

2014 The year for growth?

2013 has been an interesting year with conflicting reports regarding the strength of the economy and recovery. The USA has certainly bounced back which has stimulated the Private Equity and Banking sectors on this side of the water. As always they are the fuel that generates growth and the recent UK GDP figures evidence that small (0.8%) but important rise.

However recent profit warnings by some of our major companies do serve to temper some of the enthusiasm and it is certainly no time for complacency.

Here on the ground in the South East we have definitely seen the green shoots. Confidence is stronger and most businesses are doing a bit better. Acquisitions and consolidation are still the name of the game for many sectors if you want real growth. Our corporate finance activity is at its highest level for 5 years although the value expectation gap is still very evident, i.e. the buyers do not want to pay what the sellers think they are worth! So the outlook for 2014 remains cautiously optimistic. Keep your eye on your costs but maybe now is the time to start investing in growing your business. After all you don't want to miss it if the tide really is changing!

RECORD BREAKERS!

Major trans-Atlantic deal is completed in just 90 days.

EMC Corporate Finance has completed another major trans-Atlantic deal...and in record time! The firm acted as lead advisors to London-based Belville International Ltd, a \$100 million global provider of freight forwarding and logistics services, on its sale to OIA Global, based in Portland, Oregon.

The deal was completed within 90 days of the signing of the Letter of Intent and within 100 days of the initial contact with the buyer – a record in EMC's 25 years of advising on transactions.

CEO Nik Askaroff led the EMC team. He said: *"With a global business operating in 21 jurisdictions, it was vital that everyone delivered to the timetable and that any delays were immediately caught up."*

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Nik Askaroff (third from right) with the Belville management team

EMC is named UK's SME Corporate Finance Firm of the Year

EMC has rounded off a spectacular year by being named the UK's SME Corporate Finance Firm of the Year in Acquisition International Magazine's prestigious Finance Awards.

It's the second time in 12 months that EMC has been lauded by the leading international journal for dealmakers.

Earlier this year EMC were also named among the winners of Acquisition International's M&A Awards which are held each year to recognise the achievements of all those involved – corporate finance advisors, investors and service providers – in successful deal-making.

AI's Finance Awards are the only awards that celebrate achievement, innovation and brilliance from an international perspective.

ACQUISITION
INTERNATIONAL

FINANCE AWARDS



Awards chief co-ordinator Kathryn Turner said: *"The awards set the benchmark in the finance industry – any lucky award winner can rightfully boast to be the very best in their financial field."*

EMC CEO Nik Askaroff said: *"We are absolutely thrilled by this double success particularly as the original nominations will have come from our clients and/or peers."*

"Being named the UK's SME Corporate Finance Firm of the Year caps what has been an excellent year. Despite the market turbulence and challenging economic conditions around the world, we have been

successful in concluding a number of very good deals.

"There is still plenty of scope out there for both sellers and acquirers, but only if you know how to go about it. The unprepared or unwary can very easily come unstuck."

"We have handled well over 250 transactions since our formation in 1989, mainly in the £2m to £50m range, so we know what works and what doesn't."



Meet the team



Nik Askaroff



Peter Aves



Giselle Barrowcliffe



Julian Clay



Michael Gibbs



Jon Green



Desmond High



Crispian McCredie



Stephen Milton



Andrew Munro



Rod Muir



John Packer



Michael Pay



Terry Rainback



Simon Robbins



Ryan Smith



Martin Stanton



Kevin Wheelhouse

John Blackburn



Our 'mobile boardroom' of experienced senior interim managers and business advisors has been boosted by the addition of John Blackburn who has joined us from The Danwood Group where he had worked since 2004, most recently as Home Counties MD.

John, who lives in Haywards Heath, has built an outstanding career in business over the last 25 years, most recently overseeing the successful integration of a series of mergers and acquisitions into one cohesive operating model for the Danwood Group.

With the UK economy now showing early signs of recovery, John's experience will be invaluable to the fast-growing number of business owner/directors with whom we work on a regular basis, providing them with hands-on support and advice.

