maintenance

"December is a horrible month, a dip in the sales chart followed by the busy January when everyone finally gets back in gear. The same problems affect Weald as every other company: the Christmas



Russell Bell

party which is now a responsibility rather than a jolly, the socialising; the annoyance of seeing all the world's trees wasted on cards that we never read – needless to say we don't send them. Bah humbug. We do enjoy the break though.

"The first six months of our financial year saw a steady flow of work and returned a GP up on the previous year, month seven was a record high and eight looks like it will be good. So generally, I would think we will see a good 2007/8 result.

"Overall outlook: optimistic for Weald, though cautious about extending too much credit as some will surely suffer with increased interest rates and a slow in the economy."

## Adam Stafford, managing director at Worthing-based Fresh Egg, an Internet marketing firm

"One of the main challenges that we continually face is explaining the requirements relating to search engine marketing for people who own new websites. We have been inundated with enquiries from people owning new websites in time for the Christmas rush; but they haven't considered how they are going to attract visitors to buy their products.

"Once you have a website designed, you then have to consider how it is going to be marketed. A website does not automatically appear in Google without it being 'optimised'.

"Search engine optimisation is an ongoing investment and takes at least four to five months to make any impact at all. Once your website does enjoy first page search positions you will be able to benefit from a cost effective way of growing your business online."





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# Wilkins Kennedy in multiple mergers

**Top 30 accountancy firm Wilkins Kennedy has announced two mergers which entrench the firm's position as a leading player in the south east**

Commenting on the mergers, Colin Wiseman, managing partner of Wilkins Kennedy, said: "The mergers form part of our strategic vision to strengthen our position and coverage in the south east and reinforce the depth of our key offerings."

Wilkins Kennedy has merged with Winchester firm Jordan Brookes, and with Young & Co in Guildford.

Wiseman explained: "Our merger with Young and Co in Guildford will reinforce our presence in the Surrey market and provide an important platform for strengthening our fast-growing corporate finance capability."

He added: "This was a good opportunity for the practice to establish an office in an important and strategic business community, building on the reputation established by Ken Young over 20 years."

Ken Young commented: "The reputation, resources and cost structure of Wilkins Kennedy, coupled with their genuine commit-

ment to the owner-managed business sector, will allow us to provide a greater range of services to our existing client base and grow the practice."

On the merger with Jordan Brookes, Wiseman added: "This enables us to offer a fresh and competitive alternative to owner-managed businesses in Hampshire and the south coast."

"By retaining the two offices and teams in Winchester and Romsey, we aim to ensure that we continue to deliver a quality service to existing clients in the region and build on the strong reputation that the staff and partners of Jordan Brookes have in their market place."

"Both mergers bring together like-minded firms who share a commitment to service excellence, close partner involvement with clients and a high standard of work. Our combined resources and talents ensure that we are able to enhance our ability to deliver innovative, quality and value for money service to all our clients across sectors."



Colin Wiseman: 'Our merger with Young and Co in Guildford will reinforce our presence in the Surrey market'

The mergers come at a significant time for Wilkins Kennedy. This year is the firm's 125th anniversary.

Wiseman said: "2007 has been a very successful year for the firm so far and we are excited by the prospects for continued growth in the future."

Wilkins Kennedy is a partner-led practice that prides itself on offering a real alternative for owner-managed businesses in the region. It says that it doesn't believe "one

size fits all" and will tailor its services to the specific needs of the client.

Earlier this year, Wilkins Kennedy merged with Hertford-based Fiddaman and Co. and a Reading-based specialist corporate recovery practice. The firm has increased its offices to 13 throughout the south east with a total of 38 partners.

**Details:**  
020-7403-1877  
[www.wilkinskennedy.com](http://www.wilkinskennedy.com)

## Chancellor challenged on capital gains tax



The UK's four main business groups have joined forces in a concerted effort to persuade the chancellor to suspend proposals in his recent pre-budget report

to abolish capital gains tax taper relief.

In an open letter to the chancellor, the heads of the British Chambers of Commerce, CBI, Federation

of Small Businesses and Institute of Directors say the government policy came "as a bolt out of the blue".

As a result they have felt it necessary to write collectively to chancellor Alistair Darling because "the reaction of their combined memberships has been so universally strong".

The letter says that the impact of the decision "will be felt throughout the economy" by "discouraging longer-term investment and risk-taking".

It threatens to hit the investments of those who have built up a small business, hike the tax bills of the 1.7 million employees in share ownership schemes, and "discourage business angels and venture capital funds from investing for the long game".

Richard Brownlow-Davies, the CBI's south east deputy regional director, said: "This proposal has

upset everyone except the industry it targeted. It is a very blunt instrument that will hit enterprising small businesses and investors willing to take higher risks much harder than the populist move to try and ensure that those working in private equity pay a fairer share.

"The rewards for those involved in start-up and early stage businesses are more capital gains based which puts them directly in the firing line."

The business groups plan to meet the chancellor to understand why he made his surprise decision and work with him to resolve the situation.

The four organisations, who were already "deeply concerned" by the raising of small business corporation tax over the next three years, now feel the government's ten-year effort to create a pro-enterprise agenda has been "put into reverse gear".

# Green business policies take root

*The Business Magazine* invariably uses paper each month to produce the publication for our 91,000 readers.

And while increasingly business people are accessing the magazine and our updated news service online ([www.businessmag.co.uk](http://www.businessmag.co.uk)), the demand for the printed product does not appear to diminish.

As business becomes more environmentally aware (see our Green Business feature in this issue), *The Business Magazine* is working with partners that have green policies in place.

The magazine's printer, Reading-based Lampport Gilbert, is actively maximising the recovery of materials used in the production of its products, including *The Business Magazine*.

This includes the policy to purchase paper only from



**SOLO**  
Mailing Services Ltd

## Tree Dedication

SOLO Mailing Services, in association with Tree Appeal, confirms that a broad leaf tree has been planted for and dedicated to

**The Business Magazine**  
providing woodland habitats and helping to stitch our world back together

Three great reasons for planting your tree  
Trees improve the natural beauty of our valuable landscapes for many hundreds of years  
Trees create woodland habitats for a whole host of birds, mammals and insects  
Trees help us make a greener world



sustainable and managed sources.

And the distribution of the Thames Valley and Gatwick

issues of the magazine is handled by SOLO Mailing Services, the Reading-based mailing house, which prepares

the publication for Royal Mail. SOLO is one of the prize-winners in the International Green Apple Awards 2007 for Environmental Best Practice.

And SOLO has planted trees – working with botanist David Bellamy – on behalf of its customers, including *The Business Magazine*.

A broadleaf tree has been planted for and dedicated to *The Business Magazine* as part of the campaign to “provide woodland habitats and help to stitch our world back together”.

• In 2008 *The Business Magazine* will be adding a Green Business Award to its annual Thames Valley Business Magazine Awards.

Further details will be announced in the February issue.

## Guildford-based DMCii helps reduce deforestation

The Brazilian National Institute for Space Research (INPE) has placed a contract for a third year with Guildford-based DMC International Imaging (DMCii) to acquire high-resolution satellite images of the entire five million sq km of the Amazon rainforest.

Since 2004, INPE's programme to monitor deforestation has dramatically reduced the rate of logging from 27,000 sq km per year to about 10,000 sq km in 2007.

In order to rapidly identify areas of cover change, DMCii is contracted to provide three repeat sets of images in 2007, for June to July, July to August, and September to October.

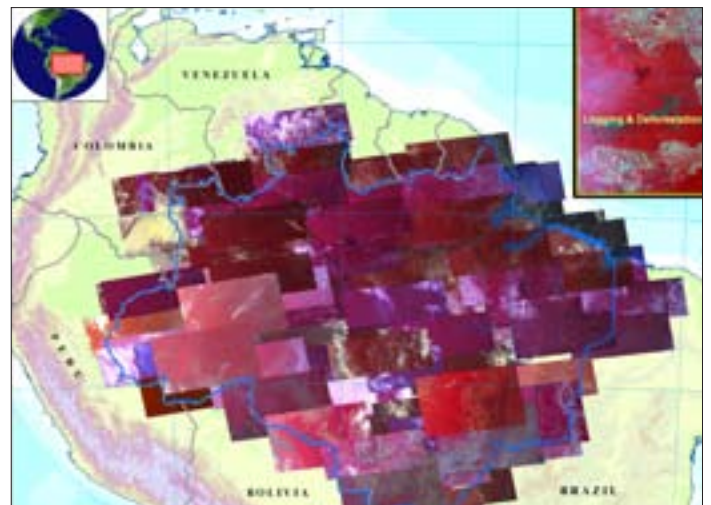
In 2005, and again in 2006, DMCii imaged the whole Amazon Basin in six weeks to provide Brazil with vital information to

help monitor deforestation and combat illegal logging.

DMCii imagery is provided by the five-satellite international Disaster Monitoring Constellation (DMC). The DMC small satellites, built by Surrey Satellite Technology Ltd (SSTL), use wide area cameras to capture the high-resolution images. The latest satellite, built for China, was launched into the DMC on October, 27 2005.

Two new DMC satellites will be launched in 2008 and a third in 2009. Paul Stephens, marketing director at DMCii said: “The increasing amount of DMC imagery required by INPE since 2005 demonstrates the value of rapid revisit imaging.

“When the new DMC satellites launch in 2008, these will add considerably to INPE's ability



DMCii uses satellites to map the Brazilian Amazon for measuring deforestation

to monitor and combat changes in the rainforest and their conse-

quences for both the local people and the global climate.”

## Gatwick launches duty-free personal shopping services

You can now make the most of your time in the Gatwick North airport departure lounge – whether you want to browse the shops or simply relax and take some time to be pampered. World Duty Free has introduced new services at the terminal, including personal shoppers.

Personal shoppers are on hand to help travellers find the right celebrity scent for their friend, hunt down the best alcohol bargains, or choose the right designer sunglasses. The personal shopper will take a passenger around the store and give helpful hints and suggestions.

Passengers can even find out in advance if their favourite goods are available. Before they arrive at the airport, they can contact the personal shopping team and request a product which can then be kept ready at the service desk for express pickup and payment.

In addition, World Duty Free makeup artists can weave their magic and give a free makeover or answer beauty and skincare queries. Beauty services include Skincare consultations, makeovers, colour matching, focus demonstrations, hand massages

and nail painting are all available. For more details or to book beauty appointments ask at the service desk or contact the personal shoppers.

You can email the personal shopper team at [personalshopp.ergatwicknorth@baa.com](mailto:personalshopp.ergatwicknorth@baa.com) or telephone them directly on 07795-128182 (telephone line is available 6am-9pm) for more details of the above, for product enquiries or to book appointments. All of the above services are free and with no obligation to buy.

If the purchase is a gift, World Duty Free offers a range of premi-

um gift bags suitable for all occasions. These bags can be easily opened and will not be damaged should they be checked.

The new WDF service desk also offers a focal point for passengers to seek advice and information about shopping in WDF and at the airport on the whole. In addition, the service team provides advice on Shop and Collection, World Points as well as pre-flight and in-flight travel tips.

**Details:**  
[www.worlddutyfree.com](http://www.worlddutyfree.com)





# Embracing the environment ethic – green offices pave the way

## Green Office Steljes, Bagshot

Steljes, a technology company based in Bagshot, Surrey, has a strong focus on its corporate social responsibility, and Alex Blackmun, its operations manager, is constantly implementing new greener business initiatives. The latest of these is a new recycling and waste system.

Blackmun commented that the firm has always recycled its office waste in partnership with Grndon Waste Management, but decided to reduce processing costs by introducing a new set of recycling bins around the building.

These take paper, cardboard, plastic and drinks cans which are then put through a waste reclamation system which saves power and reclaims a higher percentage of waste.

"I keep a pile of paper for the recycle bin and drop it in when I grab a drink from the vending machine. My bin is normally empty at the end of the day," said Blackmun.

He added: "We are all reminded daily of the issues that our presence on the planet creates. Our business affects the planet in many ways and we are committed to trying to reduce our impact. It is hard to make big changes quickly, but we are committed to do what we can to achieve a positive result in the way we operate."

Other initiatives that Steljes is introducing across its business are the removal of desk bins in favour of central waste collection points.

But recycling waste is just the tip of the iceberg for Steljes. "A series of upgrades have now been completed to introduce new low energy lighting and lighting control around the building. The purpose is to reduce energy usage and better control of light in areas such as toilets and meeting rooms where lights do not have to be left on all day. The savings in energy and maintenance costs will be seen over a length of time, but we feel that acting now gives us a head start in making our impact

*Businesses in the Gatwick Diamond have wholeheartedly embraced environmentally friendly working practices and technologies, and many firms are paving the way for their industries. Arif Mohamed investigates the range of green initiatives in the region*

on the environment as small as possible. The savings per annum will be a minimum of 25,000 kWh a year."

IT equipment is also being repurposed. "Over 250 items of IT equipment including computer monitors, power supply units and laptops have been donated to Computeraid so that they can re-use or recycle as much as possible. This is the second time we have followed this route, which hopefully helps a little," said Blackmun.

The firm's long term goal may include wood chip boilers for heating and hot water; solar blinds to reduce hot spots in the building, therefore reducing the amount of cooling required; and solar panels which may prove a benefit for heating water for hot water taps in the summer months.

The firm is even looking at water reuse in its toilets, by using 'grey' and rainwater for flushing the loo. "We have 15 toilets in Bagshot which could be a significant saving," said Blackmun.

## Green Energy The Energy Crops Company, Cobham

The Energy Crops Company, based in Cobham, Surrey, is a firm that wants to help businesses to reduce their carbon footprint.

The firm says that heat is responsible for a staggering 47% of all UK carbon emissions; and in 2005, The Carbon Trust estimated that biomass heating alone can save more than five trillion tonnes of carbon every year. Biomass is a term for 'carbon neutral' fuel that is based on natural biodegradable materials.

The Energy Crops Company has made a name for itself by becoming one of the UK's leading suppliers of renewable heating systems, and helps commercial and industrial customers as well as local authorities nationwide to cut their carbon footprint.

Energy Crops works with a number of manufacturers of specialist boilers, as well as providers of pellet fuel, to provide an end-to-end solution for organisations wishing to increase their use of renewable energy sources.

The firm's services include wood pellet boiler installations, wood pellet production and supply, pellet storage and distribution, boiler service and maintenance, and boiler leasing.

The company explains that wood pellets are a renewable fuel made from compressed sawdust. The sawdust is usually sourced from sawmill by-product but can also come from specifically grown products such as Short Rotation Coppice (SRC) willow.

When produced from sustainable sources, wood pellets are considered carbon neutral as the CO<sub>2</sub> released through combustion of the pellets is equal to the amount absorbed during growth.

