



KNOX CAPITAL  
SOLUTIONS

RECENT CASE STUDIES  
2021

### INTRODUCTION

As we enter into Q2 of the financial year, it feels timely to share with you what myself and the rest of the Knox Capital Solutions have been up to during the past 12 months or so.

Whilst we were pleased to report our best ever year in 2019, securing in excess of £100m of funding for our clients. 2020 obviously looked a little different with the impact of the ongoing covid-19 pandemic. In spite of this though, we were still able to secure over £50m of funding for clients. Plus we ended the year on a high, when we were named "Bridging Broker of the Year" by the National Association of Commercial Finance Brokers (NACFB) at their inaugural Commercial Broker Awards last December.

2021 has seen a strong start for our business with two significant drawdowns for clients totalling over £40m (one development and one large commercial loan) already completed in Q1. Plus on a personal note, I am pleased to announce that I have been selected to sit on the first member advisory panel for the NACFB. A personal achievement that I am extremely proud of.

So as we look ahead into Q2 and the remainder of 2021, we will no doubt continue to face challenges with the economic uncertainty. But as lockdown restriction within the UK continue to lessen, we remain optimistic for the future of the industry. Here we share a selection of our most recent case studies to provide a more in-depth view of how we have helped a wide variety of clients over the past year. Proving that whatever the situation, we are able to rise to the challenge and continue to get deals down - always with our clients' best interests at the forefront!

We hope you enjoy reading our case studies and learning more about how our highly experienced team can help clients secure the funding they need.

We welcome the opportunity to discuss your funding requirements in complete confidence, so please do get in touch.

Best Wishes

**Ed Ogden**

**Managing Director**



### COMMERCIAL BUSINESS REFINANCE

KCS has been successful in securing a long-term refinance for a client with a substantial commercial trading business with a significant land site.

The business owners had just successfully completed a large expansion and they were looking to secure a long term facility to refinance the costs of the expansion.

KCS met with the clients and visited the site to fully understand the requirements and the lending mandate.

After preparing a thorough and extensive lending proposal KCS reviewed their panel lenders database to assess which funders would be best placed to assist.

High level terms were received from the lenders identified, and an in-depth discussion was undertaken with the client.

A funder was highlighted and a meeting arranged with the client on site to ensure the lender was the correct fit for the proposal.

KCS had to be nimble and flexible to ensure the deal remained on track, as the proposal changed during the initial due diligence.

With the significant loan value, KCS were instrumental in managing the drawdown process. Monitoring the progress of the various professionals, and towards the end of the process having daily contact with all parties.

Once the loan had been drawdown, KCS was asked to prepare a detailed explanation of the banking covenants for the Finance Director to follow for the quarterly covenant reporting required under the facility agreement.

The client was delighted following drawdown and has subsequently engaged KCS to look at another proposal.

#### Positives

- Established business going through a period of expansion
- Significant site value with a number of potential alternative uses

#### Challenges

- Due to the Nature of the business, whilst the historic track record was strong, projections were not underpinned by long-term contracts
- Complex ownership structure
- Long-term finance required at the lowest interest margin available

**Deal Size: £25m**



### CLIENT TESTIMONIAL

**"DELIGHTED WITH THE HELP AND SUPPORT FROM ED & THE KCS TEAM IN GETTING THIS DEAL OVER THE LINE."**



### LAND LOAN DEAL

KCS were initially approached by a client to look at the structure of a large site with outline planning for a significant development.

The build programme was forecast to be over a number of phases and the entire development would take a number of years to complete.

The client had spent large sums assembling the site and was looking to move towards obtaining detailed planning in due course. KCS were asked to secure a short term land loan for the site whilst planning was achieved.

The mandate was received during 'lockdown 2' which did limit the number of funders with appetite for the size and nature of this project. After an initial review it was a clear a more specialist lender would be required.

Timing was also a consideration as the loan needed to be drawn down in a limited period of time. KCS managed to secure terms from a specialist lender who had appetite for the loan but also had the capacity to effect the drawdown within the required timescales.

The project was closely managed by KCS to ensure an efficient post approval process. This involved regular monitoring calls with the various professionals involved in the transaction to ensure nothing was left to chance.

The land loan was drawn and the client has subsequently mandated KCS to secure the development finance for the whole scheme once full planning has been secured.

#### Positives

- Suitably experienced client with a strong track record
- Buoyant site location

#### Challenges

- Covid challenges with funders
- Large quantum of the loan
- Limited timescales for drawdown

**Deal Size:** £15m



### CLIENT TESTIMONIAL

"MY THANKS TO ED AT KCS FOR HIS REACH TO FIND A SOLUTION AND FOR HIS INPUT ON THIS TRANSACTION. HIS DILIGENCE HELPED THE PROCESS RUN AS SMOOTHLY AS POSSIBLE TO GET THE LOAN DRAWN WITHIN A SHORT TIMESCALE."