EMC helps Hotchkiss to seal £2.6m American deal

EMC was lead advisor to the Eastbourne-based Hotchkiss Group in the £2.6m (\$4m) sale of its US fire rated duct business to its American partners, Conquest Firespray.

Hotchkiss Group Managing Director Giles Woolley said: *"It was a fairly complex deal to negotiate and we were very grateful to have the experienced hands of Nik Askaroff and the team at EMC Corporate Finance to guide us through it."*

"With the UK construction market still very challenging, the sale of our US operation will increase the financial strength of the group. We will continue to be involved by providing a development programme for new products for the US market. We will also continue our general development programme and expansion into other overseas markets."

Established in 1885 as a firm of maintenance and jobbing engineers, the Hotchkiss Group includes the UK's leading air conditioning ductwork contractor and has annual worldwide sales of more than £40m.

In the US, its fire-resistant ductwork systems have become the product of choice for many architects, engineers and contractors. Its products are installed in high rise commercial and residential buildings, museums, hospitals, research facilities, hotels, banks and many others.

RECORD BREAKERS!

Continued from front cover

"We constantly reviewed and managed the timetable and activities throughout to ensure that all the milestones were met and, most importantly, that both sides focused on the benefits of the transaction and didn't get diverted by immaterial matters."

"Regular, honest and transparent communication was the key. As a result the deal was completed in just 90 days. The Heads were signed on 14 June and the deal completed on 17 September. Given the opportunity that existed for things to go wrong and schedules to be blown apart, this was a terrific achievement."

"My EMC colleagues Michael Pay and Michael Gibbs, accountants Baker Tilly and lawyers Kerman & Co on Belville's side and all those acting for OIA deserve full credit for making it happen."

David Ower, Belville Rodair Group Managing Director, said: *"The support we received from Nik was excellent. He not only negotiated the deal but was on hand to smooth out any of the bumps that are almost inevitably encountered in a deal of this size and complexity."*

"Having such calm and experienced advisors made the whole exercise a lot less stressful than it might otherwise have been and certainly helped us complete to a tight deadline."

EMC...2



Howzat!
EMC triumphs in new cricket tournament
 EMC emerged victorious from the inaugural Workplace B'Ashes Kwik Cricket tournament held at the County Ground, Hove. EMC beat Brighton and Hove Jobs in the final.

EMC chief executive Nik Askaroff said: *"The whole day was a lot of fun. It's a great way to team build and fantastic opportunity to play on the pitch at Hove. We will definitely be back to defend the trophy next year."*

Tony Cottey, business development manager at Sussex CCC, added: *"EMC did really well to win it. I am sure the event could become a permanent fixture in the business calendar for many years to come."*

Our business strategy expertise gets national recognition

EMC's expertise in the field of business planning and execution has been recognised by a major national newspaper.

CEO Nik Askaroff was invited to give his views on why strategies fail in a special Business Reporter supplement distributed with the Sunday Telegraph on 3 November.

He said: *"It's a real feather in our cap that we were asked to contribute to the newspaper's annual report on Strategy Execution."*

"Our multi-disciplined 'mobile boardroom' of senior finance, marketing, sales, IT and production professionals has spent 25 years helping companies to prepare and deliver elements of their strategic plans that fall outside of their own competences or where the amount of work involved is too much for the

management team. So we are ideally placed to know what works and what doesn't when it comes to writing and executing a successful business strategy.

"The Sunday Telegraph is read by more than 1.4 million people throughout the country so we were delighted to be included."

Nik was one of five industry experts who debated the reasons why business strategies fail as part of the publication's overall look at what makes an effective business strategy, how it can be best executed, and what senior executives can do to get the company pulling in the same direction.

In his article Nik argued that it was not usually strategies that fail, but people. *"Even the best-laid plan will come unstuck if the right people aren't in the right place at the right time to*

“The Sunday Telegraph is read by more than 1.4 million people throughout the country so we were delighted to be included.”

execute it," he said.

