



InsideScotland

Summer Issue 2

I am delighted to bring to you the second issue of Inside Scotland, Close Brothers Asset Finance's newsletter written specifically for Scotland.

In this edition we focus on renewable energy and how we have assisted a number of businesses in installing biomass boilers to enable them to become more efficient. In the following pages you will read three case studies that demonstrate how we were able to offer funding solutions to a variety of businesses to enable them to make this happen.

At Close Brothers we put our customers at the heart of what we do and we are constantly looking at innovative ways in which we can help businesses with their investment and growth plans. We are extremely proud of being the current holder of Leasing Worlds 'SME Champion of the Year' award which is a great accolade of the work we do.

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



Colin Swanston
Managing Director

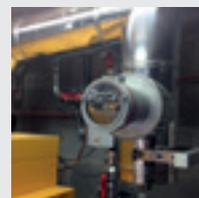
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Case studies

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

Name: [Alnmouth Golf Club Limited](#)

Business Requirement: [New biomass boiler for supply of hot water & heating](#)

Product Solution: [Hire Purchase](#)

Company Profile

Based at Foxton Hall in Northumberland, Alnmouth Golf Club is a long established golf club with in excess of 600 members across all membership categories serving the local community and beyond.

Established in 1869, it is the 4th oldest golf club in England, with the existing course laid out next to the Northumberland coastline in 1930. The Club comprises of a large former mansion house, Foxton Hall, a 14 room Dormy House for upto 26 golfers to stay, dining area and bar, locker rooms and a Pro-shop. There are also three rented flats.

Business Challenge

Retaining existing members and recruiting new ones is a priority for the golf club in the current challenging economic climate. This therefore requires them to seek to increase possible revenue by offering their facilities to fee paying guests and visitors.

Alnmouth Golf Club was also mindful of the condition of its existing heat and hot water supply which was at the end of its useful life and potentially problematic and costly should a breakdown occur.

The club committee engaged with local companies to explore the possibility of replacing the existing heat and hot water system with a new wood pellet fed biomass boiler.

Feasibility studies were undertaken and a tender process ensued to deliver a correctly designed and best value for money system.

Solution

Neil Harrison of Re:heat, a local consultancy and installer of biomass systems, invited Close Brothers Asset Finance to review the project and offer funding terms to the golf club. After working closely with the club secretary and committee, a suitable structure was found to meet the needs of the project. This included a facility to allow the golf club to advance funds to each of the sub-contractors on the project to ensure that quality of work and payment terms were managed.

Club Secretary, Peter Simpson, said: "Close Brothers provided us with a prompt loan approval, supporting documentation, were on site with the contractors and gave an informed insight to our business and the investment we were undertaking. All of this gave the committee and membership reassurance about the project's viability. It was a refreshing approach to our investment needs."

Outcomes

Alnmouth Golf Club now benefits from reduced energy costs, significant income from the 20 year Government RHI scheme, a lower carbon footprint and a constant supply of hot water and heat for the benefit of its members and visitors.

Name: [Inverness Thistle and Caledonian FC](#)
Business requirement: [Financing for a biomass boiler](#)
Product solution: [Hire Purchase](#)

Company Profile

Scottish Premier Football League club Inverness Caledonian Thistle is a well-established and reputable business based in Inverness.

Business Challenge

The directors of the company had become aware of the increasingly high costs of generating heat within the stadium when using their current boiler system. When the boiler broke down they examined other, more cost effective options.

After discussions with Korrie Renewables, one of the most prominent companies in the highlands, they decided that they should pursue the biomass boiler option as it is a cost effective method which would also enable them to benefit from the Renewable Heat Incentive, the UK Government backed financial support programme.

Solution

Amanda Close, Area Sales Manager at Close Brothers Asset Finance contacted the team at Inverness Caledonian Thistle to discuss funding. As a result of this call, Amanda met with the directors of the company to discuss potential financial packages that could benefit them throughout their transition to the new biomass boiler system.

Amanda worked closely with the team at Inverness Caledonian Thistle FC and Korrie to create a tailored deal for the company that would best meet their requirements.

Outcomes

Close Brothers Asset Finance arranged for a hire purchase structured solution to help tackle the initial cost of the new biomass boiler system.

The Hire Purchase teamed with the RHI scheme enabled Inverness Caledonian Thistle FC to set up a long term, cost effective heating system for the stadium.

Name: [Kingswood Hotel](#)
Business requirement: [New biomass boiler for supply of hot water and heating](#)
Product solution: [Hire Purchase](#)

Company Profile

Kathryn and Rankin Bell own and operate the Kingswood Hotel based on the outskirts of Burntisland, four miles west of Kirkcaldy, in the Kingdom of Fife. Nestled in over two acres of gardens and woodland, it is uniquely situated to allow panoramic views of the Firth of Forth to Edinburgh. Built circa 1850 by the Johnstone family, sugar planters from Jamaica, the Kingswood Hotel remained a private residence until around 1930. In 1986 the now 13 room hotel was purchased by the Bell family, who extended it in 1990 and again in 2004. In 2013 the hotel was awarded a Certificate in Excellence by TripAdvisor and continues to receive high ratings from its guests.