### ACQUISITION DEAL: CHILDREN'S NURSERIES

KCS were approached by one of their regular accountant introducers to assist their client with the acquisition of several children's nurseries.

The client was an experienced operator with a number of outlets he owned and managed. He had identified a small group of nurseries whose geographical spread complimented his existing group. His existing main stream bank did not have the appetite for the acquisition and they held a very onerous historic security package for the existing loans.

The client was not only looking for a new funder for the acquisition at improved interest rates but also he was looking to release part of the existing non connected security to allow him to develop separately.

This was a complex transaction and after thorough due diligence, a comprehensive lending proposal was formulated. To add to the complexities of the proposal a further nursery was identified during the funders due diligence process which also had to be factored in.

The client was also keen to ensure his new funding partners had appetite for further acquisitions and also were seen as a lending partner to his business

Terms were secured to allow the client to acquire the target businesses including the one identified during the process.

#### Highlights of the terms were as follows:

- 100% finance for the target acquisitions

- Lending margin 2.25% secured below the clients previous costs on his current loans
- Security package refined to release a large unconnected property
- Positive relationship for future acquisitions formed with the new funding partner
- Reduced personal guarantees
- Long term funding secured for the core funding 15 years

The funding was also split into two loans to increase the term on the core funding and also reduce the overall personal guarantee level for the client.

#### Positives

- Established client with a strong business track record
- Core security package strong
- Good location and business sector

#### Challenges

- 100% Acquisition finance
- Long-term funding required at a reduced interest rate then the clients current borrowing
- Extensive security package which needed to be refined to allow non-related properties to be extracted from the proposal

**Deal Size:** £3.5m total facilities approved including settlement lines.



### BTL PORTFOLIO DEAL: OVERSEAS INVESTOR

Following an introduction from one of KCS professional contacts we were introduced to a client looking for finance to acquire a portfolio of properties in the NW.

The client was an overseas investor who had identified an opportunity to invest in a major city in the NW of England.

Initially the client had acquired a number of properties from his own resources and was looking for a loan so he could acquire further properties.

As the client had not acquired in the UK previously and did not fully understand the UK lending process we had to educate him in how the lending process works in the UK.

As the client was looking to acquire further property we did make an introduction to a partner colleague who specialises in identifying assets for clients to acquire.

Pleasingly a further properties were highlighted and subsequently acquired by the client.

The mandate was to secure a funding partner with low interest rates and with appetite to grow the lending as the client increased the size of his UK holding.

To secure the right funder was a challenge particularly given the fact that the client does not reside in the UK. This restricted the number of funders that could be approached for the finance.

After a thorough and extensive review a funder was secured and terms to the clients satisfaction where approved.

KCS had to project manage the transaction as the client was based overseas and due to the Covid restrictions was unable to travel to the UK.

The client was regularly updated with progress and the funders requirements were explained to the client as and when necessary given his lack of knowledge on UK property finance.

Funding has now been drawn and the client is looking for further properties and given his positive experience with KCS the mandate has been secured for future lending as and when new properties have been identified.

#### Positives

- High net worth client
- Strong property locations

#### Challenges

- Non UK ownership structure
- Long term funding partner required
- Low interest rates and high LTV mandate from the client

**Deal Size:** £3.9m



### CLIENT TESTIMONIAL

"IT HAS BEEN A PLEASURE DEALING WITH KNOX CAPITAL. WORKING FROM CANADA, NAVIGATING THE COMPLEX WORLD OF UK FINANCING AND BANKING WOULD HAVE BEEN IMPOSSIBLE WITHOUT THE GUIDANCE, KNOWLEDGE AND EXPERTISE OF ED OGDEN.

HE HELPED US CLOSE OUR FIRST LOAN AND CONTINUES TO SERVICE OUR EVERY MANOEUVRE IN THE UK. HIS SUPPORT HAS BEEN INVALUABLE."



### **BTL PORTFOLIO DEAL: OFFSHORE OWNERSHIP STRUCTURE**

As KCS is experienced in offshore lending we were approached by one of our professional contacts regarding a BTL portfolio in the UK.

The client was a non UK resident who had acquired a number of properties off plan which he was due to acquire following the completion of the units.

The ownership structure involved an offshore structure controlled by a licensed trust company.

KCS fully understands the complexities of offshore holding structures and more importantly which funders have appetite for these types of proposals.

Whilst the LTV was modest the client was looking for a competitive rate and an interest only loan structure.

Terms were received from a number of our panel funders which we discussed with the client in some detail.