As well as pioneering this energy source, the Energy Crops Company has also increased its green credentials by making all its wood pellet deliveries using vehicles fuelled by bio-diesel. This helps keep the company's own carbon emissions to a minimum.



Canon's Reigate offices have won nine green awards





Canon's award-winning Reigate offices

### **Green Building Canon, Reigate**

Printer and camera manufacturer Canon invested more than £16 million in building its UK headquarters at Woodhatch, in Reigate, Surrey.

The facility opened in April 2000, and is a purpose-built office that is eco-friendly, with energy conservation and minimal environmental impact being key factors in its construction.

The building is landscaped to blend into the natural slope of a hill, preserving existing meadowland and tree areas. Canon also works with the Woodland Trust to

preserve the surrounding woods. In addition, the demolition material from the construction was recycled and the original site was preserved.

Other environmentally friendly innovations include rainwater being captured and used for flushing toilets, solar panels which generate up to 35kw of power, a natural air conditioning system and the use of special heat-absorbing concrete. The building has won nine awards since it opened.

Andy Vickers, managing director of Canon UK and Ireland, says: "Constructing Woodhatch was a fantastic opportunity to put our

global corporate philosophy, 'Kyosei' into action. 'Kyosei', which literally means 'living and working together for the common good', is at the heart of our organisation. Nowhere has this concept been translated as effectively as at our UK headquarters in Reigate, Surrey. It was imperative that our UK head office had a positive effect on both the landscape and the daily lives of our employees.

"It's an inspiring place to work and being surrounded by such beautiful landscape is highly motivating for the 600 staff based here," said Vickers.

### **Green Processes The Listening Company, Richmond**

Call centre "customer insight" specialist The Listening Company, which is headquartered in Richmond, Surrey, has embraced a raft of environmentally friendly working practices.

The Listening Company offers outsourced and in-sourced call centre services, and its clients include Volkswagen, AOL, Microsoft, Rank and Sky.

Neville Upton, chief executive officer of The Listening Company, explained: "With over 1700 employees we understand the importance of being responsible for the energy we consume as a business. As a result we are committed to reducing our carbon footprint and through our membership of the Carbon Trust and Envirowise we are advised on how to minimise our waste and reduce our environmental impact."

"At The Listening Company, our main impact on the environment is the energy generated from the usage of telecommunications computer equipment and the use of white paper for documents. In all our call centres and back-office areas we use energy-efficient light bulbs and recycle all white paper and other waste including printer cartridges.



Neville Upton, CEO of The Listening Company

"We also have posters throughout our offices that prompt employees to switch off electrical equipment when they are not using them. Additionally every member of staff is provided with a non-spill mug and water bottle, which can be washed and reused and we do not use plastic or polystyrene cups."

But Upton added: "Having environmentally friendly policies in place is not just enough. It is important to ensure that such policies are communicated regularly to existing and new members of staff. Our employee handbook contains details of the policies and we have included environmental issues into our inductions and agent assessments.

"Lastly, at The Listening Company we appreciate that being committed to environmentally friendly policies is a constantly evolving process and we are always reviewing our processes. For example, we are currently looking into a scheme called 'Cycle to Work' where all employees that are interested will be given a bicycle to ride to work, a move which will assist in reducing our carbon footprint."

### **Green Computing ISP Lumison, Croydon**

Internet service provider Lumison recently opened a £1m energy-efficient data centre in Croydon, Surrey, which offers its business customers secure, business continuity facilities.

With data centres already running in Scotland and Leeds, Lumison, which is based in Scotland, saw the opportunity to address the need for more data centre and hosting space near London.

The data centres are designed to be energy efficient, using 100% green energy and drawing on evaporative cooling measures, for instance.

Lumison's chief executive officer, Aydin Kurt-Elli, explained that there are two types of green energy tariffs: full green, which only uses energy produced by alternative means; and half green, which uses non-green energy if the usage requirement exceeds what the green sources can generate.



ISP Lumison's Croydon facility

Of these two, Lumison has committed to use only full green energy.

"We've gone full green for all the data centres, because we wanted to communicate to customers that we say what we mean when it comes to green energy. But being green doesn't necessarily mean it will be cheaper in the beginning. It has meant our total energy costs have increased by 2%, so our total annual electricity - £300,000 - costs us an extra £5-6000 to be green," said Kurt-Elli.

The Newbridge, Edinburgh facility currently consumes the largest amount of energy, but the firm expects Croydon to exceed it by £10,000 in 12 to 18 months' time, as the customer base expands.

As well as using green energy, Lumison also uses new environmentally-friendly cooling systems to cool its servers, which produce a lot of heat. For example, it uses glycol-based cooling equipment, as opposed to traditional refrigerator cooling systems, and although these are more expensive, they are 25% more efficient.

In addition, it uses evaporation cooling where it can, for example, to cool common areas. This is around 10% of the cost of using glycol cooling and requires water to run.

Air is pumped over fins made of a special material, which extract the water from it, and as air passes

through the fins, the cooled air is pumped into the office space.

The process typically reduces the air temperature by 8 degrees centigrade, said Kurt-Elli. But he quipped: "You do have to be extremely careful, as water and electricity do not mix! So we're not going to use evaporation cooling in the data rooms."

### Green Help

#### Business support organisation aids Sussex businesses

The Seeda-funded business support organisation Business Link is offering specific guidance from its website for Sussex businesses wanting to tackle green issues.

New guides published include "how to make financial benefits by saving energy", "reducing and managing waste more efficiently" and "cutting carbon emissions".

Jan Jackson, sustainable business advisor for Business Link said: "Greening an organisation has many business benefits. It is becoming more and more important in order to secure new customers. Green supply chains are increasingly in demand and new contracts can be won, or lost, depending on a company's environmental credentials.

"Becoming more environmentally aware and improving resource efficiency can have a very positive effect on a company's bottom-line.



Lumison's CEO, Ayden Kurt-Elli

Examining its sustainable business practices can also provide a clear way of looking at some of the risks your business faces. Being aware of and complying with environmental legislation ensures your company is on the right side of the law."

Business Link has also created a number of online interactive tools to help businesses with green issues including "Assess your environmental compliance" and "Identify where you can save money by going green".

Sussex businesses can also sign up for email alerts to ensure they are

aware of forthcoming changes and new environmental regulations.

Jackson continued: "There are real benefits to becoming an environmentally aware business and if you do manage to gain 'green credentials', you should tell your customers and suppliers. Business Link can offer access to specialist advice on how to tackle environmental issues and gain bottom-line benefits."

#### Details:

[www.businesslink.gov.uk/southeast/environment](http://www.businesslink.gov.uk/southeast/environment)

## The magazine goes SOLO and the future's never looked greener

Everyone's favourite botanist, Professor David Bellamy OBE – who is ever "wummaging around in the undergrowth" – presented the Green Apple awards at the House of Commons on behalf of the Green Organisation. Professor Bellamy was chosen for the awards because of his long standing links to the green movement and his ongoing work with the Tree Appeal organisation.

Among the winners of this year's awards was a long time associate of *The Business Magazine*, Sue Owen from SOLO Mailing Services. At first one might be forgiven for being surprised to find a mailing and fulfillment company at a Green function but this particular mailing house appears to be up-and-coming in the green stakes. National organiser of the awards Roger Wolens commented: "We had around 750 nominations this year and presented about 80 awards. SOLO did particularly well to triumph against some very strong competition."

Commenting on how an organisation sending tons of mail each year got to be so green, Owen said: "I think one needs to differentiate between junk mail and direct mail.

"A little over a year ago we decided to make a change for the better and to encourage our customers to more carefully target their mailings and to ensure that their marketing didn't fall into the unwanted or 'junk' mail category. Our 'Mail Smaller - Mail Smarter' campaign hasn't always been well received but our message is finally finding an audience and the majority of our current customers value the difference we make. *The Business Magazine* is one of a number of companies who see that using the right printer and the right mailing house as well as using eco-friendly materials like fully recyclable polythene wrappers really do make a difference." SOLO have recently been awarded the contract to mail *The Business Magazine* for another 12 months and we applaud their efforts to do the right thing. We shall continue to do our best to encourage more organizations to follow this path.

As well as helping marketing departments to lower their postage bills while "mailing smarter", SOLO have battled their own waste issues in house. "That was the easy part," commented Owen. "We have restructured many of our processes in-house and we have

switched our enormous industrial bin for one the same size as I have at home. Recycling is, perhaps, a little tough at first but the dividends are lower bills and a greener future." A greener future seems likely at SOLO; with the help of the Tree Appeal charity and David Bellamy, SOLO continue to plant a tree each time they mail 20,000 items.

"We send the proof of planting certificates to each customer

as they are awarded," said Owen. "Some of our customers are responsible for dozens of trees this year."

SOLO's "Mail Smaller - Mail Smarter" project will be featured in the upcoming Green Organisation's "Green Book" and SOLO will also be presented with a prestigious Green Heroes Shield in the spring of 2008, during a special prize giving ceremony in London. The company are now being considered as an entrant for the European Green awards for their work.

#### Details:

Sue Owen  
0118-9410101



Professor David Bellamy with the directors of SOLO at the House of Commons



# DMH Stallard aids First People Solutions with key acquisition

London and south east-based law firm DMH Stallard has aided First People Solutions Group, one of the UK's fastest growing recruitment consultancies, in its acquisition of Jobact Petrochem, a specialist oil and gas recruitment consultancy.

The deal, which is for a total consideration of up to £4 million was supported by Clydesdale Bank and will give the group an estimated turnover of more than £70m in the next financial year.

The rapidly growing, Glasgow-headquartered company moved for Jobact, which services the oil and gas industry, as well as power, rail and other heavy industry sectors, as part of its continued expansion into the English market.

Founded in 1999 by managing director and majority shareholder John Hailstone, the group has quickly established itself as a leader in its field with a recent



First People Solutions given aid in purchase of oil and gas recruitment consultancy

87% year-on-year growth. It also saw turnover rise from £1m in its first full year of trading, to a predicted £50m in 2006/07.

Hailstone said: "This is an important deal for the continued growth of First People Solutions

Group and DMH Stallards support throughout the deal has been second-to-none. The strength in depth that the firm offers is invaluable.

"As a client you are assured that because the highest standard

of legal support cascades throughout the team you will always get the best legal expertise whoever you speak to."

Vincent O'Brien, partner, headed the legal team at DMH Stallard and was supported by associates James Regan, a specialist in real estate; and Christine Gannon, an employment specialist. Solicitors Mandy Yin and Megan Hall, of the corporate commercial group, also played vital parts.

With more than 140 staff and offices in Glasgow, Edinburgh, Manchester and London, the purchase of Jobact is the second acquisition for the First People Solutions Group in two years.

In December 2005, the group acquired Surrey-based Tudor Recruitment as part of its continued expansion into the English market. The company plans to continue its expansion in England with further offices planned for Leeds.

## Ruskin Homes refinanced to enable share buyback

The Royal Bank of Scotland's (RBS) Gatwick corporate property team has enabled the Caterham-based property developer, Ruskin Homes, to complete a share buyback.

RBS also provided financial assistance to help Ruskin to successfully exit its equity participation arrangements.

Ruskin Homes is a high-quality residential developer operating in a wide geographic area around south and east London, Essex, Kent, Sussex and Surrey. The company was formed 15 years ago and has successfully carved a niche, producing modern high quality and individual developments of apartments and houses.

The existing management team completed a buyout from the former owners in June 2002, funded by third party equity participation. Mezzanine and revolving credit facilities were provided by RBS for ongoing land purchase

and development finance.

RBS had decided to exit its equity participator, and buy out an existing minority shareholding. So Ross McEwan, finance director of Ruskin Homes, approached RBS and other lenders to seek additional finance to support the share buybacks.

John Morley, RBS relationship director, was able to restructure and increase facilities to provide the finance required to complete the transaction, and provide additional capacity for existing and future property developments.

McEwan said: "We are very pleased that the RBS Property team will be supporting the next phase of Ruskin's development. The working relationship built up over the last five years meant RBS could offer a cost-effective solution while getting us that extra funding we needed to make this deal happen."

## £6.5m refinance package helps Concord Office Products to soar

Haywards Heath-based asset-based lender, Venture Structured Finance, has provided a £6.5 million refinance package for Concord Office Products, a manufacturer and distributor of office products.

The facility comprised a confidential invoice discounting facility, inventory finance as well as plant and machinery, cashflow and capital expenditure loans.

Concord is a brand leader for office products supplied to the filing sector, and its product range includes indexes and dividers, books and pads and files and folders.

Concord's customers include the major stationery wholesalers, Spicers and Kingfield Heath, and contract stationers such as Corporate Express, Lyreco and Office to Office. The company also manufactures a range of own label products for WH Smith, Rymans, and Sainsbury.

Concord Office Products chose to refinance with Venture in order

to purchase new and replacement manufacturing equipment.

The firm said its new streamlined production process will now allow Concord to compete with Asian and Eastern European competitors.

Concord currently employs 130 people and expansion into new markets, new product lines and the investment in new equipment should result in this number growing considerably over the next five years.

Kevin Allen, director at Concord Office Products, said: "Working with Venture is a very positive experience. At Venture we had just one dedicated business development manager and once we joined we were given just one portfolio manager to liaise with, which is great. This compares favourably to our previous provider where we had several people involved with the funding and several more people to report to every month."

**Easyjet has agreed to buy the entire issued share capital of GB Airways, excluding its slots at Heathrow Airport, from the Bland Group, for a cash consideration of £103.5 million.**

**Easyjet said that the acquisition strengthens its customer offering at Gatwick, which is the airline's biggest base.**

**GB Airways is primarily a Gat-**

## Easyjet to acquire GB Airways

**wick-based point-to-point airline operating to destinations across southern Europe and north Africa under a franchise agreement with British Airways.**

**It serves 31 destinations and operates 15 Airbus aircraft (nine A320s and six A321s) with an average age of 4.1**

**years, which are complementary to the easyjet fleet of 107 A319s.**

**In total it operates 39 routes: 28 from Gatwick, six from Manchester, and five from Heathrow.**

**For easyjet, the deal adds valuable take-off and land-**

**ing slots at Gatwick and the opportunity to accelerate its route development. Following the acquisition, easyjet will operate 24% of Gatwick's slots and will fly approximately eight million passengers across 62 routes from Gatwick.**

**The transaction is expected to complete no later than January 31, 2008.**



# Record year but has the music died?

**2007 will go down as a record year for corporate finance, especially in the mid-market, but it will also be remembered for the global credit crunch and when becoming an entrepreneur in the UK became less attractive, writes Richard Willsher of *The Business Magazine***

By the end of the third quarter the value of mergers and acquisitions deals announced globally amounted to US\$3.87 trillion (£1.89 trillion) according to researchers Dealogic. That was almost as much as the \$3.91 trillion announced in 2006, itself a record year. However in the third quarter itself deal volume plummeted 41% as compared to Q2. September's volume was the lowest for any month for two years. The credit crunch had begun to bite.