He added: *"A successful strategy will combine vision, culture, structure and resources. If any one of these is missing it could create internal frustration, a confused management and dysfunctional delivery. The strategy needs to be supported by a detailed action plan with a clear allocation of responsibility and timetable for delivery."*

"Involve your teams and ensure you have the right people and resources in place. Otherwise, get help. If the plan is clear and you have expert support around you, your chances of success are significantly increased."

The Sunday Telegraph



Question Time for entrepreneurs

Two leading figures from the financial services world, John Stone and Sandy Loder, were the principal speakers at Entrepreneurs' Question Time organised by EMC in conjunction with Close Brothers Asset Management.

EMC chief executive Nik Askaroff said: *"These were two high quality speakers with tremendous records of entrepreneurial achievement. Everyone present was able to learn something from them."*

Pictured left to right: John Stone, James Shore of Close Brothers, Sandy Loder and Nik Askaroff

Wild day's sailing for 2013 EMC Sailing Challenge



Pictured left to right: EMC team, IEP Financial Team, Posturite Team, EMC Team

EMC helps hospice with 'daunting' IT relocation and upgrade

Eastbourne's new £10m St Wilfrid's Hospice – one of the most ambitious projects of its kind in the country – opened its doors to patients for the first time in October.

The vision is for a community where people talk openly about dying, live well until the end of their life and where nobody dies alone, afraid or in pain.

“EMC really made the difference.”

The multi-disciplinary medical team cares for more than 1,000 patients every year within the Inpatient Unit, Wellbeing Centre and Hospice at Home services. As well as patients' physical needs, they also care for their emotional, spiritual and social wellbeing, and offer support to families and friends during illness and bereavement.

Upgrading the IT systems and relocating to the new building was a massive task, beyond the hospice's own expertise. As the project hit a critical stage, St Wilfrid's approached EMC to provide an interim IT Director, Jon Green, to re-invigorate and manage the technical project.

Jon said: "It was quite a challenge, working with multiple third party technical contractors and internal IT staff to deliver a completely new best-in-class IT landscape. The new IT services are almost unrecognisable compared with the legacy systems we replaced. The results have been well worth the effort."

Steven Manning, overall Project Lead for the hospice commented: "EMC provided sound and clear advice when dealing with, what was for the hospice, a daunting upgrade

and relocation of IT systems. Jon Green's involvement benefitted the hospice through his clear sense of perspective, strategic technical input and ability to promote communication in the cultural space between the very different organisations involved."

Streamlining IT services for 70 staff and over 200 volunteers has achieved better service and improved data security with an internal headcount of fewer than two IT staff.

"Delivering 24/7 care for vulnerable patients means the IT infrastructure had to be reliable and efficient," said Medical Director, David Barclay. "The new IT systems offer great opportunity for a more responsive service to our patients in conjunction with our clinical partners."

Finance Director, Graham Thomas, added: "The day we physically moved all our IT systems to the new site went without a hitch. We were up and running the next day with minimal disruption. Involving EMC really made the difference."



Pictures left to right: Kara Bishop, Chief Executive, Jon Green and Steven Manning, Project Manager.

Estate Agent is sold on Julian

EMC Sales Academy director Julian Clay has completed a sales mentoring project for top Brighton & Hove estate agent Mishon Mackay. It involved him working with the company to develop some of the business and sales strategies which have seen Mishon Mackay go from strength to strength this year.

Managing Director, Alex Mackay said: "Julian is someone who understands the core sales issues which affect a company. He has the ability to develop someone's skills in relation to sales, the process and coaching. His clear and practical approach made it easy for us to engage with him and to add the value that we were looking for."

Steve triumphs at our Goodwood golf day

Nine teams took part in EMC's corporate golf day at Goodwood. Steve Kirkham of Spofforths was the individual winner while FRP Advisory took the team prize. Post-golf entertainment included a talk by Goodwood CEO Alex Williamson.