In conjunction with the client a funder was selected which met the client's main objectives:

- Competitive interest rate
- Interest only funding terms

Close liaison with the client, the trust company and the client was required throughout the process.

The Client and the trust company were pleased with the final outcome and another satisfied client for KCS.

#### **Positives**

- Strong property locations
- Low LTV required

#### **Challenges**

- Complex ownership structure
- Offshore client with overseas trust ownership structure
- Interest only loan structure required

**Deal Size: £1.2m**



### REPEAT CLIENT REFERRAL DEAL: 15 DAY BRIDGING LOAN

Our team were contacted by a property business client who were looking to release funds from a combination of unencumbered and lowly geared residential investment properties to assist with the onward purchase of a large commercial asset.

The client had been referred to us through an existing KCS client who we have completed a number of transactions for and have kindly recommended our services to a number of their business associates. Praising our expertise, professionalism and persistence to them.

The client (a father & son family property business), sought to achieve the release of funds via 3 bridging loans which were secured against 4 properties owned by the family, 3 of which were owned by the father and one by the son. Two of the loans were established in the father's name and totalled c£900,000 and the remaining one in the son's name for c£450,000.

Bridging loans were recommended by our team since the client required the funds urgently, and bridging would permit the quickest route to have the funds released in time with the minimum of fuss. Terms of six months were agreed as these loans were to be repaid by long term refinance onto buy-to-let mortgages which we were also instructed to obtain funding for.

Adding to the time restraints was the fact that this case was referred to the lender during the Christmas holiday period, with an application being submitted just after. Valuations were instructed on the same day as the application submission. The valuations were undertaken within two days of instruction, with reports received on the first working day of the New Year.

Legal teams were instructed at the same time and their progression was aligned with the valuations and underwriting. Regular communication with all parties ensured that we were ready to complete a few days before the client's deadline for the onwards completion of the large commercial asset. Here the client had already exchanged and had paid in the region of £500,000, which the client would have lost if the bridging finance was not in place prior to this.

The clients was highly impressed with the service level we provided which also showcased our capabilities in dealing with all parts of the transaction. Our team's tireless work during weekends and holiday periods was the sole reason that the deal was completed within the short time frame. As a result of our hard work, the client has instructed us to complete a number of ongoing transaction for them including the refinancing of the commercial asset which we are in the process of completing, having now identified a preferred lender for the client.

#### Positives

- Experienced client with existing asset portfolio
- Client referral from an existing KCS client

#### Challenges

- Short time frame coupled with festive holiday period
- Potential loss for client if bridging finance deadline not met
- Availability of professionals (legal/underwriters/valuations) during festive period

**Deal Size: £1.35m**





### **URGENT BRIDGING LOAN DEAL: 6 DAY TURNAROUND**

KCS were approached by an existing client who we had previously undertaken a number of large transactions for both for personal projects and for a variety of corporate entities.

Here the client sought to urgently release funds from a lowly geared residential investment property in order to assist with the refinance for an ongoing family property project.

Having spent time with the client to fully understand the requirements and timeframes, our team recommended the use of a bridging loan. This was due in part to the client requiring the funds as quickly as possible, but also with minimal fuss to ensure any delays were kept to an absolute minimum.

We referred the case to the lender at the start of February, and given the urgency of the matter, the lender was happy to waive any requirements for a valuation as they had their own internal Due Diligence processes and had arrived at a figure to which the borrower was agreeable with.

A Gross Loan facility of c£455,000 was agreed by the lender for a 6 month term, during which time the client will refinance onto a long term buy-to-let facility, which KCS was also instructed to organise.

The legal process also progressed swiftly with the lender's solicitor and the borrower's working in close contact to ensure the tight deadline could be met. As a result of this collaboration, all legal formalities were completed within a working week, with completion taking place on the 6<sup>th</sup> day. In addition to the bridging loan, the additional funds being released were also due to be paid by close of business on the day of completion, and were successfully actioned in time.

Our ability to oversee all parties and ensure regular communication took place to ensure the tight deadlines could be met, once again ensured we were able to delight and impress our client. As a result, the client has since instructed us on a number of requests including: the refinancing of several commercial units held in a Special Purpose Vehicle (SPV), and, the refinancing and equity release of a number of investment properties held by the client's family.

#### **Positives**

- Existing client with good working relations
- Experienced lender who worked with us to ensure the deadline could be met
- Collaboration between all parties

#### **Challenges**

- Short time frame to complete

**Deal Size: £455,000**



### URGENT REFINANCE DEAL

We were approached by an existing KCS client seeking an urgent refinance transaction on an investment property which had been originally placed on a bridging loan to release capital for the client.

The bridging facility which we had previously arranged for the client on a 6 month term, needed to be redeemed mid-January. This had been to enable the client to release capital in order to assist with another acquisition, placing on the limited terms in order to be able to refinance it shortly after.