Save for the current £73 billion BHP Billiton bid for Rio Tinto, which, if it is finalised, will be the largest ever M&A deal in history, mega deals, especially private equity ones, have suddenly become scarce. Globally Dealogic's research shows that globally buyouts of over \$500m have almost vanished since August. In the UK, Nottingham University's Centre for Management Buy-Out Research announced in early October that by then 2007 was already a record year for buyouts with deals totalling £38.5 billion completed. Yet the CMBOR added: "The correction in the credit markets in the third quarter and the likely knock-on effects could see buyout activity in the fourth quarter being significantly depressed, as debt availability for larger deals dries up..."

But this is by no means the full story across the market as a whole. Ian Barton, who leads the corporate finance work of Deloitte and Touche LLP in the Thames Valley, said that while the banks are a little more sensitive about lending this is not impeding deals in the mid-market. Barton, whose team this year won *The Business Magazine's* Corporate Finance Team of the Year award added: "Looking at the pipeline that we have, I would say that we've never been busier. This is a reflection of the fact that there are plenty of deals about and plenty of appetite in the market. It is less certain how 2008 in total may turn out but whilst there are transactions, confidence remains quite buoyant. This could carry the mid-market corporate finance

Bank of Scotland's Philip Fulton. BOS lends mostly to businesses with turnover in the £5million to £100 million range. "We are lending to help our customers to grow. They have not really been affected by the so-called credit crunch, so we have not felt any negative impact." He added that he is looking to recruit more

"I know entrepreneurs who have started talking about emigrating they are so upset by this. It not only discourages entrepreneurs from investing but also discourages them from investing in the UK... This is having a bigger effect on our business at the moment than the credit crunch."

At Poole, Dorset, corporate finance boutique Shield, CEO David Young is encouraging people thinking of selling their business to crack on and do it right away. Given the lead time required to sell a business, he is saying that it will require swift action if vendors are to do their deal by the April deadline and avoid the 80% CGT hike.

Rory Kindlon, director of Nortons Corporate Finance, the Reading-based technology media and telecoms sector specialist said that he is working on two new deals that have come about because the owners want to sell their businesses before next April. "On its own, avoiding tax is not a sound reason to sell your business, but if you've been considering selling for some time it makes sense to do your deal before there is extra tax to pay... For investors thinking about buying into a business it is putting downward pressure on the entry price because they need to feel that the extra 8% of CGT that's going to be payable will be covered when they exit. It all comes down to price and return."

One area of funding that is continuing to go from strength to strength oblivious of the credit crunch or the impending tax changes is factoring and invoice discounting. Whether it's providing funding for growth, or accelerating cashflow for more needy businesses, it's an area that thrives on the ups and downs of the business environment. Steve Nether-ton commercial director of Euro-factor whose business spans the whole of the south east of England says that the robust level of enquiries that he has been seeing all year is continuing as strongly as ever. He adds that while banks could be lowering their risk appetite he is looking ahead to a good level of growth in his business over the next few months.

All in all then, while finance for major corporate deals globally and locally has definitely hit the buffers, the mid-market is still thriving. This is despite what many corporate finance advisers regard as the chancellor's galling efforts to dissuade entrepreneurs from investing and onerously taxing their reward for the risks they've taken.



community through the perhaps more testing period that everyone's predicting."

At HW Corporate Finance Charles Whelan is pretty upbeat. "We are completing deals. New deals are still coming through. We're pretty busy. The pipeline for the next few months looks a little thinner I would say. Where deals are big enough that the banks supporting them need to syndicate their lending among other banks there are some issues. Where the banks don't need to syndicate, there are good quality assets about and the banks are in business to lend money and that's what they are doing."

This view is supported by

people to join his team and is aiming to increase BOS' market share over the next few months. "We are currently budgeting for the period 2008/9 and we are confident about what we can do. Looking at interest rates, the economy and the stable political environment I see no reason why the growth that we've seen in our business in 2007 shouldn't continue."

There is a fly in the corporate finance ointment however, and across the market those involved in doing deals are howling with indignation. "It's ridiculous. It's a joke," said Whelan of the chancellor's pre-Budget report proposal to abolish capital gains tax taper relief from next April.

# South east mid-market remains open for business

*Against the backdrop of a turbulent global economy the south east mid-market has remained active, providing further evidence of a split UK market – the mid and mega markets – which is remarkably disconnected, says Jonathan Harrison of PricewaterhouseCoopers. This robustness looks set to continue, catalysed by the Government's proposed removal of taper relief, causing many shareholders to review their options before the April 2008 deadline*

## The debt market

No report covering the M&A market and deal activity would be complete without a comment on the state of play of the debt market. It has been widely reported that the worldwide economy has been dramatically rocked in recent months. What started as a problem with US sub-prime mortgages soon spread, via the intricacies of the world's financial system, into a global problem causing credit markets to tighten.

The presence of complex products such as collateralised debt obligations and credit derivatives had allowed for the carving up and re-distribution of the sub-prime loans and associated risk throughout the world. With concerns about just where some of these losses sat, inter-bank lending effectively dried up.

The ensuing credit squeeze has impacted the market for new large cap transactions. But there is every indication that in the mid-market it is business as usual. Transactions are being structured on a club or "joint lead arranger" basis, eliminating the need for syndication. There has been some debt re-pricing, back to levels of around 18 months ago, but this is generally greeted as a return to normality. It is even possible that competition in the mid-market may increase as the players in the M&A market busy themselves with smaller deals that their bankers are more comfortable underwriting. This has meant that both trade buyers and also private equity investors have remained very much active.

## Regional activity

The south east region has seen a number of high profile transactions in the last few months which is consistent with the view that the region remains open for business from an M&A perspective.

In September, Advent International agreed a £524 million recommended cash offer for Wimbledon listed Domestic

and General Group, a provider of warranty cover for domestic appliances. Although Advent funded £140m with its own cash, a higher proportion of equity than is typical of leveraged buyouts, they were still able to borrow the remaining £384m from Dresdner Kleinwort, proving that it is still possible to complete high-profile transactions in the current debt market.

*'The volume and mix of deals completed illustrate the continuing strength of the south east middle market ... and there is every indication that this trend will continue'*

Also in September, Towergate Partnership, the Kent-based insurance business, together with the management of Open International, acquired Open International (formerly Misys General Insurance) for a total consideration of £276m. Towergate was able to raise debt from HBOS to fund the acquisition, which provided an exit for Montagu Private Equity.

Other notable deals in the region include the £150m institutional buyout of Kent-based GP2 Motorsport by CVC Partners; the £103m takeover of Gatwick-based GB Airways by Easyjet, which continues the trend of travel sector deals in the area; Kate's Cakes, the Sussex-based bakery firm that produces for the likes of Marks and Spencer being sold to CSM NV, a Netherlands-based food company, for £32.5m; and the institutional buyout of Kent-based engineering specialist, Beck & Pollitzer, by Hermes Private Equity for £55m, providing an exit for Bank of Scotland Integrated Finance.



Jonathan Harrison: 'There is every indication that in the mid-market it is business as usual'

At PricewaterhouseCoopers Corporate Finance we have also seen considerable activity in the region over the last few months. For example, we have recently advised the shareholders of Purley-based KCS Global Holdings, a provider of HR software and service solutions, on its sale to The Sage Group for £20m. We have also advised Epsom-based WS Atkins Plc on the divestment of its property consultancy, Lambert Smith Hampton. This deal represented the second property consultancy transaction that we have completed in a month and is reflective of increased M&A activity across the whole property consultancy space.

## Outlook

The volume and mix of deals completed in the south east region over the last few months illustrates the continuing strength of

the south east middle market. Our recent experience bears this out and there is every indication that this trend will continue, with a strong pipeline of deal activity evident. This has in part been fuelled by the acceleration of a number of transactions as clients have started to review their options following the announcement of reforms to the capital gains system due in April 2008. These controversial changes, still being contested, would see most shareholders forced to pay 18% capital gains tax when selling their businesses after April 2008, compared to the 10% rate currently available after taper relief for the sale of qualifying shares.

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PRICEWATERHOUSECOOPERS 



# Buying growth is trickier than it looks



Alan Davis, director, specialist and acquisition finance, Clydesdale Bank

**Here's the choice:** gradual growth by expanding your product range, pushing sales and extending your geographic reach. Or a quick dash to achieve that dramatic step-change in company performance.

What's the best route? There's no single, straightforward answer said Davis, director of specialist and acquisition finance within Geoff Harrison's Gatwick team at Clydesdale Bank. Everything depends on your corporate strategy, he said, and for this owners and senior managers need to "step back to assess the company's medium- and long-term future – and agree on it".

And he warned: "It's wrong to assume that even senior management all share the same view of the future. Ask the managing director, finance director and operations director, where they see their company in five years, and you're quite likely to hear three separate, conflicting answers."

Only when a company knows where it wants to be strategically, in three to five years' time, can it begin to develop a tactical framework to reach that goal.

If acquisition is the chosen route to growth, there are many challenges. To find the right adviser, said Davis, consult a corporate finance specialist – "for many acquirers, this will be the first, perhaps the only time they do such a significant deal". Then, identify a suitable company to acquire, establish contact with the target and negotiate terms. Finally, put the right finance package in place and proceed to completion. And all of this must be done while continuing to manage your existing company.

What can make the difference between success and failure on the acquisition trail, said Davis, is your relationship with an understanding bank capable of offering integrated financial solutions to the many challenges you're likely to encounter.

*Expanding by acquisition can be a dramatic shortcut – more exciting than the gradual grind of organic growth. But it's more complex to manage. Alan Davis at Clydesdale Bank explains how to avoid the pitfalls*

There are a number of important issues when the bank considers a financing proposal: does the management team have a strong, unified vision? Are earnings robust and sustainable? Will the acquisition be financed with debt multiples of three or four times earnings rather than the much larger multiples seen at the top end of the market?

"We ask a series of key questions," said Davis. "Where does the income come from? How sustainable is it? How does it compare with the company's peer group? Where's the market going? What are the strengths and weaknesses of the management team? Why are the owners selling? How can we mitigate the threat of departure of key personnel?"

The bank carries out diligence on four fronts – legal, financial, commercial and management – making a judgement, too, on the company's track record. It will ask peers for their opinion and take up references. Once the bank feels comfortable with the proposed acquisition, it will make a credit application. It's important to note that all acquisition finance terms are credit approved, providing the company can fill any knowledge gaps that have been identified.

The success of any acquisition is closely tied to the speed, efficiency and quality of post-deal integration. This is greatly enhanced by thorough, detailed and informed pre-acquisition planning, coupled with experienced implementation.

Most failures in this area are not due to flawed acquisition strategies, but too poorly thought out, or incompletely executed integration plans. And the longer an integration takes, the greater the risk of failure.

There are 12 ways to boost the chances of a successful integration.

1. Don't underestimate the significance of undertaking detailed postmerger planning – before completing the deal. In the excitement of the chase, it's often tempting to push to one side the less glamorous aspects of making an acquisition work. Early planning, clear communication and the effective use of due diligence will ensure that the correct mechanisms are

in place to ease the burden of post-deal integration.

2. Don't fall into the trap of being short-sighted when planning or implementing a merger or acquisition. Key players in a company often feel they've ticked all their boxes – the acquisition is a perfect strategic fit with significant overlaps in suppliers and services, for example. So, plan for the unexpected and prepare detailed forecasting models. These are essential to the longevity of any organisation.

3. Be aware of the many common postmerger challenges. These can be mitigated with careful planning. Management may not have detailed awareness of the target's operating performance and the integration of new systems is likely to prove troublesome and uncoordinated.

4. Plan early. It's never too early to start. Detailed post-merger integration planning should be carried out as far as possible before completion to avoid overlooking crucial details – or missing opportunities.

5. Determine the style of integration you want to adopt from day one – top-down, bottom-up, or a mix. Each style has its upsides and downsides: speed of delivery compared with sustainability, for example.

6. Do your homework. One of the first and most important pre-merger investigations is operational due diligence to identify and address potential problems when integrating the two companies.

7. Look at both sides of the coin. Synergies need to be considered holistically. Management teams need to identify not only cost-reduction opportunities, but also revenue-increasing opportunities. The latter are perceived by staff as optimistic growth signals, with positive implications for staff morale. Synergy opportunities overlooked in the early stages will prove significantly more difficult to realise later down the post-merger track.

8. Build up trust. Focusing on the financial benefits of a merger and on financial due diligence



Geoff Harrison, managing partner at Clydesdale Bank in Crawley

is understandable, but before the consolidation of offices it's wise to encourage an environment of trust within the target organisation.

9. Communicate, communicate, communicate. This is perhaps the most vital component in a successful integration strategy – continuous, targeted and precise communication to all stakeholders, at each stage of the process.

10. Use your time wisely. Increasingly, companies face delays to transactions for a number of reasons. The most successful businesses are those that invest this time well and plan their integration strategy during these quieter periods.

11. Don't panic. Companies which find themselves in a chaotic situation post-merger should be reassured that it's not too late to evaluate what has gone wrong. The most important point to remember if you are experiencing problems is to work in partnership with your new organisation.

12. Look to the future. It's essential for any newly-merged company – whatever services it has to assist short- and longer-term integration – to establish a process which monitors the operational performance of the acquired business and track the progress of the integration programme. More planning and less action, combined with clear channels of communication – that's the smart way to prepare for a merger.

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# Risk aversion in the currency markets

*Eliminating FX exposure is nigh on impossible so effective risk management techniques are essential, says FX advisory consultant Marc Cogliatti*

The latter stages of 2007 have seen increased volatility in the financial markets reminiscent of the conditions seen in 1998. It was back then that Russia defaulted on local government bonds and the subsequent collapse of the hedge fund Long Term Capital Management resulted in wild swings in the currency markets ultimately causing the US dollar to tumble. This time round, the cause has been a weakening of the US housing sector and the well publicised problems in the sub-prime mortgage market. With most of the debt sold on by the lending banks, investment houses have found themselves in the situation where they are unable to re-value their assets.

The news has led to mass risk aversion in the financial markets most notably in global equity markets but also in the currency markets. What we mean by "risk aversion" is that investors who have

positions in the market decide to close these positions in order to neutralise their risk and instead look towards safe havens such as government bonds to shelter their money. It is this risk aversion that has caused the unwinding of the carry trade (where an investor borrows in a low yielding currency e.g. Japanese Yen in order to benefit from increased yield elsewhere e.g. New Zealand) resulting in exaggerated movement in most currency crosses. For example NZD/JPY fell almost 25% from 97.81 to 74.21 in April this year.

