

# Deal done

## **BFS arranges the 'Bread' to buy the Bakery**

The owners of a successful Northamptonshire bakery business decided that they wanted to down-size. The business itself had been operating since the 1990's and had gained a very solid local reputation. They decided to put two of their three outlets, including the Bakery itself and a café, up for sale. They offered the business initially to one of their existing employees. This was Ian, who had been head baker since 2012, so that, when it went on the market he was keen to take over. He decided to team up with long-time friend and colleague, Mike, to make the acquisition.

Their plan is to build on the reputation for quality products and great service, established under the previous ownership, to continue supplying the business's existing clientele and establish new markets and customers. "We really see the value of having quality bakery products available locally whilst at the same time also providing a welcoming drop-in point for excellent food and drink in our coffee shop." As one of their many clients says "It's so convenient to pop into town for a loaf of bread and cakes, rather than driving all the way to an out-of-town supermarket; and it's great to be able to stop off for a snack and cup of freshly-brewed coffee at lunchtime, or when doing the shopping."

The asking price for the leasehold business was £100,000. As one would expect, our clients approached their Bank for a loan. Unfortunately this was turned down as they could not offer sufficient security to meet the Bank's requirements. That was the point at which they approached us at BFS. In discussion with our clients it became obvious that whilst they were very passionate about taking on and growing the business there were a few inherent problems. For example; in addition to the lack of security it was apparent that the existing owners had 'taken their eye off the ball' as they approached retirement. Revenue and profit was showing a downward trend.

As a result this became a slightly difficult project to find funding for, but that is where BFS excels. So, after a considerable amount of research, we were able to match up our clients with a Lender (backed by the British Business Bank), who provided the loan on terms that we believe to be very reasonable in the circumstances. Part of the deal is that, once the business has been built back to a level that will satisfy their Bank's parameters, then our clients can repay the current loan without any penalty, and benefit from the lower rate that the main banks are able to offer.

If you have a similar project or would like to find out more about the services that BFS provides please contact us at [enquiries@bufinserv.co.uk](mailto:enquiries@bufinserv.co.uk) or call us on **0800 093 5240**. We look forward to hearing from you.