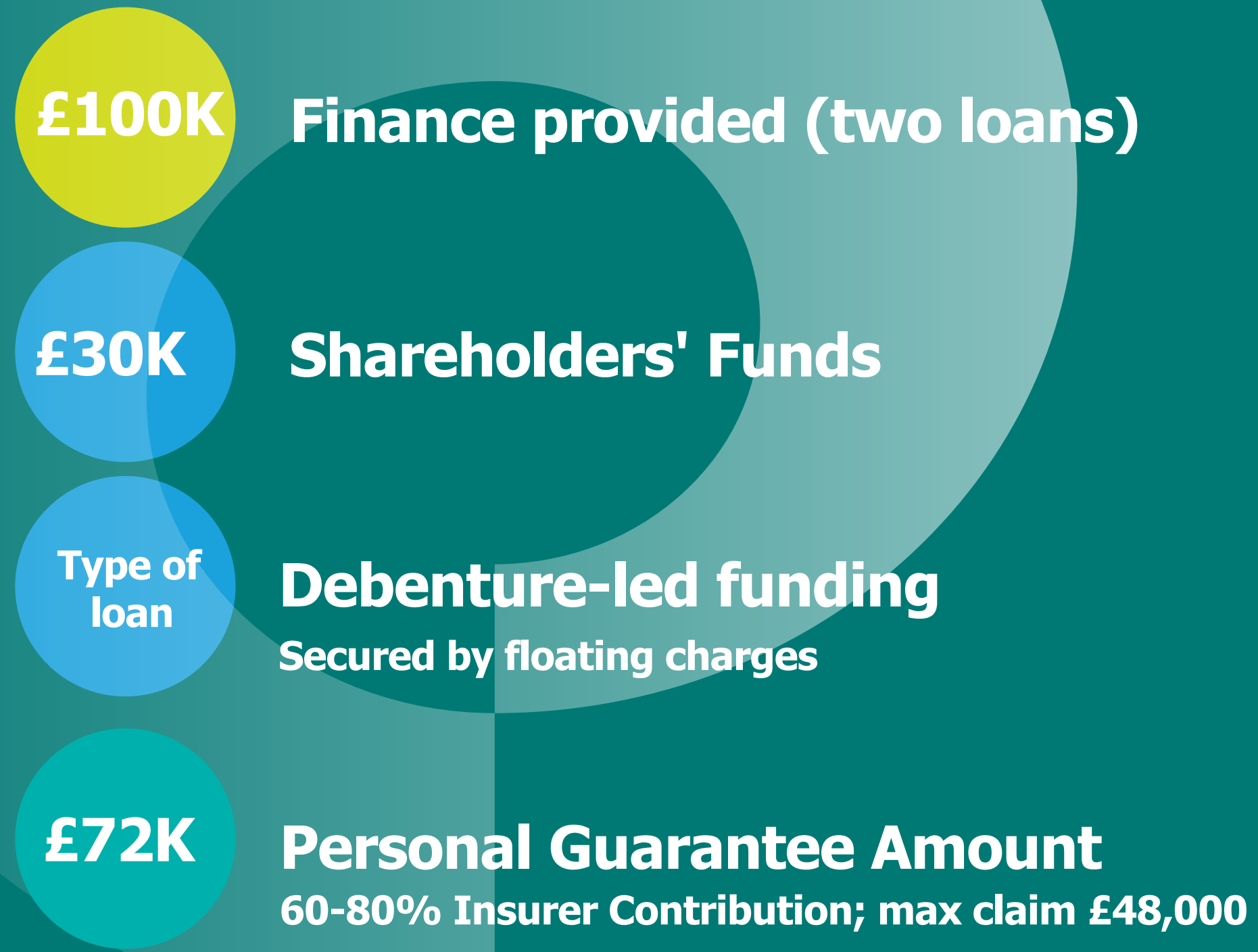


Latest case study

Tooling provider for automotive industry

Sector
Manufacturer

Location
South



Overview to Business

The business has been trading for over 50 years and was engaged in the engineering design and manufacture of tooling for the automotive industry . More recently, the business had diversified its capabilities into the aerospace, glass, pharmaceutical and transport sectors.

The business employed over 30 full-time staff and was purchased in 2007 by the PGI policyholders through a combination of leveraged finance and own-funds introduced to the business.

Reason for Business Failure:

The business was recently restructured to become a leaner business model and to bring the operating procedures up to date reflecting the latest technical innovations. The company had long standing relationships with its customers and relied on repeat income from these well established business relationships.

The business went to tender for a large contract, worth in excess of £100,000 with one of its largest customers and despite expecting to be successful in its contact (and preparing the business for the award of the contact) the new contract tender was unsuccessful.

As a result, overnight the business was declared insolvent. Insolvency practitioners were appointed to recover the assets of the business, returning them to creditors and to protect stakeholder interests.

