



# InsideScotland

## Spring Issue 4

I am delighted to bring you the fourth edition of Inside Scotland, Close Brothers Asset Finance's newsletter written specifically for small and medium sized businesses in Scotland.

In this edition we highlight some of the ways our financial support has helped agricultural and rural businesses achieve their goals. The case studies demonstrate some of the funding packages we were able to tailor to our customers' business requirements.

At Close Brothers Asset Finance we utilise our expertise to help businesses recover, grow or explore new opportunities through a range of financial options. Throughout 2015 we will be exhibiting at a variety of agricultural and trade shows continuing our support to Scottish business.

We hope you enjoy the read and we look forward to working with you in the future.



**Colin Swanston** Managing Director

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## Case studies

Close Brothers Asset Finance work with businesses from a wide range of industries. Here we share some of our recent success stories.

Name: [Future Forestry](#)  
Business requirement: [Funding for new equipment](#)

Industry: [Agricultural](#)  
Product solution: [Hire Purchase](#)

### Experienced tree surgeons

Founded in 1997, Future Forestry is a family-run tree surgery business based in Inverurie. They offer a host of tree care and removal services including tree surgery, hedge work, tree felling, tree pruning, stump removals, stump grinding, chipping, site clearances, tree surveys, mulching and firewood.

The team has a wealth of experience and the company has built up a loyal customer base over the years, always offering a friendly, reliable service whilst ensuring work is always carried out to the highest of standards.

### Increased demand improved cash flow

Demand for logs has increased considerably over the last 18 months, and in order to keep up with demand the business needed new machinery including a firewood processor and midi-log deck to increase their production capabilities.

A long-standing customer of Close Brothers Asset Finance, they approached their Sales Manager, Ross Pickburn to discuss their option for financing the new machinery required.

After reviewing all the available options, Future Forestry opted for a Hire Purchase agreement with a deposit and low monthly payments that suited their cash flow.

### Quadrupled sales

Operations Director, Angela Smith, said: "The result has been fantastic for our business - our sales have quadrupled during the past 12 months and we are now selling over 2500 cubic metres of firewood a year.

"The new machinery has enabled us to split logs much quicker and to be far more cost-efficient by reducing the amount of breakdowns and therefore decreasing any downtime. I would definitely recommend speaking to Close Brothers if you have any asset Finance requirements."

Name: [DK Logs](#)  
Business requirement: [Investment in new plant and machinery](#)

Industry: [Wood Fuel](#)  
Product solution: [Hire Purchase](#)

### Suppliers of quality kiln dried firewood

DK Logs is a company based in Perthshire that supplies quality seasoned mixed hardwood, kiln-dried logs and kindling both on a national level and to the local rural community who are reliant on alternative and renewable fuel supply.

The business is pioneering Kiln Dried Firewood in the county. Their ready to burn logs come out of a kiln after three days with a moisture content that is reduced to around 15%. These logs have a longer, cleaner burn and their heat output is increased due to their reduced moisture content.

### Keeping up with demand

David and Karen Wilson, the owners of DK Logs, had invested in a kiln drier and 96kW biomass boiler in early 2014, in order to provide kiln dried firewood to their customers.

The demand for the product was so high that by late 2014, they made the decision to invest in a second drying system, worth significant investment, in order to fulfill their rapidly growing orders.

### Specialist funding for renewables

As both drying systems required large capital outlay, David and Karen recognised they needed some help to fund their latest investment. They spoke with their financial adviser, Jamie Lindsay at Breadalbane Finance to discuss their options.

Having appraised the opportunity, Jamie decided that Close Brothers Asset Finance was the most suitable funder to consider the proposal, and so he set up a meeting with the renewable energy sales manager for the area, James Waterson.

The funding proposal was approved quickly and loan documentation supplied to David and Karen, noting the returns expected from the Renewable Heat Incentive (RHI).

### Doubled client base

David Wilson from DK Logs said: "Not many companies will even look at financing something a little out of the ordinary like a biofuel system. Jamie, our adviser, knew that Close Brothers were doing a lot of deals in green energy and so they were a really good fit for us in terms of their knowledge and experience.

"Working together, Jamie and James made the whole process very smooth. We put down a deposit of around 10% of the value of the equipment, and Close Brothers funded the rest. We took receipt of the system in December 2014 and within three months, we have already doubled our customer base.

"The second biofuel system has taken a lot of stress from us. Quality for us is paramount, and we are now assured that we can produce enough low-moisture firewood to meet rapidly growing demand."

Jamie Lindsay of Breadalbane Finance commented: "Close Brothers Asset Finance really understand this market and the particular opportunity presented for this local thriving business.

"This business serves much of the local rural community and beyond where wood fuel is a key and important source of heat and hot water for both domestic and business applications. Their speed of response and quick decision making giving us and our client certainty is refreshing."

Name: [Highland Renewables](#)  
Business requirement: [Machinery purchase](#)

Industry: [Forestry and renewable energy](#)  
Product solution: [Leasing](#)

### Forestry professionals

Based in Inverness, Highland Renewable Energy Ltd is a sustainable forestry and energy business specialising in woodland maintenance, harvesting and wood chipping.

Operating throughout the Northern Scottish Highlands, the company has expanded rapidly since it was established in 2013.