Pictured (left to right) are Ian Fletcher-Price, CEO Posturite Ltd; CEO Alex Williamson, Goodwood; Stephen Yorke, CEO Prime London Capital; Nik Askaroff EMC; and Michael Pay, EMC.



Mind the gap!

Andrew fills in to give W&P time to make key decision

When an experienced and knowledgeable member of a company's senior management team hands in their notice, it can be a cause for serious concern...or a genuine opportunity.

Earlier this year the financial controller resigned at Wightman & Parrish, a Sussex-based leading UK distributor of healthcare and hygiene products. In recent years W&P had experienced significant growth and change. Rather than immediately recruiting a like-for-like replacement, MD Nicholas Parrish decided to take the opportunity to evaluate the current and future business requirements.

To provide the time he needed to determine the best long-term approach, Nicholas engaged Andrew Munro, one of EMC's professional interim finance directors. Andrew was able to begin the assignment at short notice which allowed a good handover from the departing financial controller.

Andrew then provided support on a part-time basis, quickly getting to grips with the company's financial processes and systems, providing day-to-day cover and overseeing the financial management of the business.

During his time at W&P, Andrew was also able to provide improved financial analysis to support strategic decisions and guidance on the long-term business requirements.

Nicholas concluded that the company needed a permanent finance director to help complete the organisational changes that were underway and to support his plans for further growth. Andrew was able to assist with the recruitment of the new FD and held the fort until the appointee could join the company.

W&P now has a permanent finance director with the ideal combination of skills and experience to support the company's planned growth. Nicholas is glad that he called on EMC for interim support to give himself the time needed to identify and adopt the right long-term solution for the business.

EMC joins International Alliance



MSQUARE M&A ALLIANCE™

EMC Corporate Finance has become part of the Msquare M&A Alliance. This international platform connects M&A partners across the world with over 100 partners in more than 20 countries.

“...this now gives us direct reach to the Far East and South America.”

The Alliance is particularly strong in India, the Far East and South America.

Nik Askaroff, CEO said: *"This strengthens even more our international reach. As a small specialist boutique these direct relationships are our strength. We are well represented in the USA and Europe but this now gives us direct reach to the Far East and South America."*



How much have you got in your pension fund?

The lifetime allowance applies to any pension savings you have in a registered pension scheme. The LTA is currently £1.5 million, but this will go down to £1.25 million from 6 April 2014. Even following this reduction, most people won't have to pay the LTA charge, but if your benefits do exceed this figure then a tax charge will apply when taking benefits. A rate of 55% will apply to lump sums and 25% where the benefit is taken as a pension on any figure over the lower allowance threshold.

By taking action now, you may be able to protect your pension with the higher LTA figure of £1.5m by applying for Fixed Protection.

Not sure what this means or how it applies to you? Email Ian Poysden on ian.poysden@iepfincial.co.uk who would be happy to provide some advice or guidance.

Seminars reveal the secrets of Private Equity



Panelists pictured left to right at the Sussex event are Michael Pay, EMC; Paul Canning, MD of HIG Europe; Ian Williams, Lyceum Capital; Nik Askaroff, EMC; and Chris Price, Mobeus Equity Partners.

Private Equity firms invest billions of pounds in UK businesses every year and they form a cornerstone of the M&A market. They invest in all industry sectors and in start-ups as well as large, well established companies. Yet many business owners still view PE with suspicion and confusion.

So we were delighted to host two seminars, one in Sussex and one in Kent, at which the 'secrets' of private equity were revealed by speakers from three leading firms – HIG Europe, Lyceum Capital and Mobeus Equity Partner questioned by EMC Director Michael Pay.

Our chief executive, Nik Askaroff, who chaired the Sussex seminar at the County Ground, Hove, said: "Hopefully the seminars will have helped to dispel people's suspicions and provided them with a better understanding of how Private Equity works and how it can help their businesses."

The Kent seminar, chaired by our Maidstone-based director Desmond High, was held at the Spa Hotel, Tunbridge Wells.

