



Wyelands Bank

Access to finance report

Helping the UK's mid-sized manufacturers
to unlock growth



Wyelands Bank

A British bank focused on UK and global trade
Spring 2019



ABOUT WYELANDS BANK

Wyelands Bank was set up to help industry grow, trade and create jobs.

Supporting small and medium businesses by providing the finance they need to trade effectively, filling a vital gap in the market

Understanding that every business is unique and tailoring solutions that meet a business's individual needs

Innovative yet simple, providing direct access to decision makers

Developing partnerships that provide opportunities to grow

Helping small and medium businesses to unlock growth.





EXECUTIVE SUMMARY

UK mid-sized manufacturers held back due to lack of finance

The UK manufacturing sector employs 2.6 million people, or one in 12 jobs, and is responsible for nearly half of the country's exports.

Yet despite the importance of the sector, many mid-sized manufacturing firms are struggling to get the funding they need.

Wyelands Bank research reveals just how these firms are held back due insufficient finance. By addressing this issue, we could help the UK's manufacturers to trade, grow and create jobs.

Our research of UK mid-sized manufacturers, turning over £10m to £300m, shows that nine out of ten firms (89%) are held back because of a lack of finance.

These difficulties in raising finance have

stopped UK mid-sized manufacturers from winning new contracts and that has stifled new job creation.

Each firm said that the difficulties accessing finance meant they had missed out on an average of £20 million in revenues and an average of 11 new contracts. These would have enabled each firm to create 10 new jobs.

These figures suggest that the 23,000 mid-sized manufacturing businesses in the UK have collectively missed out on 163 thousand contracts. These would have created 175 thousand jobs and some £183 billion in revenues.

Iain Hunter, CEO of Wyelands Bank, said: "Our research shows that UK mid-sized manufacturers are not able to grow to their full potential without greater access to finance. But that finance has not been available as traditional banks are too often unable to help.

"Helping individual businesses unlock growth along the manufacturing supply chain would help tackle the UK economy's productivity challenges. Mid-market firms can have a disproportionate effect on growth and job creation, but first they need to be understood as individual businesses."

"It takes time and effort to understand a firm's specific challenges and identify how to help them. This must then be underpinned by a range of flexible financial solutions to help shape the right answer."