### A growth in demand

Having successfully completed a number of large projects and established a strong reputation, Highland Renewable Energy was awarded several lucrative new contracts.

In order to fulfill the requirements of these contracts, they needed to purchase new machinery and expand their workforce.

Taking their existing resources into consideration, they made the decision to obtain new forwarding, harvesting and wood chipping machines alongside additional support equipment.

### Specialist funding for machinery

Having worked together in the past, Highland Renewable Energy contacted Close Brothers Asset Finance and applied for credit to fund the new machinery.

A specialist team from Close Brothers visited the company to build an understanding of their latest needs and financial requirements, and an agreement was quickly put in place.

An asset leasing facility worth over £200,000 was secured against the value of the new equipment, allowing the company to obtain the equipment alongside flexible payments arranged to suit their cash flow.

### Jobs created and contracts fulfilled

With the new machinery in operation, Highland Renewable Energy have been able to successfully deliver their new contracts, growing the business while ensuring key resources are not overstretched.

The company has recruited three new staff members to operate the machinery, supporting the local economy and enabling them to complete their work in a more time efficient manner, and they are now planning for further expansion.

Robert Voics, Director of Highland Renewable Energy said: "We've had a really positive experience working with Close Brothers Asset Finance. The team is incredibly helpful and they took the time to really understand our business and our industry.

"The package and the turnaround time on the funding ensured we were able to meet the demands of all of our customers without any disruption. We look forward to working with them again in the future."

# Meet James Waterson

# Aberdeenshire Office



James Waterson joined the Glasgow team at Close Brothers Asset Finance in 2012 as an Area Sales Manager and has successfully created a network of clients across Scotland.

## How have you found your time with Close Brothers so far?

I have been with the company for three years and have enjoyed the challenge, rewards and building our profile across Scotland via my activities with the professional practice and intermediary network, along with the small to medium renewable energy market in the UK. The team in Glasgow are great and I have several strong relationships within the Close Brothers group to engage with and expand our customer reach. There is a real sense of a 'can do' attitude that sets us apart from the rest of the finance providers in the UK. I enjoy my work and the people and friends I work alongside.

## You operate in a variety of sectors; do you have a main area of focus?

My focus is both the professional practice community and small to medium renewable energy markets including wind, biomass and solar PV. Much of my time has been spent developing our profile in this sphere, which has taken time and considerable effort but we are realising the benefit of those efforts now. Our profile across Scotland is very good and getting stronger due to our customer-centric approach and focus on delivering funding solutions that directly meet the needs of each individual customer. This has built further credibility and now affords me sight of various opportunities across a broad spectrum of sectors and industries.

## What makes Close Brothers stand out in the renewable energy market?

A straightforward and uncomplicated approach to ensuring our customers have every chance of realising their project. Standard documentation, commercial terms and a 'hands on' appraisal of each investment including site visits and customer meetings sets us apart in the market. We also have a history of going the extra mile to get things done and this is not lost on our customers – many new business opportunities have come to me by way of referral and customer advocacy that speaks volumes.

## What are your interests outside of work?

My family. My wife and I have four young children and they are great ages. Occasionally, I get to play golf with friends and Scotland truly is the 'home of golf' with great courses and spectacular scenery. I also like to cycle and have participated in a number of charity cycle rides over the years including London to Paris. This year, some colleagues and I are looking to undertake a charity cycle ride of 200 miles from our office in Inverness to the office in East Kilbride – some urgent training is required!

## Close Brothers Asset Finance are expanding their presence in the North of Scotland and opening a new office in Aberdeenshire.

This office will be located within Thainstone Specialist Auction House, Inverurie and is in response to a high demand for the services we deliver. Close Brothers are dedicated to helping businesses throughout Scotland with funding small-scale renewable projects such as wind-turbine and biomass boiler installations.

With a range of products available such as Hire Purchase, Leasing and Refinancing as we work in a way that makes purchasing an asset as easy and quick as possible, and in some cases we can turn an agreement around in a matter of hours.

Our specialist team will be on hand at every auction, speaking to potential buyers and tailoring the right finance agreements to suit the businesses individual needs.

We are looking forward to working in partnership with Thainstone Specialist Auction House and continuing the support we give to the region.

## Events diary roundup

We will be attending the following shows over the coming months:

**SHREC 2015** – 30th April

**Ayr County Show** – 9th May

**Fife Agricultural Show** – 23rd May

**Lesmahagow Show** – 30th May

**Stirling Show** – 13th June

**Royal Highland Show** – 18th – 21st June

**Haddington Agricultural Show** – 27th June

## Additional services

Close Brothers believe in offering customers tailor made finance solutions suited to their business, for this reason we offer a variety of different services.

### Invoice finance

Invoice finance is increasingly recognised as a mainstream funding solution, offering far greater flexibility than traditional types of business funding such as overdrafts or loans.

Our customised invoice discounting and factoring facilities can release up to 90% of the value of your unpaid customer invoices, almost instantly.

Freeing up this vital working capital supports business growth, aids better cash flow and can even help you achieve bigger objectives such as acquisitions, mergers or management buyouts.

To find out more about how Close Brothers Asset Finance can help you, please call **01355 886 843** or email [marketing.glasgow@closebrothers.com](mailto:marketing.glasgow@closebrothers.com) or visit [www.closeasset.co.uk](http://www.closeasset.co.uk)



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