Gary is our Entrepreneur of the Year

Gary Mayatt, managing director of Dartford-based mechanical and electrical engineering and renewable energy company Enevis, was named Entrepreneur of the Year at the 2013 Kent Excellence in Business Awards.

EMC Kent director Desmond High and Debbie Cameron, IoD Kent branch manager, jointly presented Gary with his trophy at the awards ceremony held at the Kent Event Centre, Detling.

The pair, who acted as category judges, admitted they had had



Desmond High (left) and Debbie Cameron present Gary Mayatt with his KEIBA trophy. Photo courtesy of KM Group

a tough task in

choosing a top three

from 25 entrants who, they said, "exuded talent, commitment, enthusiasm and sheer bloody-mindedness."

It is the third year running that EMC has sponsored the KM Group/KOC-organised Kent Excellence in Business Awards and Desmond was full of praise for this year's crop of entrepreneurial talent.

He told the audience: "Our top half dozen individuals alone have created businesses which now collectively turn over in excess of £40m. They have also directly created over 600 jobs as well as many others for their suppliers. At the risk of this sounding like a politically correct school sports day, they are all winners and deserve our admiration and thanks."

Runners-up were Steve Burnett, business development director of waste management company Compact and Bale of Hadlow, Tonbridge, and John Casey, managing director of the Mainstream Group recruitment and training company in Sittingbourne.

MD's road trip brings a £500k reward

EMC Director Martin Stanton, an accredited Growth Accelerator coach, has recently started working with Elsatex Ltd, a leading supplier of fabric products to the institutional sector.

Working on the sales, marketing, and operational aspects of the business, Martin insisted on a far more

stringent routine of customer visits for the sales team.

"That will teach me to argue with an EMC Growth Accelerator coach!"

Steve Lowe, Elsatex's MD said: "Martin was so convincing about the need for an increased level of customer visits that, despite being certain that I was very close to the customers that I handled personally, I decided to spend three days on the road in the North of England, if only to set an example to the sales people."

"Imagine how both irritated and pleased I was when I had to admit to Martin that I returned with over £500k of unexpected orders in my briefcase. That will teach me to argue with an EMC Growth Accelerator coach!"

Trustee appointments

Desmond High and Peter Aves, respectively finance and property specialists based at our Kent office, have been appointed Trustees at MHS Homes Limited, the Housing Association responsible for more than 8,000 properties in Medway.

Be Valued acquires Home Flooring Solutions

Home Flooring Solutions, an Orpington-based company specialising in the inspection, validation, restoration and fulfilment services to the insurance industry, has been acquired from the administrator by insurance replacement specialists Be Valued.

EMC Corporate Finance acted for Be Valued in the deal which sees all contracts held by HFS move over to the Eastbourne-based company, part of the Be Group.

Nik Askaroff, EMC's CEO said: *"We have acted for the Be Group for more than 10 years and this is the latest in a series of strategic acquisitions that cements its position as the leading contents claims house in the country."*

Colin Bassett, Be Group chief executive, said: *"HFS are well regarded with a wealth of historical data, specialist IT systems and very experienced flooring assessors throughout the UK. The integration into our group will enable us to be a complete contents claims provider."*

"Together with innovative IT and product specialists in all areas of contents, the Be Group will provide the right solution for insurer clients, whilst continuing to reduce claim lifecycles and improve further the customer journey."

HFS was created by Valco Capital Partners, the investments and turnaround arm of Hilco UK, after it acquired Allied Carpets in 2009 and was originally named Allied Inspections. It went into administration in October.

Seminars are a big success

A further programme of free breakfast seminars is being planned for 2014 following the success of this year's events.

All three of our autumn seminars at the County Ground, Hove – Buying and Selling a Business; Growing Your Sales; and Using IT to Grow Your Business – were well attended as were those held earlier in the year.