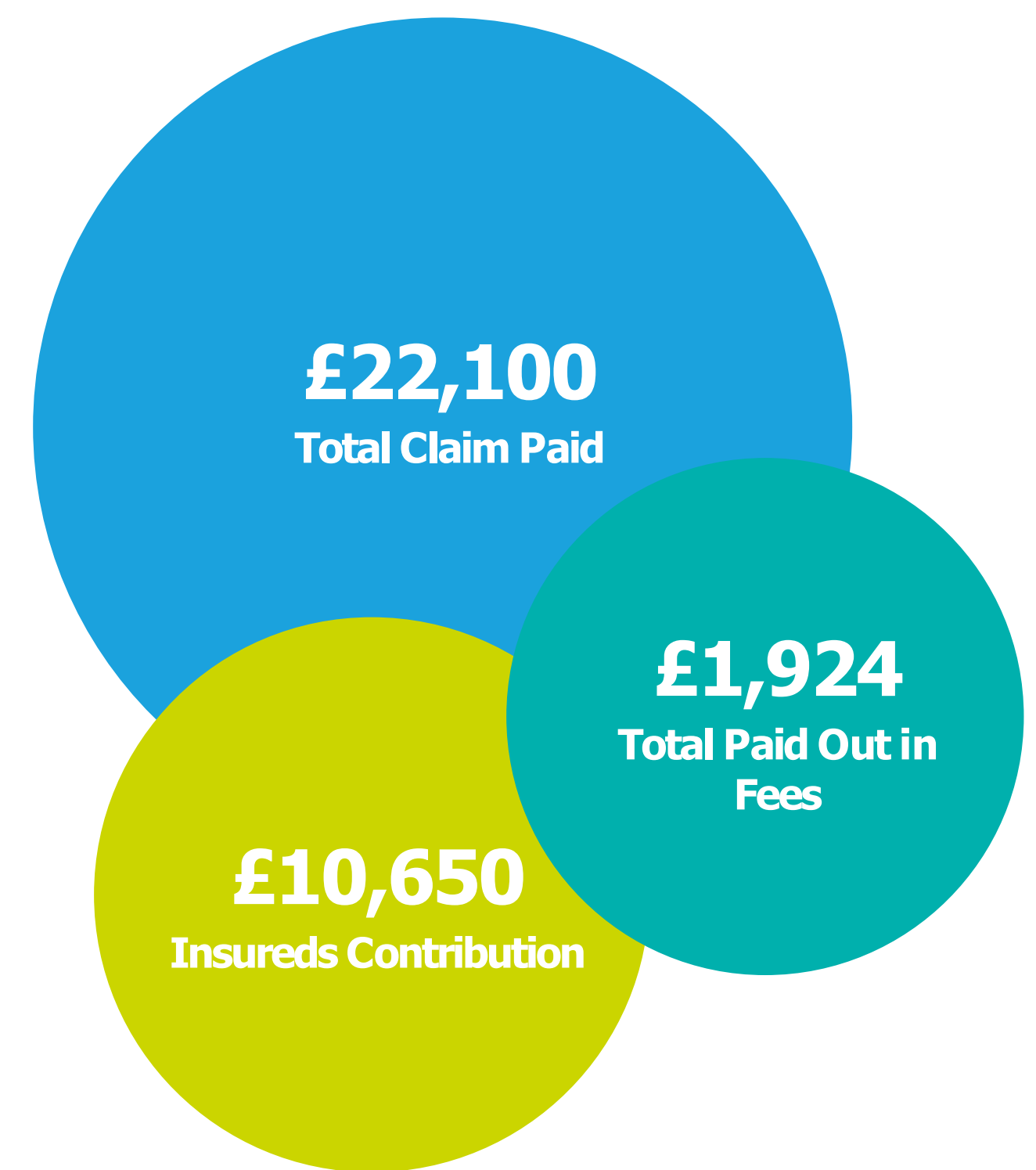
Conclusions:

This case study demonstrates how quickly things can go wrong - the business expected to continue its successful and longstanding relationship with a key customer. Unfortunately, as the tender was lost to a local competitor this put the business into an insolvent position and the business owners had to act quickly to protect the interests of all key stakeholders.

The Purbeck Support Desk was able to support the Director through this rapidly evolving situation and help agree a reduced settlement with the two lenders under the obligations of the Personal Guarantees.

Final Settlements:

Finance provider 1 agreed at **£20,000**
Finance provider 2 agreed at **£12,750**



Support provided by Purbeck Insurance:

- > Pre-insolvency business advice.
- > Introduced for possible refinance of existing facilities and repayment holidays.
- > Introduced the client to a Panel Member firm for early intervention and to limit escalation of costs.
- > Personal Guarantee negotiator instructed to help reduce outstanding obligations under the Personal Guarantee