Business Challenge

A hotel must have a consistent, good supply of heat and hot water for its guests. As the hotel trade tends to be seasonal, finding ways to generate income all year round is also key. Equally important is the hotel's ability to attract new guests and ensure those that have stayed before come back. Business KPIs are Average Room Rates and Occupancy Rates – to help realise these goals, continued investment in the business is required.

Having limited knowledge of heat from biomass made the investment decision process difficult, along with limited reference in the form of seeing a working boiler system in action.

Solution

With Close Brothers Asset Finance and a local trusted installer of biomass systems, Kilmac Renewables, the Kingswood Hotel embarked on a process of design and build of a new biomass heating system. A tier 1 boiler was

identified as suitable and mindful of the hotel's busy period at Christmas and New Year, a purpose built boiler house and wood-pellet fuel store was built by Kilmac. James Waterson from Close Brothers attended the site at design stage and again upon installation and commissioning. James said: "It was obvious that Rankin and Kathryn's well thought out and considered approach had paid dividends. The quality of the installation and forethought around the design gave comfort to all parties that the investment was viable and most importantly, functional."

Outcomes

The hotel now has a modern, carbon friendly heating and hot water system that has replaced the former costly oil burning boiler system, whilst also having secured the index-linked 20 year income stream from the Renewable Heat Incentive (RHI). The Bells are keen to use their latest investment to promote the benefit of renewable energy to the wider community and also offer it up as a 'working example' for others to reference when making these investment decisions – something that was not readily available to them at the time.



Meet Angus Armstrong



Angus joined Close Brothers Invoice Finance in September 2013 as the Regional Sales Director for Scotland. Working out of the Glasgow office, Angus has been working closely with the Close Brothers Asset Finance team to create a mutually beneficial relationship.

How would you summarise your first six months with Invoice Finance?

There is a positive culture within Close Brothers, something that seems to be inherent in its people. I'm working hard to grasp every opportunity to build the brand in Scotland in conjunction with the Asset Finance team, with whom I work with on a day-to-day basis.

Scotland is a big region to cover – how do you plan your week?

I try to plan to work particular days in different cities. However, in this role I find that whilst I can arrange my own routines and procedures to a certain extent, my diary is ever-changing, and the immediate workload is different from one week to the next.

What can you tell us about any potential new deals on the horizon?

One in particular is for a young business that has grown very quickly and is producing some great results. We've proposed a £500k invoice discounting facility to give them cash flow for business growth. It's a great example of how we can work with a well-managed SME, regardless of its age, and help the owners achieve their ambitions.

What are your interests outside of work?

I play in a soul band as well as a Scottish folk band and this has led to some great experiences over the years, from playing in the Edinburgh Festival and recently at Edinburgh Hogmanay, to weddings and pubs.

Event Diary

Royal Highland Show – 19th to 22nd June

The Kelso Show – 25th to 27th July

Campbeltown Agricultural Show - 1st August 2014

Moy Field Sports Fair – 1st & 2nd August

The Perth Show – 1st to 3rd August

The Turriff Show – 3rd to 5th August

The Black Isle Show – 7th August

Funding to suit your business needs

Looking for flexible funding to suit your business needs can be a minefield. Our team of specialists are here to support you in the best possible way; by utilising their knowledge and expertise to get you the right funding solution to meet your business needs.

We offer straight forward products to achieve straight forward results:

Hire Purchase

Hire Purchase gives you ownership of the asset at the end of the repayment term, allowing you to spread the cost of your assets through manageable instalments and ensuring cash flow is maintained. Repayment options can be tailored to suit your budget and the seasonality of your business.

Refinance

Our refinance packages are based on the value of equity in existing assets. By unlocking their value, cash can be used to make purchases or to raise deposits to buy new assets or to be used in another area of the business.

Even if the company has existing finance agreements in place for certain assets we can help get the most from any refinancing facility. For example, we can restructure an existing finance agreement to reduce monthly outgoings and ease cash flow.

Leasing

This allows businesses the full use and benefits of an asset but without the potential burdens of ownership, as this rests with us.

After the initial lease period, you can return the asset or continue to use it through a secondary rental agreement. An added benefit, you can reclaim the VAT on lease payments.

Sale and HP Back

This specialist product can assist in unlocking the capital held in your assets. We purchase your asset at an agreed value, and finance it back to you over a fixed period with repayments matching the income stream generated by the asset.

This way you have greater efficiency, enjoying uninterrupted use of the asset.



Please call us on **01355 886 843** or email marketing.glasgow@closebrothers.com or visit us at www.closeasset.co.uk



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