



# Has UK plc started to recover?

Green shoots in Britain have spurred a debate about the end of the recession. GDP is growing again, albeit sluggishly. Could it be the start of a sustained recovery or, it could be a little growth in the midst of a broader recession. Or is it what some are claiming, a sign that a double dip recession is heading over the hills post summer break?

## The second wave?

The economy is now in the second wave of recession with Lehman Brothers going into administration a year ago closely followed by MFI and Woolworths. A number of businesses are still struggling and with rumours that HMRC are going to start to claw back the deferred payments from the past year, the future is not as rosy as some predict for SME businesses. At MCR we are not seeing as many companies with ABL funding struggling as much as companies who are being financed by traditional bank lending.

We are predicting that this trend will continue where the banks will be under constant pressure to cleanse their underperforming portfolios – as dictated by their credit policies. Therefore companies will be looking closely at the ABL lenders for funding and support even more now, and this as we have stated before in this

magazine, shows how robust the ABL lending sector is even in a recession.

## Case study – refinancing

MCR Finance Brokers were approached by a manager of a clearing bank who wished to manage-away a client of theirs. The bank's appetite had changed and they were uncomfortable with the lend and the customer. The customer is a £25m turnover airtime reseller selling into SME businesses across the UK. It had always been profitable and continues to be profitable. It had a good spread of debts. MCR Finance Brokers introduced a number of lenders to the client, and it quickly became clear that Centric Commercial Finance were the only lender able to offer what the client required and they completed their due diligence to a tight deadline. This presents a £1.5m ID facility with them going an extra mile on day one with an overpayment due to an administration error on the bank's part.

## Valued relationships

MCR Finance Brokers has an excellent track record and exemplary reputation among the business and lending communities. Through our relationships with lenders we can match you

to businesses with a funding requirement in a mutually beneficial relationship that is unchallenged.

There are some in the industry who may be suffering from what could be termed lender fatigue, not a surprise given the recent turmoil in the banking sector. But we at MCR Finance Brokers are working with a number of entrepreneurial businesses looking for funding facilities tailored to their commercial needs.

## MCR Finance Brokers

We act as an adviser to companies wishing to raise commercial finance on the strength of their balance sheets, such as book debts, plant and machinery, stock and property. And that is where our relationship with you, the lending community, comes into its own.

MCR is working closely with many in the ABL sector enabling lenders offering a full range of cashflow oriented and asset-based finance products to work with growing businesses both large and small, looking to find the perfect financial solution for their size and ambition.

Our knowledgeable team is drawn from a wide range of financial backgrounds with over 50 years' experience between them, which ensures our clients receive straightforward asset-based financing advice. So if you require any of our services, please contact me.



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