



Inside **Manufacturing**

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Introduction from Steve Gee Managing Director, Manufacturing Division



Steve Gee
Managing Director
Manufacturing Division
Close Brothers Asset Finance



Welcome to the latest edition of Inside Manufacturing from Close Brothers Asset Finance.

This time, we're focusing on the Regional Growth Fund (RGF), specifically how it can benefit manufacturers, how to access it and who is eligible for a grant.

If you haven't heard of the RGF, it's a government initiative that supports private sector investment to create economic growth and sustainable employment, and it's granted via intermediaries like us.

We have been awarded a significant amount of funding that is just waiting to help businesses that have an appetite for growth, but are finding it difficult to generate the funds to invest in the assets they need to realise that growth.

To qualify for RGF support to purchase an asset, an SME must commit to creating new or safeguarding existing employment, and have been unable to secure finance for the investment.

It's no exaggeration to say that it has thrown a lifeline to many firms and to date, the Close Brothers Asset Purchase Scheme has helped over 300 businesses to invest in vital assets, and has created or saved over 1300 jobs.

For me, those figures really underline just how important a role the RGF has to play in helping the economy grow.

Read on to find out more about the terms and conditions of lending via the RGF, and hear first hand from one business that is already reaping the benefits of their grants.

You can be assured that our industry expertise is second to none, and we are committed to finding funding solutions and creating positive outcomes for manufacturers.

A handwritten signature in black ink, appearing to read 'Steve Gee', with a horizontal line underneath it.

Case study

Name: [GWR Fasteners Ltd](#)

Business requirement: [Machinery & equipment purchase](#)

Industry: [Engineering](#)

Product solution: [Hire purchase funding](#)

Company profile

GWR Fasteners Ltd is a manufacturer and online distributor of standard and specialised fasteners and precision engineered components, based in Oswestry, Shropshire.

Working with clients of all sizes from all over the world, the company has an extensive product range that includes GWR Colourfast®, a unique process of colouring stainless steel fasteners and components.

Challenge

GWR Fasteners needed to invest in a new CNC machine that would allow them to produce their own specialist components and reduce their reliance on third party suppliers.

They also wanted to expand their customer base by offering a wider range of services and needed to develop a new product range that they could sell through their online distribution channels, both of which would require new machinery.

Solution

Working with Simon Parker, Area Sales Manager at Close Brothers Asset Finance, GWR Fasteners were guided through an application for RGF grant assistance and were subsequently awarded £18,740 towards the cost of their new machine.

In addition to the grant, Close Brothers Asset Finance were also able to provide a flexible Hire Purchase package that complemented the deposit paid by the RGF.

Result

The new CNC machine purchased by GWR Fasteners has been a great success for the company and they recently ordered a second machine, again with the support of Close Brothers Asset Finance.

Thanks to the machine the company has been able to offer its existing customer base a new range of components with shorter lead times, and they now have the capability to manufacture specialist components to their client's specifications.

GWR Fasteners are also able to manufacture specialist and obsolete fasteners that are no longer available.

Sales from both new and existing customers have increased due to the machine's capacity and the company has since recruited one new member of staff, with further plans to hire in the near future.

“Close Brothers Asset Finance understood our needs and assisted us throughout the RGF application. Without this backing we wouldn't be where we are today. They saw our potential and continue to support us as we grow.”

Jude Robinson, Commercial Director
GWR Fasteners



Regional Growth Fund (RGF)

Close Brothers has been granted an award from the Government's Regional Growth Fund (RGF), a £3.2 billion fund operating across England from 2011 to 2016. Close Brothers will receive £40 million from the fund in addition to the £30 million previously received which has supported SME investment in selected areas. To qualify for RGF support an SME must commit to either recruiting new employees or safeguarding jobs.

To date we have worked with over 300 small businesses which has resulted in the creation or safeguarding of over 1300 jobs.

What is the Regional Growth Fund?

The Regional Growth Fund (RGF) is a £3.2 billion fund for SMEs that is granted via intermediaries. It asks businesses to invest in growth, which in turn creates new jobs whilst safeguarding thousands of existing posts.

Launched in 2011, the RGF has already awarded over £2 billion to almost 300 projects and programmes which have helped create more than 500,000 jobs and over £13 billion of private sector investment.

How the Close Brothers RGF scheme works

If you need financial support for a project that involves private sector investment and will create sustainable employment, but need help to invest in additional equipment or machinery, you may be eligible for an RGF grant.

The size of the grant available is based on the scale and location of your business, the level of asset investment and the number of sustainable full time posts being created or retained.

It's important to note that you must commit to

creating or retaining those jobs to be eligible. One job must be created or retained for every £10,000 received, up to a maximum of £500,000.

Could you be eligible?