Whilst this is the most extreme of examples, there were similar falls for GBP/JPY which many UK corporates will have exposure to. Of greater interest to most UK corporates is the performance of Sterling against the US dollar. UK importers have had the luxury of seeing Sterling as the dominant force over the US currency in recent years posting

a twenty six year high of 2.1160 on November 9, 2007. However, recent widespread risk aversion has resulted in the US dollar strengthening against both sterling and the euro as speculators look to unwind 'short' dollar positions. This resulted in GBP/USD retracing all the way back to a low of 2.0350 on November 16, 2007 representing a 3.8% move in just seven days.

So, what does this mean for UK corporates? Foreign exchange is a by-product of any UK importer or exporter's business that can be managed. Rarely will any corporate, especially in the SME market, find a perfect hedge for their currency exposure, so fluctuating exchange rates will ultimately have an impact on a company's bottom-line. Eliminating FX exposure is nigh on impossible so effective risk management techniques are essential. A simple FX policy is often the first point of call. It



encourages a disciplined approach to treasury risk management helping to reduce the emotions of fear and greed which may otherwise influence a company's decisions. Once a policy is in place with parameters that suit the individual business, a corporate can look to covering their foreign exchange exposure in the market and this is when timing becomes key.

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INTELLIGENT FINANCIAL SERVICES

## The new single CGT rate

*The chancellor's pre-Budget report included a surprise proposal to introduce a new single Capital Gains Tax rate of 18%. Simon Keeble asks what impact this will have on M&A activity on both established and emerging sectors?*

In an increasingly competitive commercial environment, businesses are having to constantly evolve to meet the demands associated with new developments in the international and UK economies. One way to drive down costs and increase margins is to outsource non-core activities, allowing businesses to play to their strengths. The fact is that as operations increase in their technical complexity, organisations look to specialist companies to take on the burden of compliance and regulation.

M&A activity and investment from private equity backers has become rife in the financial services, retail – and even the facilities management sector.

Management teams together with their investors have sought to grow their businesses either organically or through bolt-on acquisitions and ultimately realise their own investment through a sale to another investor or trade acquirer. The substantial gains that could be

made from such a strategy are treated as capital rather than income and the favourable UK tax environment means that their gains would be only taxed at 10%. This is now set to change.

It had been mooted for a while that the chancellor was looking to reduce the benefit private equity investors gain from this tax regime but it was a surprise that the chancellor proposed an increase in capital gains tax ("CGT") to 18% from April 6, 2008, applicable to all.

### Current tax position on sale

Generally, under the current tax rules CGT is payable on gains made from the sale of shares in a business. The amount of the gain liable to tax is determined by the increase in value of the shares during the seller's period of ownership. The standard rate of CGT is 40% (for higher rate tax payers) but is reduced by taper relief to as low as 10% depending on how long the shares were owned prior to sale and other conditions are satisfied.

### The new proposal

Under the new rules announced by the Chancellor in the pre-Budget report, capital gains on disposals made on or after April 6, 2008, will be liable to be taxed at a new flat rate of 18% and taper relief and indexation will not be available. This means that for the majority of individuals selling their business, the reforms will significantly increase CGT costs, in some cases nearly doubling.

### Timing

There is now less than six months remaining to exploit the benefits of taper relief and the potentially lower tax charges on gains. To avoid the new regime, a sale must be completed or made unconditional on or before April 5, 2008.

### Act now

Those thinking about the sale of their business should strongly consider the potential additional CGT liability of not completing in this tax year.

Typical sale processes can take between three to six months, therefore potential sellers who are at the very early stages of considering a sale should take action immediately by instructing advisers and corporate financiers to assist in the identification of a buyer and the key terms.

The additional tax charge could be exploited as a negotiating tactic by buyers. Therefore planning completion on April 5, 2008, could be costly in a number of aspects.



Simon Keeble

There is a limited window of opportunity to exploit the currently favourable tax regime but this leaves little time in the disposal process for typical grooming issues to make sure the business is prepared for the scrutiny of a potential acquirer. Those businesses with good controls and systems are best positioned to act now.

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**BDO**  
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# A more challenging year ahead

*The latest projections published by the IMF suggest that the world economy will come through the current turmoil in the banking and credit markets relatively unscathed, says Adam Chester of Bank of Scotland Corporate's Treasury Division*

The international monetary body expects global GDP growth in 2008 to be 4.8% – just a shade below the 5.2% forecast for this year. With the liquidity squeeze, however, now into its third month, and showing no clear signs of abating, the prospects for world growth are steadily weakening.

The UK is not immune to this. Earlier hopes that the liquidity squeeze would quickly subside have proved overly optimistic. Rather than drawing a line under the problems, recent disclosures by a number of large US banks have only served to heighten the sense of unease about (i) just how large the losses suffered in the credit markets really are; and (ii) where these losses reside.

As a result, funding conditions in the banking system remain tight. In the United Kingdom, three-month

Libor – the benchmark rate at which banks borrow unsecured funds from each other in the interbank market – remains around 50bp above the prevailing UK Bank Rate. Libor spreads in the US and Eurozone interbank markets remain similarly elevated. In previous years, spreads in all three have typically averaged around 10-15bp.

#### Pricing and provision of credit

The longer the liquidity squeeze continues, the greater the risk it will have real economic consequences. Both the pricing and provision of credit to the private sector are likely to be affected, as those banks facing funding difficulties pass on the increased funding costs and become more selective to whom they lend. Already, there are signs that some banks are tightening their lending criteria, although the full effects are



Adam Chester

unlikely to be apparent until next year.

Unlike in previous cycles, the scope for western central banks to cut interest rates to alleviate an economic slowdown is limited by two concerns: (i) the current build-up of global inflation pressures, and (ii) their desire to limit moral hazard.

#### Inflation risk

The inflation risk is clear. Commodity prices (notably food and energy) are at, or close to, record highs. Furthermore, the deflationary impetus provided by China and the tech-

nological advances of the past decade have now started to ebb, as the windfall gains from globalisation and technology have largely been spent.

With the inflation environment less benign, central banks no longer have the scope to reflate their economies, as many did in the wake of the equity market crash in 2000. Furthermore, even if inflation pressures were more quiescent, it is doubtful central banks would wish to cut interest rates sharply, as the policy stimulus earlier this decade has been partly blamed for the surge in risk-taking that subsequently ensued.

Still, faced with the prospect of a marked slowdown in consumer demand, interest rates in the UK are expected to fall to 5% in 2008. The first cut is likely over the next few months. By historic standards, however, this would represent a remarkably restrained easing cycle – just 75bp from peak to trough – reflecting the more challenging conditions the UK now faces in terms of both growth and inflation.

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Ian Buss

These days businesses need all the support they can get in a tough and increasingly complex trading environment, and it's crucial that banks consider every opportunity to help their customers thrive and grow.

One such opportunity is effective money management – a key element in any successful business strategy. All businesses naturally want to maximise both interest earnings and operational flexibility, but many fail to fully appreciate that deposits can be a vital business asset and play a significant role in business growth.

An effective deposit helps a business to generate additional income in the way of interest. Businesses with cash sitting in the bank could be making more effective use of it by placing it in a high interest deposit account and drawing on the expertise of a team like Bank of Scotland Corporate.

## Think differently for a better rate of growth

*Finding the right corporate banking partner for your surplus cash deposits is not the most obvious route to business growth. But, as Ian Buss, area director with Bank of Scotland Corporate explains, it's one that businesses should not overlook*

In fact, this can be of real benefit to businesses operating in sectors where margins are being eroded and prices driven down; generating income via an effective deposit strategy can help offset this pressure.

Bank of Scotland Corporate provides deposit accounts and expertise to a range of business sectors that includes: corporate customers; IFAs; insolvency practitioners; specialist customers such as charities, universities and colleges, public bodies, trusts and pension funds; as well as holders of client funds, for example solicitors, stockbrokers and property agents.

#### Switching is simple

Businesses don't have to change their day-to-day banking arrangements to make the most of our deposit services. A Bank of Scotland Corporate deposit account would simply sit alongside existing facilities. In the

current economic climate where companies are concerned about the security of their surplus funds, more and more are choosing Bank of Scotland Corporate. This may be due to our excellent credit rating combined with highly competitive interest rates. In fact, Bank of Scotland Corporate has been consistently beating the standard printed business deposit rates of Barclays, Royal Bank of Scotland, HSBC, Lloyds TSB, and NatWest since October 2003\*.

The Bank's deposit accounts are designed to offer wider choices and crucially better returns. Bank of Scotland has developed accounts to suit a diverse range of business needs whether it's instant access, fixed term, aggregated or guaranteed in sterling or currency. If there's not an account that's right for you then we'll do our best to find a solution or invent one.



Ross Jordan

Flexibility extends to the customer relationship too. We provide access that allows customers to choose how they would like to manage their banking relationship, whether it's face to face or via secure access over the phone or online.

It all comes down to being flexible enough to take a true partnership approach and really support businesses – not simply provide them with products.

\* As printed in *Business Moneyfacts* Monthly Magazine

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# Young and experienced – law in corporate and commercial finance

The department's corporate specialists have a broad base of expertise that covers public company work, share transactions and investor shareholder agreements, reconstructions and joint ventures, management buyouts (MBOs), banking work and corporate reorganisations.

Alex Young is a senior assistant in the corporate team, and has been with Mundays for three years advising on acquisitions and disposals of private companies and businesses, and shareholder arrangements.

Young has 10 years of post-qualification experience and, typical of Munday's lawyers, has City experience.

Young took some time off before joining Mundays, during which he travelled around South America, Australasia and south east Asia, which is also indicative of the life experience that Munday's lawyers tend to have.

In terms of recent developments, Young believes that the Companies Act 2006 ("the Act") as well as the changes in business taper relief are particularly important for corporate clients to consider.

In particular, in respect of the Act, he adds that the dedicated company secretarial department has had queries on the new provisions relating to electronic communications with shareholders.

Young said: "Directors' duties have also been codified and it is important for them to note the specific duty to promote the success of a company for the benefit of its members as a whole. This means that directors need to take care in considering relevant matters at board level, but also ensuring that managers report to them fully on the pros and cons of particular projects."

"We have been involved in advising directors, but this has wide reaching implications in terms of all transactions which companies carry out and we need to ensure that directors do not merely pay 'lip service' to their duties but fully comply with the new provisions of the Act, which they might not otherwise be aware of."

Young added that there have also been quite a number of changes with regard to annual general meetings and written resolutions of shareholders – whilst these are aimed at simplifying procedures, it is essential that directors and company secretaries are fully advised on the new procedures and when they come into force.

Within the firm, we work closely with our property and employment teams. In addition, the firm's

*Over the past 25 years, Cobham-based law firm Munday's has developed substantial expertise in the corporate and commercial fields, and now has 15 fee earners in the expanding corporate and commercial department*



*Alex Young: 'The Companies Act 2006 and the changes in business taper relief are particularly important for corporate clients'*

in-house franchising expert, Nicola Broadhurst, who is a partner and member of the commercial team, also works regularly with the corporate team on sales and purchases of franchise businesses such as by Myhome Services plc.

As one of the senior assistants in the corporate team, Young has also been involved with a number of shareholder arrangements this year, and is working more with venture capital trusts (VCTs) with corporate partner, Mark Andrew.

"Acting for VCTs is interesting because their transactions tend to be all encompassing. You would be dealing with the acquisition side, perhaps an MBO, or MBI, and there are also the shareholder arrangements which are quite complicated. There are always new challenges and issues."

Young recently worked with a VCT firm in the acquisition of a TV and media company, which

had a number of challenges based around regulatory approvals.

In other work, Young has been involved with a reorganisation for a communications and marketing group based in London; and has worked with residential developer Octagon. He has also dealt with a number of owner-managed businesses: local clients that required more expertise and tailored advice where they might be selling their family business and where tax planning is particularly important, working with local taxation specialists/accountants.

The recent changes on capital gains tax mean that the effective 10% tax rate on gains after taper relief has been taken into account will be withdrawn in April 2008. "We are already seeing potential sellers considering these issues and they will need to liaise with their tax advisers well in advance of the changes in the rules if they

are considering selling their businesses."

There have been a number of IT-related transactions recently, for example, a sale for a data migration company, and one deal that involved selling a business dealing with technology for online meetings. "Munday's expertise in IT and IP related matters really helped on delivering on these deals."

Munday's has built up its experience and expertise in the pharmaceuticals sector across the years, and Young regularly acts for Day Lewis, which is an independent pharmacy group, with multiple businesses, that acquires pharmacies.

"This year, we attended the pharmaceutical industry two-day show at Birmingham's NEC, which was useful in expanding our contacts nationally especially as there was only one other law firm present at the conference. Munday's is well recognised in the pharmaceutical industry," commented Young.

He added: "The corporate department also acts regularly for US clients who are looking at sales or acquisitions in the UK; which is where the experience of Mark Andrew, who is qualified in both England and the US, comes in useful."

As well as the challenging and interesting work, Young adds that it is the quality of life at Munday's that makes it all worthwhile. He is regularly involved in several of the firm's social and team-building initiatives, and these have included a charity wine tasting, and going to the rugby at Twickenham with clients.

"We have a great internal culture of mixing quite a lot, and going to local events. Munday's is involved with supporting local initiatives as diverse as attending concerts at the Yehudi Menuhin School, a school founded for musically gifted children; and sponsoring the region's local sports teams, Chelsea Football in the Community and Cobham Rugby Club."

Said Young: "The result of Munday's culture is that we work and play hard, and this ultimately benefits the clients."

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# Invoices – the new key to financial success

*Cashflow is the lifeblood of any business. But achieving stability can be a challenge in the face of endemic late payment, or worse, customer insolvency. However, there is a solution to this age-old problem in the form of invoice finance, writes Peter Ewen, managing director of Venture Finance*



Peter Ewen: 'Invoice finance has experienced massive growth in popularity'

Put simply, invoice finance allows a business to immediately access the value of its unpaid invoices, and can make the difference between a business that survives and one that thrives.

Thanks to the greater flexibility offered to the client by this form of funding – and the positive impact delivered to ongoing working capital reserves – invoice finance has experienced massive growth in popularity over the past decade.

There are two basic types of invoice finance:

- **Factoring:** Funds are advanced when an invoice is raised and the factor collects payment on behalf of the business
- **Invoice discounting:** Funds are advanced when an invoice is raised but the business retains control of collecting payment from their customers

Both are available with protection against bad debt. So, which option is most appropriate?