CEO Nik Askaroff said: *"We were delighted with the response we had to each of our seminars this year, so we will undoubtedly look to run some more in 2014. Once dates and subjects have been sorted, we will post them on our website and issue invitations."*



Nik Askaroff with Murray Goodwin, Jamie Hall and Richard Montgomerie, part of the victorious Sussex 2003 Championship winning side, celebrating their 10th Anniversary with Jerry Westmore and Stuart Osbourne.

MONTE FULL

It seems hard to believe that it is a year since the award-winning £35m Montefiore Hospital opened its doors in Hove.

Since then the hospital has established itself as the leading provider of private healthcare in the region, with its state-of-the-art medical facilities, 'boutique hotel' style patient facilities and its uncompromising approach to patient care.

The hospital building was painstakingly converted from a Victorian furniture depository over a period of 15 months, and

since then has welcomed close to 20,000 patients across the threshold, cared for by around 140 staff and 150 consultants.

We at EMC are proud to have been involved in the project from the outset, helping to locate the building, source the funding and assist in managing the construction process as Client Advisors, from commencement until commissioning and handover was complete.

Our Property and Construction Team have many years experience in project and business management and would be happy to assist you with any new build, refurbishment or relocation project.



Sales are motoring at Eastbourne Car Auctions

EMC's Julian Clay has completed his first year as Director of Sales at Eastbourne Car Auctions where the last quarter has seen a solid sales performance.

Julian said: *"We have made great strides in working on our sales and marketing processes and this has made it easier for us to communicate our message and value to potential customers, which is one of the main reasons sales have increased."*

Project file

The following are examples of recently completed or ongoing projects. They demonstrate the wide range of assignments we are asked to carry out.

Appointment as Employer's Agent for a property company on the conversion of retail premises in Hove.

Advising the board of an environmental services company on its plans for growth and management structure.

Preparing a cost plan for a social housing project in South London and presenting it to the client's bank.

Advice and assistance with acquisition and post-acquisition management of a specialist design business in the lighting sector.

Non-executive chairman role for a high growth international maritime security company.

Non-executive role for a national healthcare distributor.

Advice and assistance with succession planning for a leading food sector distributor.

Review and assistance with the refocusing and strategy for a South East-based manufacturing company.

Assistance with the distressed purchase of a national brand business.

Appointment as Trustees to a major housing association.

Appointment as interim CFO with £90m Kent-based recruitment group.

Carrying out a strategic review for a specialist film production company.

Conducting business reviews, marketing and business sales for companies involved in uniforms and sports apparel, specialist health and insurance, and industrial food weighing and packaging.



Nik Askaroff was part of the winning team in the annual Posturite Golf Challenge.

Pictured from left to right: Miles Quantum, Stephen Yorke, Nik Askaroff, Stephen Hopkins and Ian Fletcher-Price

QUALITY ASSURED

As markets become increasingly competitive, it is important to ensure that your business is focused on providing the best possible customer service.

Contrary to popular belief the Quality Assurance Standard ISO 9001 is NOT a prescriptive and inflexible workplace manual but rather a framework to assist you in structuring your business in the most efficient and profitable way to best serve your customers.

The adoption process is probably the most rigorous business health check possible as it requires you to consider every aspect of your company's operation – what works well, what could be removed and what could be improved. It can equally be considered as the best method of readying a business for sale.

We are currently working with Paterson Simons & Co (Africa) Ltd, an international lifting equipment specialists based in Brighton, to obtain ISO 9001 accreditation. Managing Director John Traynor is very clear about the importance of achieving the standard and has set a one year timescale, made possible by the commitment of the top management to the process.

As more client bodies adopt ISO 9001 as a tender pre-qualification requirement and, hopefully, workloads start to increase as the economy returns to growth, there has never been a better time to consider how this could assist in taking your business to the next level. Our team of specialists would be very happy to help.

Desmond gets interim role with HR GO

EMC Kent director Desmond High has taken on an interim role as CFO of HR GO plc, the £90m Ashford-based recruitment group.



EMC is the South East's leading independent provider of business management, corporate finance and operations support to SMEs across all business sectors.

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