

Framptons

Framptons is a multi-award winning Somerset-based food and beverage processing and packaging business, founded in 1898, which required asset finance to support the expansion and upgrade of its production capacity.

Background



To increase the production capacity, Framptons needed to acquire and integrate two new 30,000 litre aseptic tanks and an additional UHT processing line into their factory.

The tanks were to be acquired through a manufacturer in the Irish Republic and the UHT line from a supplier in Denmark.

This meant that the projects necessitated currency conversions. It was further complicated by the staged release of funds as key phases of the build were completed.

Challenge



To facilitate these developments, Framptons needed asset finance support, but the nature of the project meant that an innovative approach was necessary. After various options were considered, the decision was made to initially fund the installations out of cash flow and then retrospectively refinance the equipment once installed and fully functioning.



The Solution



In consultation with Framptons, we at Maxxia managed the process of arranging sale and hire purchase back funding. One tank was funded by us directly and the other was funded by a third party (that was introduced and managed by ourselves). Subsequently, we were able to fund the UHT plant directly.

Why Maxxia?



Framptons selected us because we were able to demonstrate an understanding of the process from the customer's point of view. We were able to establish a credit line quickly, offer the appropriate financial product at a competitive rate and were flexible and willing to find solutions to meet the specific challenges the client was facing.

Specifics of solution



Sale and hire purchase back was the ideal funding solution for Framptons because it allowed the previously spent funds allocated to the expansion project to be recovered and reallocated to meet other corporate objectives. The arrangement meant that the equipment would be financed over the useful working life instead of at the outset from capital.

Results

With the financing arranged, Framptons completed its expansion project and the equipment is now operational. The increased processing capacity enabled the business to compete for and win new contracts. The aim of the project was not only to increase production capacity but also grow the business, and this has certainly happened...

- ✓ Framptons are now able to manage the very specific processing methods of customer product types
- ✓ They are experiencing significant growth in new customers and product demands
- ✓ 17% of their production volume is process-specific and they had not previously had the capacity to meet that demand – but now they do
- ✓ **Overall, the development helped generate a 3% growth in volume and about £600,000 in increased contribution**

“With a full scale and complex project underway, there was plenty of potential to lose sleep. Management of cash flow is a key issue for most businesses and timings can be critical. From a financing perspective though, Maxxia was easy to work with, helped us achieve our funding objectives and allowed us to focus our energies on successful completion of the projects, on time and in budget. Maxxia took away the legwork of managing multiple quotations and identifying potential partners, and that was valued.

The process was open and transparent throughout.”

Allan Staples,
Commercial Director at Framptons

If you would like to talk about the best asset finance option for a project you are working on or a piece of equipment your organisation needs, feel free to speak to one of our experts on:



contact@maxxia.co.uk