## Factoring

Factoring is particularly suited to owner-managed business, partnerships and limited companies that sell goods to other businesses. It helps to maintain a healthy sales ledger and minimises problems caused by late payment. By providing working capital between invoice and payment, factoring ensures the business is able to pay suppliers promptly, negotiate discounts, and ultimately aids business growth without the need to

negotiate additional funding limits. The factoring team becomes an extension of the company's accounting department, taking over responsibility for collecting invoice payments and the important associated administration of running the sales ledger.

For many businesses factoring is the right solution because improving cashflow ensures accurate forecasting. By receiving up to 90% of the value of each invoice as soon as it is raised – as can be offered by some independent invoice financiers – factoring allows management to focus on growing sales rather than collecting debt.

## Invoice discounting

Invoice discounting is very similar to factoring in that the financier advances an agreed proportion of the invoice value as soon as the invoice is raised. The main difference is that the business is responsible for collecting payment from customers rather than outsourcing this function to the financier. Invoice discounting can even be delivered on a confidential basis, so that customers need not know that the facility is even in place.

For some companies this is a better option than factoring because it allows the business to maintain the credit control function and retain customer relationships. Invoice discounting is better suited to businesses with an annual turnover of more than £500k but, just like factoring, it

is quick and easy to set up and flexible enough to grow with the organisation.

In essence invoice finance presents a simple and effective way to improve the cashflow situation of any business. Whether a company chooses factoring or invoice discounting, it is often the case that they will receive more money than traditional banks would provide. There is no need to re-negotiate terms or funding levels as the business' grows, businesses can use as much or as little as they choose, and the facility is tailored to the individual needs, unlike the traditional banking view of "one size fits all".

## Additional benefits

When using an invoice finance facility, there are various other services that can be "bolted-on" by some of the bigger financiers to provide even greater financial protection, stability or an injection of funds.

## Bad debt protection

Unpaid invoices can cause a real strain on a young, or expanding company – it can eat into profits and threaten financial security. Bad debt protection is important for young companies or those with low cash reserves. It shelters a business against the possibility that a customer will fail to pay due to insolvency and protects profits.

Factoring with bad debt protection provides value for money and peace of mind. With some providers 100% cover can be provided on credit approved customers. Bad debt protection can payout against both insolvency of a customer, or if invoices remain outstanding at 120 days past due date. Payment against an approved bad debt can be made available in as little as five days.

## Trade finance

When combined with factoring or invoice discounting, trade finance supports businesses when importing goods from overseas suppliers. It bridges the funding gap by financing up to 100% of import purchases without impacting cashflow. It also reduces the risk associated with paying overseas suppliers and not receiving delivery on time or even at all.

In simple terms, the importer asks the financier to raise a letter of credit, which contains all of the terms and conditions of the sale. This letter acts as a guarantee that

the financier will release payment to the overseas supplier at the agreed time. Once that is complete, the importer distributes the goods and invoices to its own customers, when the invoice finance facility comes into operation to repay the trade finance advanced.

Trade finance is particularly useful for companies without the means to pay for goods in advance or where suppliers request proof of ability to pay. It allows importing companies to maximise their growth potential and often, suppliers prioritise trade finance orders because financial certainty is given to both importers and exporters.

## Small Firms Loan Guarantee (SFLG)

The SFLG is a Government scheme administered through the department for Business, Enterprise and Regulatory Reform's (BERR) – formerly known as DTI.

The SFLG is specifically designed for young companies that need working capital but lack the business security or personal assets often required to underpin traditional bank loans. The scheme enables businesses to apply for £5,000 to £250,000, with the Government guaranteeing 75% of the loan.

Combining the SFLG with invoice finance can provide a valuable lump sum alongside ongoing cashflow support, enabling businesses to take advantage of growth opportunities as they arise.

## Choosing the right financier

As with choosing any business adviser, selecting the right financier is a big decision. It is vital to pick someone with the relevant expertise so they can truly understand the business and provide best practice advice.

Independent financiers are more likely to offer specialist facilities such as invoice finance, trade finance and even asset based lending. Independent providers tend to be less bureaucratic and more flexible than traditional banks. Each financial solution is tailored to the individual business' needs, supporting their immediate financial needs and evolving as those requirements change in the future.

The difference between traditional banks and independent financiers today is the level of customer service. Clients of independents are "named", rather than "account numbers" and there is a greater focus on understanding the business and the firm's financial stability. Dedicated teams enjoy more personal relationships and ensure solutions best suit the business' requirements.

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# Alternative ways of raising finance

*There are various sources of finance available for businesses outside the public markets, writes Danny Knapp, partner at Baker Tilly southern region corporate finance. The option taken can have a significant impact on the future development of the business*

Needless to say it is important to take the right route, and this often depends on a number of factors:

- The stage in the business' life cycle
- The sector it operates in
- The reason that outside funding is needed
- How profitable and cash generative the business is

Debt funding is often the first option considered and can be the cheapest and quickest method

of raising capital. Market conditions are favourable and banks are aggressively competing for good quality deals. However, for early stage companies it is often more difficult to secure bank debt alone. Lenders are reticent to lend unless there is another institution or investor taking substantial equity risk. Whilst a debt package is generally a cheaper option than equity funding, a business will need to demonstrate that it has strong cashflows and/or assets to secure against for it to be a viable solution.

If debt funding is not an option for your business then there are a number of other options available.

For early stage businesses, Angel investors or the government's newly launched Enterprise Capital Funds can be useful alternatives. Both these solutions are geared up for earlier stage businesses which are looking to raise up to £2m of equity.

For businesses that would be attractive to an AIM or Plus listing, private equity (PE) is the major alternative funding source to consider. However, business owners need to think carefully about which route they take as there are distinct differences in the way each is structured and impacts on your business.

Typically, in order to add value and make the business profitable, private equity funds will want to play an active role in the business - often by way of a non-executive position on the board. They will not get involved in the day-to-day operations but will want to work with management to drive the business' growth. Private equity firms are exit focused and in most cases they will want to exit the business in a three to five year time frame. In general, a PE firm will usually look to double its investment in this time frame and so to attract PE funding a business will need to show demonstrable and credible growth prospects. Private equity backers will also allow the business to grow away from the public glare. In this way management can make decisions for the long term good of the business, not the short term effect on the share price, a powerful proposition to a manager looking to drive the business forward.

What is the best path for your business? Talk to your financial adviser, they will assist you in your proposition, direct you to the source that is right for you and identify any shortfalls that may impact funders' interests. Finally,



Danny Knapp

explore your options and take time in choosing your path. The route you take should be tailored to suit the objectives and needs of you and your business.

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# Right time – right place

*High levels of business confidence mean that the timing is right for a surge in corporate finance deals in Gatwick and Crawley, explains Mark Medd, director and head of Corporate Markets and Corporate Finance for Lloyds TSB*

Business confidence in the south east is on a high following successive years of growth which have elevated the region to one of the world's best performing economies.

Although businesses in the area have posted some of the highest sales levels seen for many years, it hasn't been easy. In addition to the pressures caused by the current economic conditions, there are a number of well documented challenges for businesses operating in and around Gatwick: labour supply, the transport network, and competition from London, to name but a few. Firms have had to work hard – but their efforts have paid off.

***'I believe we will see a lot more corporate finance activity in the region during 2008 and it seems that many professionals share my view'***

Mid-market businesses in particular have seen strong growth, both organically and through acquisitions, and we've supported a variety of high-profile firms in the region during their expansion in 2007, ranging from pawnbrokers Albemarle & Bond to contract research organisation Premier Research Group.

We've responded to this growth in the market place by investing in our own business and developing a new Corporate Finance team. The team includes two experienced corpo-

rate finance directors – Andrew Waller and Andy Fish – who will work with Lloyds TSB's existing teams to provide regionally-based finance expertise focusing on management buyouts (MBOs), mergers and acquisitions and the restructuring of leveraged debt.

***'One of the main reasons why our region is such a hotbed of business activity is the willingness of firms to work together and introduce business to each other'***

Lloyds TSB has a great reputation nationally for corporate finance expertise but there has been a clear gap in the market for a dedicated team to support businesses at a regional level. At the start of the year we tested the waters by launching a team in the south west and Wales and following their success we can offer customers in the Gatwick region a similar service which we can tailor to meet our customers' specific needs.

***'The south east region is one of the world's best performing economies'***

I believe we will see a lot more corporate finance activity in the region during 2008 and it seems that many professionals share my view. When we launched our new



Mark Medd: *'Although MBOs can be an excellent solution for those concerned, there are obstacles'*

team at an event in Crawley last month, over thirty leading business professionals attended, and from their feedback, it was clear that now was exactly the right time for this kind of specialist team.

What was also clear from the event, and confirmed by our own experience, is that one of the main reasons why our region is such a hotbed of business activity is the willingness of firms to work together and introduce business to each other. The term "reciprocity" is a word I hear again and again at events across the region and we're very pleased to

play our part in the continued growth of the local economy. For companies working here, it's no great surprise that confidence remains high.

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## Making MBOs work

The Gatwick and Crawley region has proven itself to be a particularly good market for MBOs because of the high proportion of owner-managed businesses in the area.

MBOs are becoming an increasingly attractive exit route for shareholders because they can serve many purposes, allowing business founders to reap the rewards of their labour, safe in the knowledge that the people who helped make it a success will now have the chance to make money from the business. They can also enable larger businesses to sell off a "non core" subsidiary to its management.

The existing relationship between MBO teams and the departing shareholders often results in a degree of flexibility in the structure of the deal, with deferred consideration and "vendor roll over" often replacing the need for external equity funding com-

monly provided by private equity houses.

Although MBOs can be an excellent solution for those concerned, there are obstacles. For example, the current secondary management team who are looking to undertake the MBO need to have had the opportunity to prove to their bank or lender their capability to run the business. This requires owner managers, who are often heavily immersed in the day-to-day running of their business, to spend a year, or even two, pulling back from the operations of the business to more of an advisory role, allowing the second-tier management team to take the reins.

Finally, the most successful MBOs are those that are planned well in advance, so if you're thinking of selling your business, the sooner you talk to professionals, the better. For more information contact Lloyds TSB Corporate Markets.

# Banking on a positive environment

*With the increased levels of activity in the local marketplace and new business opportunities, Gatwick is a positive environment in which to conclude transactions*

The Royal Bank of Scotland's (RBS) corporate banking team supports customers that typically turnover more than £25 million per annum and have complex banking requirements.

Ian Bain, head of RBS' Gatwick Corporate Banking Division, and Andrew Clayton who heads the Corporate & Structured Finance team based in Gatwick, agree that: "Banking is about relationships and helping people realise their potential. Our local investment reflects this as we pride ourselves in being able to work closely with our customers to gain a real understanding of their business and its objectives and offer the right financial solution, working with our professional partners in the local community."

There is a continued appetite among businesses for growth either organically, or through avenues such as mergers and acquisitions - and because each business is different and each market sector has its own cycles and regulations, tailored finance facilities suited to individual situations are provided.

Local deals include: Scragg Hotels, whereby a package was put in place to support the acquisition of The Spa Hotel, Tunbridge Wells, Kent. Furthermore, the expansion strategy of the The Day Lewis Group was backed by a £37.8m funding package, to assist the acquisition of 31 pharmacies from Alliance Boots alongside the development of a new Croydon premises to continue the business's rapid growth.

Working as an integral part of The Thames Valley Corporate proposition, the local Corporate and Structured Finance (CSF) Team is dedicated to providing leveraged finance solutions to corporate businesses within the South East region. The team, led by Andrew Clayton, comprises dedicated professionals, and arranges and provides senior and mezzanine debt solutions primarily for clients seeking to undertake management buyouts (MBOs), acquisitions, or other leveraged lending propositions.

The local professional market, with stability at a senior level enhanced by more and more experienced people working in the

area is leading increasing numbers of private equity houses to use local teams for transactions across the UK. Within the banks there is also an ever increasing trend of qualified accountants joining corporate finance teams to broaden the skill base, which will become increasingly important as deal sizes rise in tandem with the size of the funds being raised by the private equity houses.

Andrew Clayton, commented: "We have enjoyed a productive year in the south east, continuing to work with both Private Equity houses and Corporates alike. Despite the well publicised changes in the market stemming from the 'credit crunch', appetite for good opportunities in the regional mid-market place remains strong. We are looking forward to 2008, and we believe the flow of quality transactions will continue."

In the past year, the team has provided packages for a number of customers including Hermes Private Equity's acquisition of Dartford based business Beck & Pollitzer, the leading European engineering services business, for £55m.

Michael Barry, chairman of Beck & Pollitzer, commented: "Our strong brand and market leadership position is an excellent platform on which to build our presence further in a very fragmented market. We look forward to continuing the development of a global business serving a wide range of multi-national blue-chip companies."

The Gatwick team has enjoyed a successful 2007, with business thriving in the region. The team is continually working with customers to realise business opportunities and to build on the success of the past year, as well as looking ahead to optimistic forecasts for 2008.

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## TAX TIPS.

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\*Accountancy Age, 2006.

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## R&D tax relief: carpe diem!

Companies should act now to claim the additional tax relief they are entitled to before it is lost.

### A brief history of the time limit

When R&D tax relief was introduced for Small & Medium Enterprises (SMEs) in April 2000 the time limit for making a claim was six years from the end of the accounting period. It was only if you were claiming a cash tax credit that the time limit was two years. This repayment option is only available to loss making SMEs and is still a two year time limit. In 2002, R&D tax relief was introduced for large companies, although it only gave relief at an additional 25% rather than the more generous 50% available under the SME scheme. The time limit for the large company claim was also six years from the end of the accounting period. For accounting periods beginning on or after January 1, 2005, a major change was introduced whereby relief could be claimed for the full qualifying expenditure when it was incurred, regardless of whether it was deferred or expensed, and at this stage the six-year time limit was unchanged. However, for accounting periods ending on or after March 31, 2006, companies will only have two years to make a claim for enhanced relief on qualifying expenditure, and for periods ending prior to March 31, 2006, there is a March 31, 2008 deadline to claim.

### How do I know if we qualify?

Qualifying R&D is characterised by work which breaks new ground, by making for example, an appreciable improvement to process, material, device, product or service which represents an increase in overall knowledge or capability in a field of science or technology. It could also qualify by duplicating the effect of an existing process, material, device, product or service but in a new or appreciably improved way.

### Important recent changes

The chancellor has announced his intention, subject to EU approval, to double the maximum staff threshold for SME companies so that more com-



Alison Conley

panies can qualify as SMEs. From April 1, 2008, additional tax relief for R&D expenditure will rise from 50% to 75% for SMEs (again subject to EU approval) and from 25% to 30% for large companies.

