



## Business Finance case study >>

Ann and Mark Robinson needed £800,000 to assist with the purchase of a vets practice but their plans had stalled due to an issue with their finance. We resolved the problem and sourced finance for them on very beneficial terms.

### The Challenges

They were buying an existing vets practice but planned to build a new facility on the same site. However, the finance had stalled because the building contractors needed to see confirmation of funding before any of them would tender for the work, but their bank wanted to see detailed costings for the building work before they would consider a loan. Catch 22.

### The Solution

The solution to the problem was to prepare a full credit paper for lenders explaining the transaction in much more detail – in particular that the Robinsons were going out to tender for the build on a fixed price contract. On the strength of our input, three prospective new banks agreed to submit indicative terms for the business.

### Outcome

The banks knew they were in competition for the business so put forward the best terms they could. Ann and Mark got the money they needed on the following beneficial terms:

- The successful bank agreed to lend slightly more to cover costs - £825,000 in total
- The loan term was 20 years but there were no early repayment fees; so they had the best of both worlds – the reassurance of longer term funding but with the ability to repay early without cost
- 12 months interest only, delaying capital repayments until the business was fully up and running
- We achieved a lower interest rate than they anticipated in their business plan, which will save them around £106,500 over the term of the loan
- The financial risk of the project was therefore materially reduced
- To reflect the work we had done, the new bank reduced its lending fee by £8,250 compared to what it would normally have expected to charge

### Conclusion

Because we did nearly all the work, the Robinsons got a confirmed, credit backed offer within five weeks – at which time their existing bank was still asking for the detailed costings! In addition to the financial aspects there were other benefits too. Since completion, their business has gone from strength to strength. They now employ more people, including two new vets, and have added a new laboratory and offices.

“ Suffice to say I don't think you could have been any more helpful. You saved me a huge amount of time and brought a swathe of knowledge and contacts I could never hope to accrue. I would recommend Ian and IBC without reservation. ”



Henwick Vets  
Ann Robinson

