

CASE STUDY

Fighting back

Thanks to a deal brokered through HW Corporate Finance, a Portsmouth-based steelwork contractor is back in business.



Roger Slade

It's a sad moment when the business you have grown over 25 years falls victim to the credit crunch and goes into receivership, but Roger Slade has proved that, with personal drive and the right support, there is a way back.

Founded in 1984 by Roger and his wife, Sheila, steelwork contractor Allslade plc grew from humble beginnings to a company with £10m turnover in 2006.

"We started off in a small unit with no orders and no staff," says Roger. "Growth was gradual but we made money, invested in ourselves and kept ourselves fluid."

A series of expansions allowed the company to exploit its potential and, in

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2006, another move and investment in new plant machinery was on the cards.

"Each time we expanded, the marketplace looked fantastic, the projections five years hence were extremely good and there was no cause for concern," he adds.

The next stage of development was the biggest to date, with a move to premises of 150,000 sq ft, and significant investment in new plant machinery and building refurbishment. Allslade moved into new premises in early 2008 and the

year started well but then the cost of the project began to bite.

Roger explains: "The development had gone over budget and then a few orders began to fall through, margins dropped and there was an unbelievable pressure on cash flow."

He approached the bank for financial support but they were unable to provide it without him providing even more personal security. "My wife and I had already put our money where our mouths were, mortgaging the house and selling personal assets; there was no more to give."

It was at this stage that Roger turned to Haines Watts and corporate finance adviser Richard Hall for support in finding further funding.

"Richard came on board and took a look at us – he put together a business plan, identifying the reasons we had run out of money and working with us to identify cost savings and improvements that could be made, whilst highlighting our strengths," explains Roger.

"This, combined with a summary investment flyer, was used to highlight management's focus and direction for potential funders. We just needed a willing investor but our timing was terrible and no one had any money," says Roger.

When a straightforward refinancing or acquisition of the business couldn't be

achieved in the available time frame, Richard was able to organise a pre-pack purchase by Melham Group Holdings.

The sale allowed Allslade to continue trading as an autonomous business – Conder Allslade Ltd. Every member of staff was kept on, with no pay lost even during negotiations over Christmas.

And, given the opportunity to keep the business growing, Roger is going to grab it with both hands.

"We're already achieving orders, increasing turnover and we'll improve our position in the marketplace this year.

"We've been through a lot of beatings but we're learning from each situation and getting better. We're up to the task, there's no doubt about it."

There's also no doubt in Roger's mind as to the quality of support provided by Richard and his team.

"They were excellent and worked extremely hard to put in place a deal that got the very best from a very difficult situation. Richard was so dedicated, even driving through the night to get to one important meeting. Now that's commitment!"



Fact file

Issue
Funding gap
Restructuring and sale

Sector
Manufacturing

Location
Portsmouth