### What costs will qualify?

For direct R&D expenditure to qualify it must be shown that the expenditure is:

- Incurred on R&D directly undertaken by the company
- Incurred on staff costs, software and consumable/transformable items
- Not of a capital nature (although note that for accounting periods from January 1, 2005, the expenditure can be deferred in the accounts but must still be incurred on qualifying costs).

### Subcontractor costs

A large company will only be able to claim qualifying subcontractor costs in limited circumstances, where the subcontractor satisfies certain specific conditions.

An SME will be able to claim a proportion of its subcontractor costs, although it must own, or be able to own, the intellectual property resulting from the R&D.

SMEs that perform R&D work subcontracted to them by larger companies can qualify for a 'large company' claim in certain circumstances.

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## What a year it's been!

*As the year draws to a close for many businesses this is a time for reflection. What have we learnt from our experiences of the past 12 months and what can we take with us into 2008 to ensure we're that little bit more successful?*



The key feature of this year has been the sheer volatility across a broad range of markets – equities, bonds, commodities, precious metals, interest rates and foreign exchange. If you're looking for an root cause it can be summed up in a single word – uncertainty. This has been prompted by the sheer number of new trends emerging in the economy.

For the last five years, the world economy has enjoyed unprecedented success, due in large part to the strength of demand from the US. This buoyancy has resulted in higher global inflation and is the key reason why world interest rates pushed higher than expected in 2007. In the UK, rates reached 5.75% when many believed previous rate rises would be reversed.

Since the start of 2007, a spate of bad news emanating from the US housing market gave world markets a case of the jitters. This culminated in a bout of mid-summer madness when the meltdown in the US sub-prime mortgage market caused a breakdown on world money markets and the first run on a UK bank for 150 years.

In FX markets, we've seen prolonged US dollar weakness that has propelled the British pound to highs of over \$2.10 not seen for 26 years. In contrast, sterling has fallen against the euro in recent weeks as speculation mounts that UK rates have peaked.

Interest rates in the US have now started to come down, the trade deficit is shrinking and the economic data mostly continues to impress. These factors should be good news for the US dollar, but it continues to tumble. But for how much longer?

At the same time, the actual problem facing many Emerging Markets is that they might be expanding too quickly, not too slowly. This is placing pressure on those countries that maintain a currency link to the US dollar.

For the UK, the outlook for 2008 is equally opaque. The economy has held up well this year, however, it is more likely that in 2008 consumer spending will wane as household incomes come under more pressure.

Even if the economy does slow, higher inflation, for instance from petrol (oil at \$100 a barrel) and food prices, may not give the BOE much scope to cut interest rates. For importers and exporters, this uncertainty will mean the prospects for Sterling continue to be difficult to interpret.

If 2007 has taught us anything, it is the need for businesses to manage market risk. While foreign exchange rates and interest rates cannot be controlled, their impact can be easily managed.

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## Canada – being realistic

*Some may regard Canada as a captive market where the Queen is the head of state and where Britain has an inside track when it comes to selling goods and services, writes Richard Willsher of The Business Magazine*



Map of Canada

Let's look at some facts. Canada is the world's second largest country by total area, with a population of 33 million. Of these people, only 33% are of British origin, according to the Foreign and Commonwealth Office and 85% of them live within 180 miles of the US border. The messages are clear. Two thirds of the population have no supposed umbilical cord connecting them to "old country" and most Canadian live close to the USA, which dominates Canada's economy and trade relations. Moreover, if you're based in western Canada, you probably look east to Asia for your imports, rather than east to Europe.

Looking at bilateral trade, the balance is very much in Canada's favour, which is not altogether surprising given its vast natural resource base. Nonetheless according to UK Trade and Investment there are some real export opportunities in sectors such as oil and related products, automotive, energy and power, creative industries and media, aerospace among others. And especially in information technology and biotechnology where the UK is Canada's "second largest partner worldwide".

The fact that the UK has a mere 2% market share of Canada's imports speaks volumes about how competitive this market is. However the country's membership of the North American Free Trade Association (NAFTA) is both a threat and an opportunity. A

threat, because just as the biggest slice of the UK's trade is with the rest of EU, so Canada's predisposition is to trade with its NAFTA partners in the USA and Mexico. At the same time however, Canada, as a manufacturing base, can provide an entry to the NAFTA area with its total consumer base of close to 450 million people.

So don't expect an easy, preferential ride in Canada. You'll be up against the best that local, North American producers can make and competing with imports from the Far East. Don't forget that something like 10% of Canada's population are of Asian origin. Competitive products, competitively priced, is the name of the game.

That said, most of Canada uses the English common law as the basis for its legal system – except in Quebec where the basis is French law. This may make contractual agreements a little easier to draft. As one of the most technologically advanced countries on the planet, communications are likely to be swift and efficient. Payment behaviour will of course depend on whom you deal with, but getting credit references, obtaining credit insurance and using the banking system should be straightforward.

All in all it is important to be realistic about selling goods and services to Canadian customers. There are plenty of opportunities worth investigating but no free lunch for Brits.

<b>Total area</b>	<b>10 million sq. km.</b>
<b>Population (2007 estimate)</b>	<b>33.4 million</b>
<b>GDP – 2006</b>	<b>£700 billion</b>
<b>GDP per capita – 2006</b>	<b>£21,363</b>
<b>UK exports to Canada 2005</b>	<b>£4.8 billion</b>
<b>UK imports from Canada 2005</b>	<b>£5.2 billion</b>

Source: UK trade statistics / CIA World Factbook / the Foreign & Commonwealth Office

# All I want for Christmas is ... six white boomers



*With the festive season charging towards us once again and the consumer rush in full swing (do I hear groans...?) why not give yourself some time to sit back, relax and reflect on your business over the past 12 months and the day-to-day challenges and successes that have shaped this year for you and your organisation*

Whilst you are doing this, it's worth considering what those "little things" were that made the difference in gaining and keeping customers. Was it purely price or delivery, or was there more to it? These days in our eagerness to keep up with the frantic pace of life and business we sometimes overlook the importance of building and maintaining the personal relationships that help cement longer term associations. Nowhere is this more the case than in international trading, where developing long standing business relationships requires a sensitivity to the customs of the locality or country which forms a trading partner, and it can be a minefield for the uninitiated.

In Japan for example, it is considered rude to say "no" in business negotiations – this would cause a great deal of offence and result in loss of face, instead, an acceptable alternative would be: "This could be difficult".

Whilst one step further, in China, "no" does not exist in the language, but you could express concern by a sharp intake of breath which would be clearly understood. If trading in China, watch out for being applauded by members of a Chinese group or meeting – considered a handsome greeting – but don't forget to applaud back and return the

compliment. The meeting etiquette continues, with periods of silence considered normal and a need to invest significant amounts of time in meetings (10 days is not uncommon) to negotiate a deal. The giving of gifts of appropriate degrees is also the norm. Levels of seniority and rank are critical, with introductions and seating at meetings forming the initial protocols to set the scene for the discussions where agreements are (finally) made.

Almost in a different world, the Americans approach business in a more informal way, generally with a belief that "everyone is equal" and a directness in communications that is uncommon in many other countries. "No" means precisely that and negotiations can seem rushed with little or no prior small talk to "warm up" and any silences creating an uncomfortable atmosphere.

With Christmas coming up, hospitality is high on the list, with eating and drinking forming a central part of the celebrations. For those who enjoy a little indulgence, there is a need to beware of local drinking traditions when overseas and develop strategies to help stay on the straight and narrow in business dealings.

In Argentina, pouring wine is a complex ritual that you should always allow the host to undertake. In some countries, an empty glass is a loud shout for topping up (keep your glass at least half full) and in Russia, drinking is all or nothing - moderation is not understood, with the sharing of a bottle of vodka or cognac sealing a deal.

An anonymous director of a company recently completing a significant deal in China confided: "I had to invent a medical condition whereby my doctor had forbidden me from drinking, otherwise my hosts would have considered me very rude and we would not have concluded our business negotiations successfully".

These cultural differences may seem minor, but great offence can be taken if they are not observed and business relationships can be easily soured through a careless gesture or lack of knowledge.



*Practising the nuances of business behaviour in Dubai*

However, help is at hand if you are planning on trading overseas and need to understand about the nuances of social and business behaviours before you go. UK Trade & Investment (UKTI) has experts around the globe and has built up a vast knowledge of tips to pass on to UK businesses, through local advisers, which will help them get trading off to a flying start.

UKTI offers a network of overseas representatives based in embassies, consulates and high commissions around the world, who not only have first-hand local knowledge of both cultural nuances and trading situations, but also can provide access to contacts that would take years to develop and information that would cost thousands of pounds.

The first line of communication is crucial when working overseas, and ensuring written and web-based materials are pitched correctly and are useful for overseas customers is the aim of the Export Communications Review (ECR), jointly provided by the British Chambers (BCC) and UKTI. An accredited consultant is assigned to each company and will work with the company owners and team to review all communications materials. This includes a face-to-face meeting and will result in a full report that identifies strengths and areas for development, including recommendations for change. ECR also considers handling of enquiries to ensure potential overseas customers are made to feel welcome and respected.

Another possible route for guidance are courses in cultural etiquette jointly run by UKTI and BCC which take place in a range of locations across the region; and the Export Marketing Research Scheme (EMRS) which helps UK companies undertake overseas marketing research prior to developing a strategy for market entry or further investment in an over-

seas market. Experts advise on the design and content of research briefs and overview the purpose to ensure aspects covered are those most likely to benefit the company in making sound decisions in international trade.

Ultimately the advice is to make sure you have the right cultural knowledge for the country you are visiting and trading with, or "know before you go".

On this note, with reflections of the year gone by and thoughts for doing more business in 2008 you might still be wondering what six white boomers are?

Well, down under, where BBQs are de rigeur for Christmas day, Santa is said to shun the use of Rudolph and his reindeer friends and instead to harness up six big white kangaroos (Boomers) to pull his sleigh.

**Details:**  
**0845-7354555**  
**[info@uktisoutheast.com](mailto:info@uktisoutheast.com)**  
**[www.uktisoutheast.com](http://www.uktisoutheast.com)**



*Christmas lights by night*

**Diary Dates**  
**UKTI South East**  
 Jan/Feb 08

**16 Jan - Important changes for Importers and Exporters**, Reading, Berkshire

**5 Feb - Market Visit to Sweden**, Stockholm, Sweden

**11 Feb - Understanding IPR in International Partnerships**, Oxford, Oxfordshire

**20 Feb - Selecting and Managing Agents & Distributors**, Portsmouth, Hampshire

**Contact:**  
**UK Trade & Investment**  
**08454-586400**  
**[events@uktisoutheast.com](mailto:events@uktisoutheast.com)**



# Guildford – host to two thirds of the UK’s top global companies



Guildford town is home to 35 of the top 53 global companies, a world-class university, and several business parks, including the renowned Surrey Research Park. More than a quarter of firms based at the Surrey Research Park, situated on the outskirts of Guildford, operate globally.

This includes Surrey Satellite Technology, a successful and experienced small satellite supplier. Another example is American giant games company Electronic Arts, which is busy setting up its European base in Guildford.

Dr Malcolm Parry, director of Surrey Research Park, commented: “We are seeing an increasing number of exciting international companies choosing Guildford as a base. Few locations in the UK can offer the economic, strategic and lifestyle advantages found here in Guildford.”

Hatton Marketing is a web design and marketing agency, also based in the Surrey Research Park. Clare Salter from Hatton Marketing said: “Location-wise, Guildford is a great place for businesses to lay their hat. Guildford has plenty of serviced offices to offer with their own parking located just outside the town centre.

“A definite plus for Guildford is its close proximity to London: jump on the train and half an hour later you are at Waterloo. It is also

***With easy access to London, a strong local economy and an attractive working and living environment, Guildford in Surrey has drawn many international businesses whilst prospering its local firms, writes Arif Mohamed of The Business Magazine***

an incredibly attractive town with its architecture, castle and cobbled high street that is home to a great range of both chain and one off boutique stores, restaurants, bars and cafes.

“An attractive town attracts young professionals, so there is a talented work pool out there. However, the creative person tends to commute into London, so finding the creative talent that we require at Hatton Marketing, like web designers for instance, can be tricky, though not impossible. More and more people are moving out to the Surrey Hills after having ‘their time’ in the big smoke,” said Salter.

PKF, one of the UK’s leading firms of accountants and business advisers, has had an office in Guildford for over 20 years. The firm employs 120 people in its offices in Park Street.

Michael Bridge, senior partner at PKF Guildford, commented: “Guildford is one of the leading business centres in the south east

due to its delightful location, its vast array of professional services expertise and its excellent road, rail and air communications. It is attractive to talented people wanting a challenging and rewarding career without the daily commute.”

He added: “PKF Guildford supports the local community through a number of sponsorship initiatives, including: The Guildford Spring Music Festival; The Surrey Care Trust; Guildford in Bloom and The Guildford Lions. We take pride in our active corporate social responsibility programme and in our continuing involvement with the wider Guildford community generally.”

Kate Craig-Wood, managing director of a Guildford-based web hosting company, Memset, said: “Guildford is a lovely place to work and my staff would definitely rather be here than in London. I have attracted some ex-London commuters as staff, thanks to the improved quality of life. Being

close to London is also an advantage in terms of doing business with London-based firms, especially with the excellent 40-minute train link to Waterloo.”

She added: “Guildford also seems to be quite a hotbed of entrepreneurial activity, especially focussed around the university and the Surrey Research Park. Being surrounded by other small, innovative, fast-growth companies is definitely a benefit.”

But Craig-Wood admitted that Guildford does have some drawbacks: “Traffic, parking and poor road quality in and around Guildford is a persistent irritation for me and my employees. Those of us who cycle, for example, don’t dare do so during rush hour because the combination of dense traffic, pothole-laden roads and cars parked on the streets makes it rather dangerous. Also, there is a shortage of affordable housing for those staff. They cannot afford to buy in Guildford, which means they have to travel, which reduces their quality of life and worsens Guildford’s traffic problems.”

Parking problems are also cited by office support recruiter, la crème. Kelly Hayman, manager of the Guildford la crème office, said: “For us in the recruitment industry, the biggest issue in Guildford seems to be parking. There is a distinct lack of it and the public

car parks that are available are very expensive. Few businesses have their own parking facilities and it is often a real challenge to find candidates positions without coming across this problem."

But she added: "Guildford is a town with extremely high skills sets – everyone is of a really high calibre. There are also many business opportunities in the area as so many other places are easily accessible from it, with the M25 and M3 so nearby."

Ying Tan, managing director of The Buy to Let Business, said that Guildford's property scene was strong. "We had a record month in September, and a good month this November, but 'buy-to-let' is very counter-cyclical: investors go forward when first-time buyers don't get the properties. The lenders are tightening their criteria but the professional landlord are benefiting," said Tan.