- Have you been turned down for finance for this investment?
- Are you planning to purchase an asset but unable to finance the necessary deposit?
- Are you unsure as to whether you could afford the monthly payment on the asset?
- Are you a small or medium sized business with fewer than 250 employees and a turnover of under £35 million?
- Through the proposed investment will you create additional jobs or safeguard jobs which would otherwise have been lost?

Key features

- RGF monies take the form of a grant
- The investment will be financed by Close Brothers Asset Finance on either a Hire Purchase or Lease basis. You will negotiate mutually acceptable terms with your local Close Brothers Asset Finance Area Sales Manager

The level of available grant is based upon the following:

- Size of your business
- The amount of the investment
- Whether you could get funding for this purchase without RGF funds

Applying for the RGF

Close Brothers Asset Finance will be on hand to support you from your initial expression of interest to the moment you receive the money, and beyond. Your local Close Brothers Asset Finance Area Sales Manager will go through the application form with you and explain the terms and conditions.

We have already guided over 300 SMEs through the process and have seen first-hand the positive impact it can have on individual businesses as well as the local economy.

“Close Brothers are great to deal with. They assisted us through the RGF application, which has resulted in us being able to buy the machinery needed to support our business growth.”

Matthew Jenness
Micron Workholding Ltd

If you would like to find out more on the Regional Growth Fund please contact us on **01244 459 798** or visit **www.closeasset.co.uk**

Asset finance: Frequently asked questions

Q: What finance products do Close Brothers Asset Finance offer?

A: We offer a range of flexible funding options including Hire Purchase, Leasing and Refinancing, enabling you to purchase assets and grow your business.

Our products are designed to make purchasing an asset as easy as possible, putting it straight to work while keeping your working capital intact.

We have a team of specialists across the UK who can advise you on which products will best suit your requirements, allowing you to ease cash flow and develop your business.

Q: What kind of equipment can be financed through Close Brothers Asset Finance?

A: We finance all types of manufacturing, construction, recycling and waste management equipment including machine tools, woodworking and plastics machinery, cranes, screeners, crushers and excavators.

Q: Would I be able to have different suppliers and equipment on the same agreement?

A: Yes, so long as delivery is close enough together to manage pay-out to the suppliers satisfactorily; we can combine assets and suppliers on one agreement, allowing flexibility to shop around and freedom of choice.



Q: Would my repayments on the agreement be fixed?

A: Yes, once an agreement has been entered into, the monthly payment figure will remain the same (unless on a lease agreement where the VAT rate changes) for the duration of the agreement, offering peace of mind for future budgeting.

Q: Can I settle the agreement earlier than the minimum term?

A: Yes, should a business wish to pay off the agreement early, a settlement figure can be provided and in most cases an interest rebate is applied.

Q: What happens if the business is sold?

A: We may be able to assign the agreement to the new owner if they pass our underwriting criteria, otherwise the agreement must be settled in full before title to our assets can be transferred across as part of the business sale.

Q: Why choose asset finance?

A: Asset finance is a flexible funding solution when compared to traditional bank loans for purchasing assets. It is very simple to arrange, and unlike a bank overdraft can not be called in on demand.

To find out more about how Close Brothers Asset Finance can help you, please call **01244 457 569** or visit **www.closeasset.co.uk**



Events we're attending

RWM 2014

16th -18th September 2014
NEC, Birmingham

RWM is Europe's leading event for resource efficiency and waste management solutions.

For more information visit:
www.rwmexhibition.com

Interplas 2014

30th September - 1st October 2014
NEC, Birmingham

UK's leading plastics industry event.

For more information visit:
www.interplasuk.com

Northern Manufacturing & Electronics 2014

1st - 2nd October
Event City, Manchester

Northern Manufacturing & Electronics 2014 is one of the leading exhibitions for manufacturing and electronics.

For more information visit:
www.industrynorth.co.uk

W14

5th - 8th October
NEC, Birmingham

W14 is the national exhibition for the joinery and furniture manufacturers in the UK.

For more information visit:
www.w14exhibition.com

To find out more about how Close Brothers Asset Finance can help you, please call 01244 457 569 or visit www.closeasset.co.uk



Did you know?

Did you know that in the past 12 months, 55% of manufacturers in the UK have found themselves in the position where they needed to purchase an asset but couldn't gather the deposit to do so?

And while 46% of those we surveyed said that they'd be interested in a grant through the Regional Growth Fund, two fifths admit that they don't know how to access it.

Accessing cash remains a major challenge for more than half of manufacturers, with a fifth saying that they are unable to seize new business opportunities due to a lack of funds.

Despite these difficulties, as many as 21% are unaware of any alternatives to bank lending.

Contact us on **01244 459 798** to find out more about how the Regional Growth Fund could assist you to invest in and grow your business.

Source: Statistics drawn from the Close Brothers Business Barometer, June 2014