The property, a five bedroom residential property had undergone light refurbishment work parallel to the refinance, which caused further challenges as the funder would not be able to complete unless the property was airtight with a closed roof. A solution was agreed with the funder, whereby the property work could not involve structural work and had to remain habitable.

Having kept our finger on the pulse with our funding partners and specialist lenders throughout two lockdowns, countless changes to lending appetite and challenging service levels – we were able to source competitive terms for this client and complete on time.

Conscious of the inevitable delays most funders have faced owing to the lockdown situation, we worked hard to identify funders that would be able to deliver within the redemption period. The client was presented with several options from funders who we had carefully chosen, each with their own strengths and weakness to permit the client to make an informed decision based on the latest information available.

With all transactions for clients, both old and new – our value lies in our full end to end service offering. From the initial enquiry through to drawdown, we work with all the parties involved - solicitors (lender & client), surveyors and lenders to ensure all deals run smoothly and in a timely manner.

#### Client Testimonial:

*'Ram and the KCS team have delivered yet again. I was definitely concerned regarding the refinance of the property due to the marketing conditions as a result of COVID-19 ,however Knox Capital Solutions were able to navigate a way through the market to find a solution which was favourable.*

*The plan was to release capital from the BTL asset with speed, allowing the funds to assist the shortfall in cash within my core business. Ram delivered on this while simultaneously working on the refinance. The goal with the long-term mortgage was to achieve competitive pricing over a long-term fixed product giving me sufficient breathing room to conduct further light refurbishment work on the property to increase its value.*

*Ram dealt with my every concern immediately and was able to manage both the lender and professional relationships efficiently. With the success of refinancing of this particular asset, we have now approached KCS to assist with a refinance of our full portfolio. I will happily recommend Ram and the KCS team to all of my contacts.'*



### About Us

Knox Capital Solutions is an award-winning, independent credit brokerage business. We are experts at helping clients navigate through the complexities of raising finance. Having a sound knowledge of the finance markets, we can help to source the best overall terms available.

We can disassemble the often complicated options available and provide our clients with wide and varied funding needs. Working with an extensive panel of lenders, we are able to optimise our network of trusted contacts to broaden the funding options for our clients. In a marketplace where global lending criteria has tightened, we not only explore traditional lenders, but also Challenger Banks and Private Equity Investment firms in order to offer the widest range of funding solutions.

Our access to this wider spectrum of lenders and alternative finance providers ensures we have knowledge of the best terms available. This, coupled with our expertise and knowledge, enables us to secure flexible terms for clients and helps to explain why we are increasingly assisting Private, Corporate and Commercial clients in securing the best possible terms available. Our extensive experience within the Commercial Finance market has enabled us to assist clients in both the UK and Internationally.

Our head office is located in the Isle of Man, which is recognised as being one of the most well-regulated and best connected offshore finance centres in the World.

Knox Capital Solutions services the needs of its UK clients from its associated offices in London and central Manchester.

Our wide range of financing solutions include:

- [Property Investment Funding](#)
- [Development Funding](#)
- [Commercial Business Funding](#)
- [Business Acquisition Funding](#)
- [Bridging Finance](#)
- [Marine & Aviation Funding](#)
- [Alternative Asset Funding](#)

*Knox Capital Solutions is registered in the Isle of Man. Company No: 130398C. Registered office: Knox House, 16-18 Finch Road, Douglas, Isle of Man IM1 2PT.*

*Knox Capital Solutions (UK) Limited is registered in England & Wales. Company No: 10433360. Authorised & regulated by the Financial Conduct Authority.*





### Ed Ogden Managing Director

Ed was appointed Managing Director of Knox Capital Solutions in 2015. With more than 30 years of senior management banking experience, he has extensive in-depth knowledge of all aspects of Corporate Finance and Banking.

Ed started his career in 1985 with Midland Bank, rising rapidly through their management structure. Following its acquisition by HSBC, he held a series of highly successful senior manager positions in the UK, including Area Director, Head of Corporate & Commercial Banking Centres and Regional Retail Director. Latterly, he held the position of HSBC Island Director for Corporate and Commercial in the Isle of Man.

A qualified member of the Chartered Institute of Bankers, Ed also attended both London and Warwick Business Schools to further develop his management and business skills.

Since his move to the Isle of Man in 2007 with HSBC, he has held positions in the Isle of Man Chamber of Commerce and the Isle of Man Bankers Association, where he was appointed to the role of Vice President.

More recently, Ed was invited to become part of the National Association of Commercial Finance Brokers (NACFB)'s Member's Advisory Group.



#### Get in Touch with Ed:

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**NACFB**  
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