"We expect to see continued growth for our business in 2008, and are hoping to increase the workforce by 50%," he added.

The firm is based in a Regus office in a Surrey business park because it is expanding so fast. It has grown in 18 months from two directors to over 30 staff. The mortgage brokers are ex-Goldman Sachs and the firm now has a large residential and commercial portfolio.

"We consciously chose to move to Guildford, as we'd been working in the city for many years. We wanted the Guildford address and also to attract high calibre staff. We have recruited university graduates and people find Guildford a desirable place to live," concluded Tan.

Peter Kandalaf, showroom manager at luxury kitchen retailer Poggenpohl, notes the number of new businesses and business developments in the town. "Within Guildford there are more and more developments than ever before, with hotels and offices going up all around the town centre. It's a town that has so much investment going into it that it's made it a really up and coming town," he said.

"Guildford has a lot of commuters going straight through to Waterloo, and people also commute from outside Surrey and even from the coastal areas. The quality of the houses being built is excellent, and we are seeing many large and unique houses. The price of property in and around the town is high, but on the retail side of things, we have a massive town centre and the number of new shops is a positive sign."

"My personal view is there's been talk of a recession for the last 10 years, but it will hit the low end of the market before the top end. I know a lot of low end retail businesses are feeling a bit of a struggle, but for us, we have seen growth year on year, and this is our 4th year of trading in Guildford."

Alison Burt, head of communications at Guildford Borough Council said that there were many

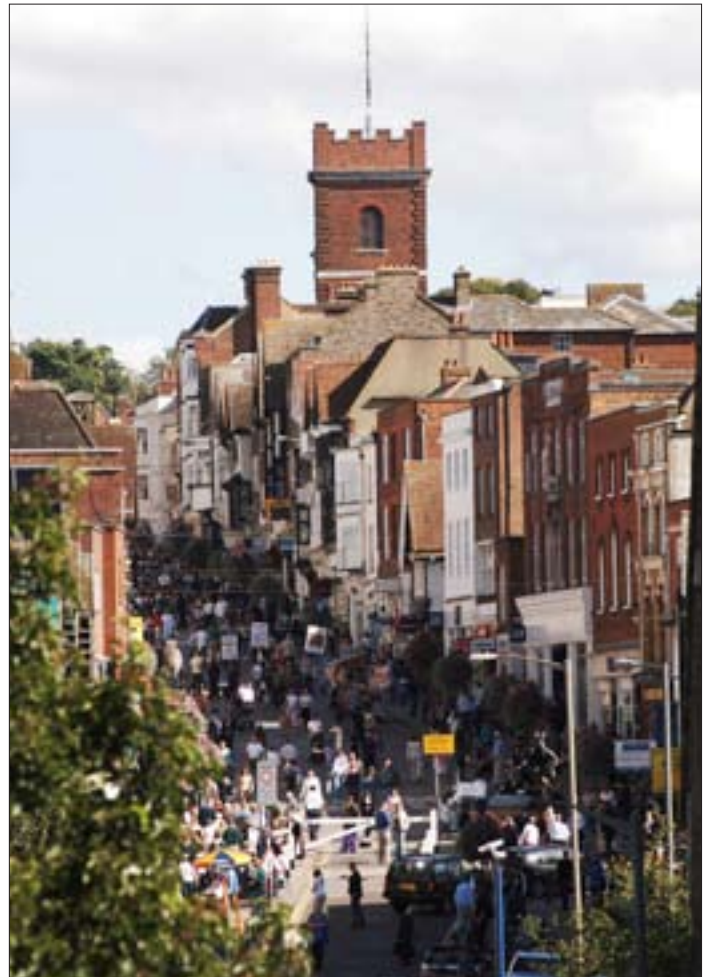
promising developments underway in and around the town. The Surrey Research Park was "the jewel in the crown with its links to the university," she said, but added that there are a lot of development sites in the town such as the extension to the Friary Centre which will add 16 new shop units, a large store, 200 apartments and a bus station.

Planning permission has been granted for a new four star hotel with 180 beds, and Radissons is taking part in this project. In addition, the council is planning to replace the civic hall with an entertainment centre; and the Bedford Road site, in the middle of the town centre, is to see commercial and housing developments.

Guildford train station is being redeveloped and hoping to attract a new private investment partner to the railway to build a mixture of commercial and residential developments.

Joe Burnie is managing partner of Baker Tilly, one of the largest accountancy firms in Guildford. He summed up many of the sentiments of Guildford's businesses when he said: "I chose Guildford as a place to work after 18 years working in London; so have many of my partners and staff. I would be very surprised if any of us moved back to London - I certainly would not."

Burnie added: "We have a spacious office built in 1989 surrounded by trees and houses and close to the open spaces of Stoke Park. We have 90 car parking spaces and, as we often work at client premises, on-site car parking is sufficient for our current requirements. However, if we keep growing as we have done in the last few years there is plenty of additional free parking at the nearby Stoke Park Leisure Centre and Park and Ride car park.



"As a knowledge-intensive business service, we need to be near to sources of highly qualified labour. Guildford and the surrounding Surrey area has a very high concentration of such people. The only downside is that there is strong competition from London-based employers and housing costs are high so that some of our support staff find it difficult to find affordable hous-

ing nearby. We pay rates very close to those paid in London and offer work opportunities similar to those available in London.

"Our unique selling point (and this applies to other Guildford-based employers I am sure) is the fact that we offer a different lifestyle to London including a shorter, more comfortable commute and a more pleasant working and social environment."





# TWM Solicitors LLP on Guildford

*TWM Solicitors LLP is an established and progressive law firm with around 200 employees, with two offices in Guildford, where it has built a tradition of providing professional advice for over 200 years. With offices also in Epsom, Reigate, Leatherhead, Wimbledon and Cranleigh, the firm covers a wide area*

John Sandford-Pike, managing principal, said that TWM was created by a merger of several local Surrey firms, one of which had been in Guildford for many years. "We have very deep roots, and are very well known and embedded in the Guildford community. Guildford as a town is the commercial centre of Surrey, and, on the legal front, we are firmly on the map."

"Guildford is also a lovely place to work, and that is a strong attraction. I think the fact that we have central offices in Guildford is also attractive to our clients: they can go shopping and do some inheritance planning at the same time! I think it is a very nice place to work from the staff's point of view. From a business perspective, we can be in front of a judge in the High Court in London in half an hour, and we can offer London expertise without

having to charge London rates."

TWM deals with a huge range of firms in the Guildford area and beyond, and therefore has a good view of the local economy, which Sandford-Pike said is extremely strong. "We are fortunate in Surrey as a whole because it is a very wealthy county, and we benefit from the inward investment to London: the foreign money in London rippling into Surrey and the home counties."

He added that because Guildford is such as high profile town, it's tempting to have a rosy view of the wider economy; but there are signs of the credit crunch. "On the residential housing front, we are experiencing a slow down. It's far from being a crisis, and in fact it's not even a drama. You can expect things to slow down towards Christmas, and the prog-

nostication from various commentators is quite mixed. I think we will see repossessions go up, and a slight easing of residential house prices, but if they eased off by 4 or 5%, it's not the end of the world. The general economy seems to be good and TWM is experiencing year-on-year growth. Our last financial year growth figure was 9%.

"This year we just completed the first quarter of the financial year and we are experiencing a very strong start. We are quietly confident that that level of performance will continue into 2008."

TWM was rated highly in several areas of this year's Legal 500; winning high acclaim for its family department for the third year running. Sandford-Pike commented: "We are expanding the family law department, and we would expect to see strong growth continuing in the coming year. Our business law department also features in the Legal 500 and we anticipate strong organic growth and performance there too."



"We are also hoping to consolidate our two Guildford offices into one in the foreseeable future, as it will give us much-needed room to expand. We've used up the space available and we need to move to continue our organic growth. We are going to maintain a strong presence in Guildford town centre, because it gives us good visibility, access to clients, and a good working environment."

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## BDO Stoy Hayward enjoys a long association with this vibrant town

*Guildford has been a destination of choice for centuries, assisted by its strategic location between London and the south coast and surrounded by ancient woodland, rolling chalk downland and beautiful countryside. It is steeped in history and boasts many buildings of important historical interest*

These include St Mary's Church, Guildford's oldest surviving building dating from c.1050, Jacobean almshouses, the Great Tower, part of the original Castle dating from c.1300, the 17th century Guildhall and Guildford Cathedral, dominating the town from its imposing position on Stag Hill.

Today, Guildford is a vibrant, thriving town and established commercial centre. Analysis of companies in the south east confirms that its appeal has remained unchanged and today Guildford boasts over 80,000 businesses, the largest proportion at 30% of companies, with a combined turnover of more than £25 billion.

### A history of BDO Stoy Hayward in Guildford

BDO Stoy Hayward has had a long and auspicious association with Guildford which began in 1950 through a partnership with a company called Leach Bright which was formed in 1936 and began life in Richmond.

Leach Bright enjoyed a sustained period of growth throughout the 1960s, 70s, 80s and 90s, marred only slightly when in 1993 their offices in Langton Priory were destroyed by fire. This brought the firm to its present location in Connaught House from where it now trades. During this time, Leach Bright operated at various times from five offices based in Fleet, Guildford, Richmond, Shepperton and Worthing,

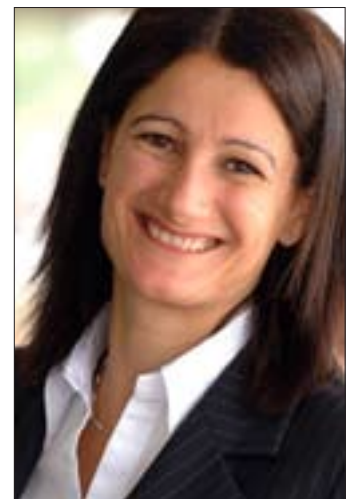
from which one of the founders of the firm, Mr Bright retired. The Richmond and Worthing offices still trade as independent businesses.

Leach Bright's market position attracted BDO Stoy Hayward and on July 1, 1997, Leach Bright changed its name to BDO Stoy Hayward and became part of the national association. After this merger, the Fleet office was moved to Basingstoke and the Shepperton office closed.

2002 saw BDO Stoy Hayward roll out a programme of national mergers and at that point the firm joined the national BDO Stoy Hayward practice. Also at that time the Basingstoke office closed and operations were relocated to Guildford.

In July 2006, BDO Stoy Hayward offices in Bromley, Epsom and Guildford came together to form one "southern region" headed up by Sophie Hill, lead partner, and to bring us up to the current day, in March of this year, the Bromley office was relocated to the thriving business community of Gatwick to accommodate further growth.

Today BDO Stoy Hayward in



Sophie Hill

the southern region has 28 partners and over 350 staff offering the full range of professional services to clients across the south east.

**Details:**  
**Sophie Hill**  
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# Taking the lead on best practice

Local manufacturers were presented with awards at a South East Best Practice Network Conference, in recognition of their achievements towards achieving best practice and sustaining long-term business improvements and success.

The special conference and awards event took place in November at the BMW Group Plant Oxford to mark the achievements made by members of the Best Practice Networks run by the Manufacturing Advisory Service (MAS) South East. The purpose of the event was to focus on striving for best practice and encouraging innovation across all areas of manufacturing.

MAS South East runs a series of Best Practice Networks across the region, which aim to provide forward-looking manufacturers with a forum to communicate their successes and discuss the challenges they face whilst striving for operational excellence. Manufacturers get together on a regular basis and share business improvement ideas. Most of the members have already received support from MAS South East



Simon Waller of award winners Silent Gliss

specialists and recognise the value of sharing information in business critical areas.

The conference theme of 'Driving World Class Performance' was supported by presentations from three companies within the network who are all working towards continuous improvement as well as an interactive session led by David Hall, one of Europe's leading facilitators of entrepreneurship and innovation. Delegates were supplied with a number of practical tools and ideas to take away and implement.

Three companies from the

Kent Network received a 'Regional Manufacturing Best Practice' award for their commitment to achieving best practice and sustaining long term success. They were Silent Gliss, manufacturers of innovative window blinds, from Broadstairs, Siegrist-Orel, providers of high performance cable identification solutions and protection systems, also from Broadstairs and Cummins Power Generation, world leaders in the design and manufacture of power generation equipment, including PowerCommand standby and prime power systems, from Ramsgate.

Silent Gliss was invited to join the Kent network after completing the MAS South East Lean Facilitator programme. Simon Waller, Factory Manager, said: "The Best Practice Network has enabled us to learn a great deal from other member manufacturers and has helped us with the hardest part of lean - to stick with it. We have implemented a 'vision' for our operations as well as stringent regular audits which enable us to drive continuous improvements."

Mark Knowlton, network manager for MAS South East, heads up each regional Best Practice Network and is delighted with the progress within the Kent region. He said: "With regular quarterly meetings, the MAS South East Best Practice Network is providing a unique forum for manufacturers to communicate their success and discuss the challenges they face whilst striving for operational excellence. It also motivates individuals and teams who are implementing lean to encourage 'Lean Champions' to develop their skills and share knowledge more widely."

## MAS Annual Report 2007

The BERR Manufacturing Advisory Service (MAS) has launched its Annual Report at a special reception at the House of Commons.

Hosted by the Rt Hon Stephen Timms MP, minister of state for competitiveness, the event proved to be a fitting end to yet another successful year for this manufacturing programme. In

the past year alone, £143 million of extra value has been added to MAS-assisted companies, bringing the cumulative 5-year total to an impressive £367m. The report also reveals that the MAS Regional Centres have completed 5,000 diagnostic visits and 1,350 in-depth interventions in the 2006/07 period.

In his speech the minister

introduced the core areas of MAS Phase 3, due to commence in 2008. These include:

- Strategic planning and skills development
- Sourcing supplies, services and equipment
- Application of lean techniques across the whole organisation
- Improving the performance and operation of the supply chain
- Improved resource efficiency in both energy and waste.

"MAS South East has already generated £123m of value to manufacturing businesses across the region through direct hands-on support," said David Caddle, Principal Manufacturing Specialist for MAS South East. "Manufacturers in the south east have benefited from our support and we look forward to helping many more to become more productive and more profitable as a result of the enhanced service."

## Make a date with MAS stand M38

Following on from the success of Southern Manufacturing 2007, manufacturers are being asked to make the most of their business again at Southern Manufacturing & Electronics 2008 in Farnbor-

ough, Hampshire, by calling in at the MAS South East stand (No M38) for expert advice and information on Lean Manufacturing, Product Innovation and Supply Chain Management.

Running alongside the two-day exhibition on 6/7 February will be a programme of MAS South East supported technical industry seminars covering a wide range of subjects, including lean tools and techniques, continuous business improvement, six sigma, sus-

tainability, innovation and supply chains.

For further information and a full listing of MAS South East sponsored seminars running throughout both days of the exhibition please visit [www.mas-se.org.uk](http://www.mas-se.org.uk)

### MAS South East

Originally set up by the Department for Trade and Industry (DTI), MAS is now a programme of the Department for Business, Enterprise and Regulatory Reform (BERR).

The BERR Manufacturing Advisory Service (MAS) in the South East provides straightforward advice and practical support to improve manufacturing competitiveness.

Funded by SEEDA and delivered by EEF South, the Regional

Centre of Manufacturing Excellence, with the support of the Business Link network, SEEDA regards MAS as one of its key initiatives aimed at providing support to the manufacturing sector.

The MAS South East supports manufacturers in Berkshire, Buck-

inghamshire, Hampshire and the Isle of Wight, Kent, Oxfordshire, Surrey and Sussex.

**Details:**  
**0845-6092121**  
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**[www.mas-se.org.uk](http://www.mas-se.org.uk)**



# Christmas hospitality bonanza

**Sussex-based hotel group Historic Sussex is making preparations for Christmas and the New Year at its three luxury country hotels**

The group owns three hotels in the Sussex area: Ockenden Manor in Cuckfield, The Bailiffscourt Hotel in Climping, and The Spread Eagle Hotel in Midhurst. Each hotel is distinct in its style, and offers high quality modern European cuisine, with two of them featuring spa facilities.



Ockenden Manor specialises in beautifully produced dishes (above). Featured below is the honey roast wood pigeon with crispy apple beignets and foie gras parfait



## Ockenden Manor, Cuckfield

This Christmas, Ockenden Manor is offering a three-day Christmas package which includes a Christmas Eve champagne reception and set dinner served in its oak panelled restaurants. Christmas Day features a six course traditional lunch and a festive repertoire performed by a local harpist.

Ockenden Manor, in the historic village of Cuckfield, dates back to the mid-1500's, and became a guest house and restaurant after the Second World War. It holds three AA Rosettes and an AA Inspectors' Choice rating for the hotel.

The hotel is perhaps best known for its dining and is one of very few restaurants in Sussex to achieve a Michelin Star for its cuisine, under Balcombe-born head chef Stephen Crane.

The restaurant has established a reputation for locally sourced, modern European cuisine, and caters heavily for game lovers, serving meats such as duck, pheasant, partridge, rabbit and veal. Also worth noting are the restaurant's wines, which include bottles from the Ditchling-based Ridgeview vineyard.

As a result, Ockenden Manor is a good place for corporate entertainment, because it offers a luxurious dining experience, with staff who are attentive and professional. The hotel is also within reach of the M23.

The hotel features extensive gardens, a comfortable sitting room with antiques and luxurious fabrics, and 22 suites and guest bedrooms, with some of them featuring original fireplaces and panelling.

## Bailiffscourt Hotel in Climping

The second Historic Sussex hotel, Bailiffscourt Hotel in Climping, is also offering special packages for Christmas and the New Year. These include a falconry display; and a gala dinner by candle light, accompanied by a string trio.



An architectural gem, the hotel was built in 1927 by Lord and Lady Moyne in the style of a medieval manor house, with parts from derelict 13th century buildings.

The result is an eccentric mix of the ancient and modern. The hotel itself is a maze of wood panelled passageways leading to bed chambers and intimate lounges with open log fires.

The gardens are beautiful and well tended, and Bailiffscourt also features Temple Spa, a large and airy timber-frame building with six spa rooms, two pools and a Californian hot tub.

The hotel is located in Climping, south of Arundel, and five minutes taxi ride from Littlehampton station, which is good for business travellers coming from Guildford and London.

## Spread Eagle Hotel, Midhurst

Thirdly, the Historic Sussex Group's Spread Eagle Hotel & Health Spa, in Midhurst, dates back to 1430 and has entertained the likes of Charles Dickens, Queen Elizabeth I and William Shakespeare.

The hotel is an ideal location for a business lunch, and like the other two hotels, the Spread Eagle also offers Christmas hospitality events. These include a champagne reception in the lounge bar; and traditional Christmas lunch.

The hotel's restaurant offers modern British dishes from talented young chef Gary Moreton-Jones; and the dining rooms are atmospheric and feature windows from the early 1600s; antique tapestries and room dividers; and ceiling mounted hunting horns.

The Spread Eagle is an ideal venue for diners searching for a non-fussy restaurant at which to discuss business; where the service is attentive but low-key; and the prices are competitive.

The hotel also offers Spa weekend packages, which can include lunch or dinner at the restaurant.

Spread Eagle Hotel offers light lunches in its historic dining room (left). Featured below is one of Bailiffscourt Hotel's intimate lounges





• Business and financial advisers, Grant Thornton, has appointed share plans specialists **Caroline Harwood** (above) and **Martin Brown**.

Formerly head of KPMG South's performance & reward practice, Harwood joins Grant Thornton as a share plans client service director at a time when the firm is experiencing strong growth in its employer solutions service line, including recent senior level appointments in the expatriate tax team.

Brown joins Grant Thornton as a share plans manager, having previously worked with both KPMG and Deloitte. He has an enormous amount of expertise in the areas of share plans and employee benefit trusts.



• Hart Brown solicitors has welcomed **Sharon Powell** (above) as a senior lawyer in its family department, based at the firm's Godalming, Surrey office.

Powell has practised family law for over 20 years and is experienced in all types of matrimonial work, with particular expertise in the financial implications of divorce. Powell said: "I feel clients benefit particularly from collaboration when negotiating over family issues. During collaboration the parties and their respective lawyers sit in the same room and work together to find solutions. Clients have often said they feel that this puts them back in control and really helped with the negotiations, without the need for court intervention."



• Godalming based stockbroker Simple Investments has expanded its team by two. **Mark Allan** (above) joins the company as a client broker while **Julie Adams** (above right) will take on responsibility for client broker and support, taking the team up to 10.

Both Allan and Adams will provide additional expertise to our growing Godalming-based team, said Renato Rufus, managing director of Simple Investments.



Allan has held previous senior roles including global market analysis provider at the London based 4Cast, and will be responsible for derivatives and the management of Simple Investments CFD portfolio clients.

Adams will provide client and broker support and more specifically the administration for Simple Investments' comprehensive portfolio of services including its probate service.

• Crawley-based B&CE Benefit Schemes has appointed former Unum Provident marketing director **Eugene McCormack** as its head of sales and marketing and a member of its senior management team.

Prior to his five and a half years at Unum, he held a number of senior and board level positions within sales and marketing at Barclays Life, Prudential, Liverpool Victoria and Europ Assistance.

## Knight Frank significantly expands team

Property consultancy Knight Frank has made two new appointments to its residential development land team in the south east as part of its strategy to strengthen its expertise in residential development.

This comes at a time when the government has placed a considerable emphasis on increasing housing supply to meet the housing shortage.

The land team is currently acting on £185 million worth of land deals across Berkshire, Kent, Surrey and Sussex, ranging from one-off private houses to large regeneration schemes, such as major hospital disposal sites. It is providing consultancy and advice at the pre-planning stage and using its expertise to sell the schemes for development.

Tony Way joined the team in Guildford as an associate following four years at Savills, and is responsible for residential development valuations and land sales. He has a background in public sector disposals.

Bronwyn Dunning has been appointed senior surveyor. She joined from Cluttons and has experience in both the public and private sector. Bronwyn has also worked in the residential development division of a number of large property consultancies as a residential valuer.



*The Knight Frank team*

Hugo Stuttford, partner and head of the residential development land team for the south east, said: "We are delighted to welcome both Tony and Bronwyn to our growing team.

"Their appointments form an important part of our wider strategy to expand across the home counties and the south east, working in conjunction with our new homes sales team to strengthen

the entire residential development department.

"With a shortage of new homes in the south east and the government plans to significantly increase the supply of houses, residential development forms a key part of our service. We are currently working on a broad range of sites which will bring an interesting mix of much needed new housing to the south east."

## JD Wetherspoon tightens up staffing

Pub chain JD Wetherspoon, which runs over 40 pubs in the south east, is rolling out a web-based software security system across 500 of its UK pubs. The Trinity system from e-Cocoon is designed to help keep customers safe in the run-up to Christmas. It allows JD Wetherspoon to automatically check that door staff have full Security Industry Authority (SIA) accreditation, and to ensure that all pubs are fully resourced and the right numbers of senior staff are on duty at all times.

Trinity also logs staff out, saving time, money and resources for JD Wetherspoon, by enabling it to calculate the time worked by each individual and automatically generate invoices to send to the provider company. By allowing it to track expenses incurred against budget in real time, the software also provides JD Wetherspoon with enhanced financial management, said the firm.

Trinity is already in place at around 150 JD Wetherspoon's UK sites. "Pubs, bars and restaurants across the UK have a responsibility to protect their customers, especially over the busy Christmas period," said e-Cocoon's managing director, Chris Wootton.



## Take 7

### Lee Boniface, Canon UK



*In a regular series, The Business Magazine profiles senior executives in Surrey and west Sussex. This month, it's Lee Boniface, sales director, Canon UK*

**Q. What has been your best decision in business?**

A. Working for a breadth of companies and gaining great experience early on in my career. This has allowed me to make better business decisions at Canon. Knowledge brokering and building up key contacts has allowed me to also access an active suite of contacts, which has allowed me to make better business decisions.

**Q. What has been your biggest mistake or regret in business?**

A. Initially underestimating the impact of the internet on sales potential and customer contact. On average, 70% of people research products on the internet before buying products so there is a wealth of opportunity to communicate

with your customers online. I now have a more balanced view of sales strategy to market. However, my biggest regret was turning down tickets to the 2007 Rugby World final!

**Q. What is the high point of your working day?**

A. Coming into the office and seeing happy faces. Even when things are not going well, it's refreshing to see that people are still motivated to achieve great results.

**Q. What is the low point of your working day?**

A. The endless flux of emails – which are a necessary evil in business – I tend to get around 100 per day. I now ban my team from sending me emails when I am on holiday, which does mean my phone rings a lot on my return.

**Q. What is your favourite film and why?**

A. Lock Stock and Two Smoking Barrels. It's well acted and the action so fast that you don't really have time to think but it all comes together cleverly at the end. It's also one of the only films that I have seen more than once.

**Q. If you had to be stuck in a lift with three people for an hour, who would you choose and why?**

A. Gordon Ramsey because I love cooking and I'm sure he is nicer than he seems. I'd ask him how he felt when all of his team followed him when he left Aubergine to set up his own restaurant.

## CV HIGHLIGHTS

**1991-1992:** Business Studies, Cardiff University

**1995:** Lloyds of London, Graduate Trainee

**1996-1999:** Lloyds, Specialist Broker, Fine Art & Spiece

**1999-2003:** Mars Confectionary, Sales & Head of Category Management

**2003-2006:** Sales Strategy, Orange

**2006-present:** Sales Director, Canon UK

Martin Johnson, the England 2003 Rugby World Cup captain. He is a great leader and I would want to know what it felt like when they won the world cup in Australia.

Richard Branson because of his tenacity and flair for originality and succeeding against all odds. I would ask him about the National Lottery bid.

**Q. What new act of parliament or new legislation would you introduce?**

A. There is a legislation that I would not introduce immediately – Pay-as-You-Go road charging. I believe it's more important to provide a solution to the transport issue, rather than penalising drivers exclusively with another tax. Improved and cheaper public transport would mean more people would choose to commute to work. This applies to business too. Before any major change, it's worth knowing and communicating solutions to make it happen.

## HOW TO REACH US

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To have your business event included in this monthly diary email details to [busmag@elcot.co.uk](mailto:busmag@elcot.co.uk)

## DECEMBER

3 Networking event, Copthorne Hotel, Copthorne, Crawley & Gatwick and East Grinstead Chambers of Commerce. Details: [info@crawleychamber.co.uk](mailto:info@crawleychamber.co.uk)

7 Legislation and Case Law Updates - Are you ready for 2008? 100 Queens Road, Brighton, DMH Stallard. Details: [julie.jones@dmhstallard.com](mailto:julie.jones@dmhstallard.com)

12 Informal business networking meeting, The Dorset Arms, High Street, East Grinstead, East Grinstead Chamber. Details: [info@egchamber.co.uk](mailto:info@egchamber.co.uk)

14 Networking event, Ambassadors Bar, New Victoria Theatre, Woking, Woking Chamber. Details: [sue.granville@wokingchamber.org.uk](mailto:sue.granville@wokingchamber.org.uk)

## JANUARY

16 Speed Networking, CADIA, Ockenden Manor Hotel, Cuckfield, Sussex. Details: [www.cadia.org.uk](http://www.cadia.org.uk)

16 Important changes for Importers and Exporters, Reading, Berkshire. Details: [events@uktisoutheast.com](mailto:events@uktisoutheast.com)

17 Presentation Skills, Metropole

Hilton Hotel, Kings Road, Brighton, Brighton & Hove Chamber of Commerce. Details: [www.businessinbrighton.org.uk](http://www.businessinbrighton.org.uk)

24 Protecting your IP, confidentiality and brand, asb law, Crawley. Details: [www.asb-law.com](http://www.asb-law.com)

25 Networking Breakfast, Venue TBA, Brighton & Hove Chamber of Commerce. Details: 01273-719097

30 Gatwick Networking Meeting - Immigration & Illegal working, Arora International Hotel, Crawley, Sussex Enterprise. Details: [www.sussexenterprise.co.uk](http://www.sussexenterprise.co.uk)

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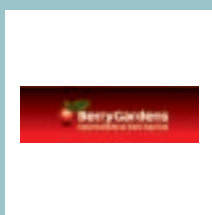


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"We are very pleased that the RBS Property team will be supporting the next phase of Ruskin's development. The working relationship built up over the last five years meant RBS could offer a cost effective solution while getting us that extra funding we needed to make this deal happen."

*Ross McEwan, Finance Director of Ruskin Homes Ltd.*



"The merger combines the marketing, production and breeding capabilities of all three parties, which will greatly increase our presence in the Berry market, creating further retail opportunities. We are extremely grateful to the RBS team for working in close collaboration with us to enable Berry Gardens to develop and build on the quality and range of berries for the consumer to enjoy all year round."

*David McGregor, FD, Berry Gardens BV.*



"We are very excited at purchasing the new premises as it is a real statement of the success of the company and for the plans we have for the future. We have continued to win new and improved contracts so the demand on our operating platform has increased. We have therefore taken the decision with the financial support of RBS to invest in new premises. Northfleet is a good location for us and importantly for our customers as we remain close to the South East main infrastructure. My thanks go to RBS for their continued commitment."

*John Kirby, Managing Director, Storefast Ltd*

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