Iain Hunter, CEO, Wyelands Bank

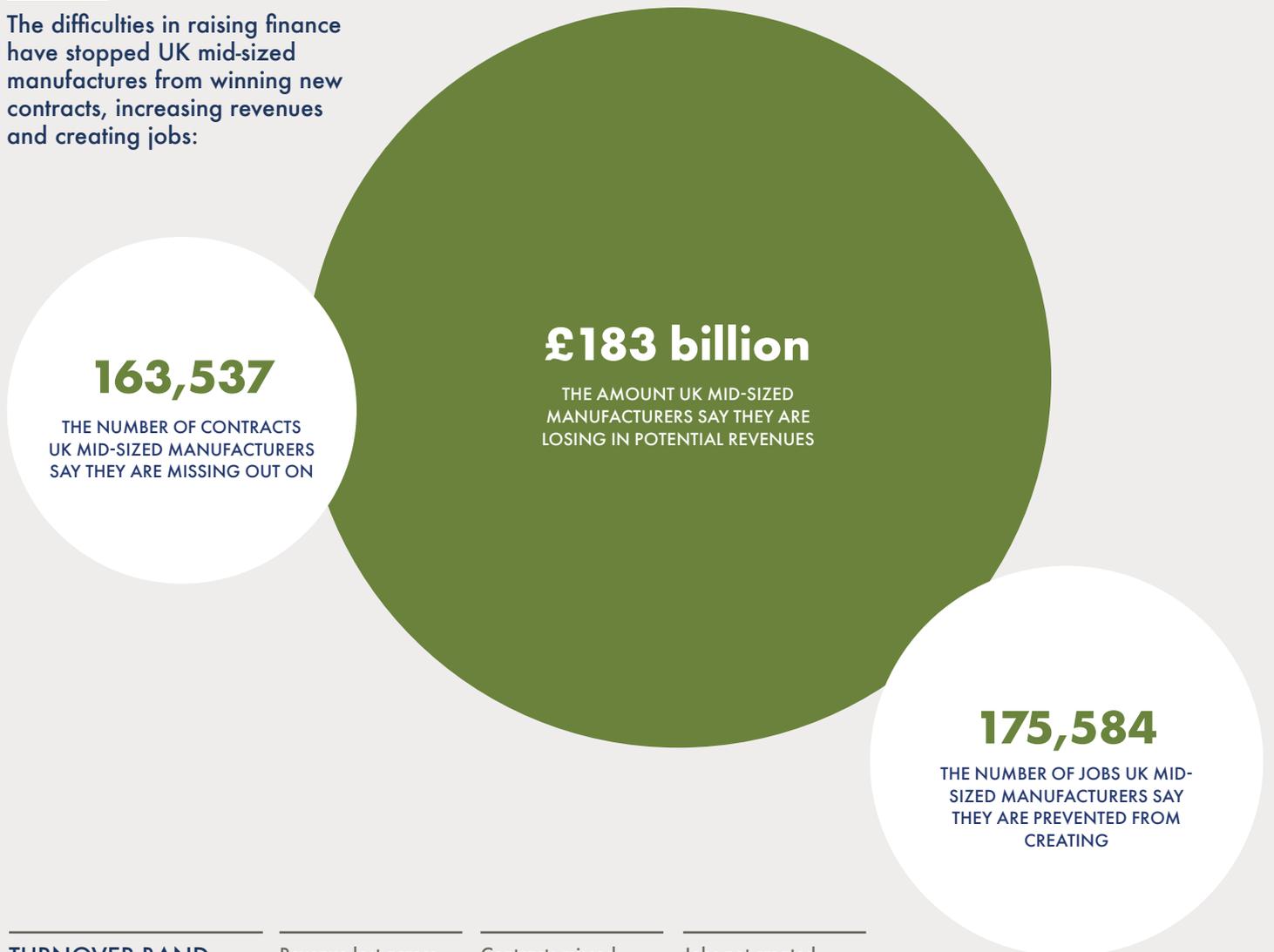




THE IMPACT OF POOR ACCESS TO FINANCE

FIGURE 1

The difficulties in raising finance have stopped UK mid-sized manufacturers from winning new contracts, increasing revenues and creating jobs:



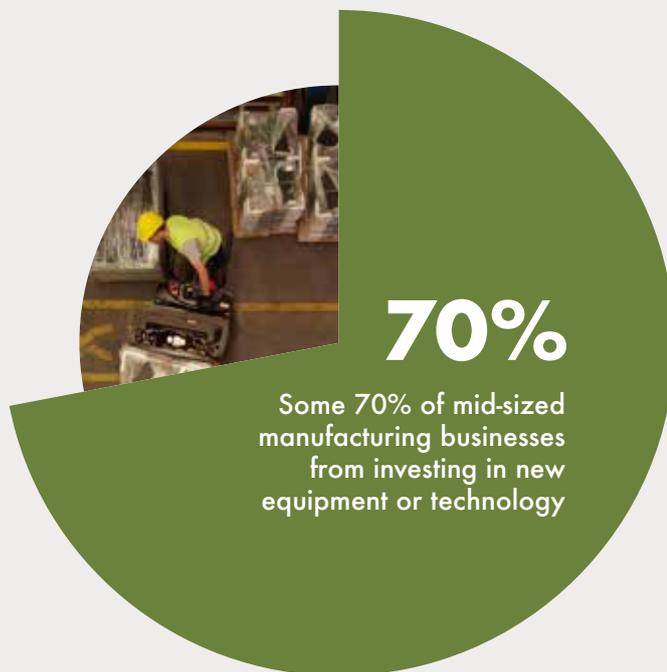
| TURNOVER BAND | Revenue lost across supply chain (£m) | Contracts missed across supply chain | Jobs not created across supply chain |
|----------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| Turnover £10m-50m | £60,316 | 98,053 | 99,688 |
| Turnover £51m-150m | £69,856 | 45,218 | 63,281 |
| Turnover £151m-£300m | £52,541 | 20,266 | 12,616 |
| Total | £182,714 | 163,537 | 175,584 |



THE IMPACT OF POOR ACCESS TO FINANCE cont.

FIGURE 2

Our research shows that difficulties in raising finance also prevent firms from entering new markets, investing in technology and moving to a new site.



When manufacturing is so critical to the UK economy, this lack of finance isn't good enough.

Wyelands Bank was set up to help firms address these issues. We focus on getting to know the customers we work with so we can tailor the solution to the specific need.



THE IMPORTANCE OF MID-SIZED BUSINESSES

Mid-sized firms, turning over £10-300 million, are often too big to benefit from the attention that is rightly given by policy makers to small businesses. Yet they are generally not big enough to benefit from the economies of scale of larger firms.

However, according to BDO, the business advisory firm, mid-sized businesses are critical for creating jobs.

BDO research shows that in the last year mid-market firms created 534,900 new jobs compared with 191,000 by small businesses and a loss of 157,000 by the FTSE350. When mid-sized businesses are responsible for so many jobs, it is important they can access the finance they need to survive and thrive.

By better understanding these businesses, we can help identify how they can access finance to bring their plans to life now and in the future.



534,900
new jobs were created*

*BDO "What now? a new economy" November 2018 <http://neweconomy.bdo.co.uk>

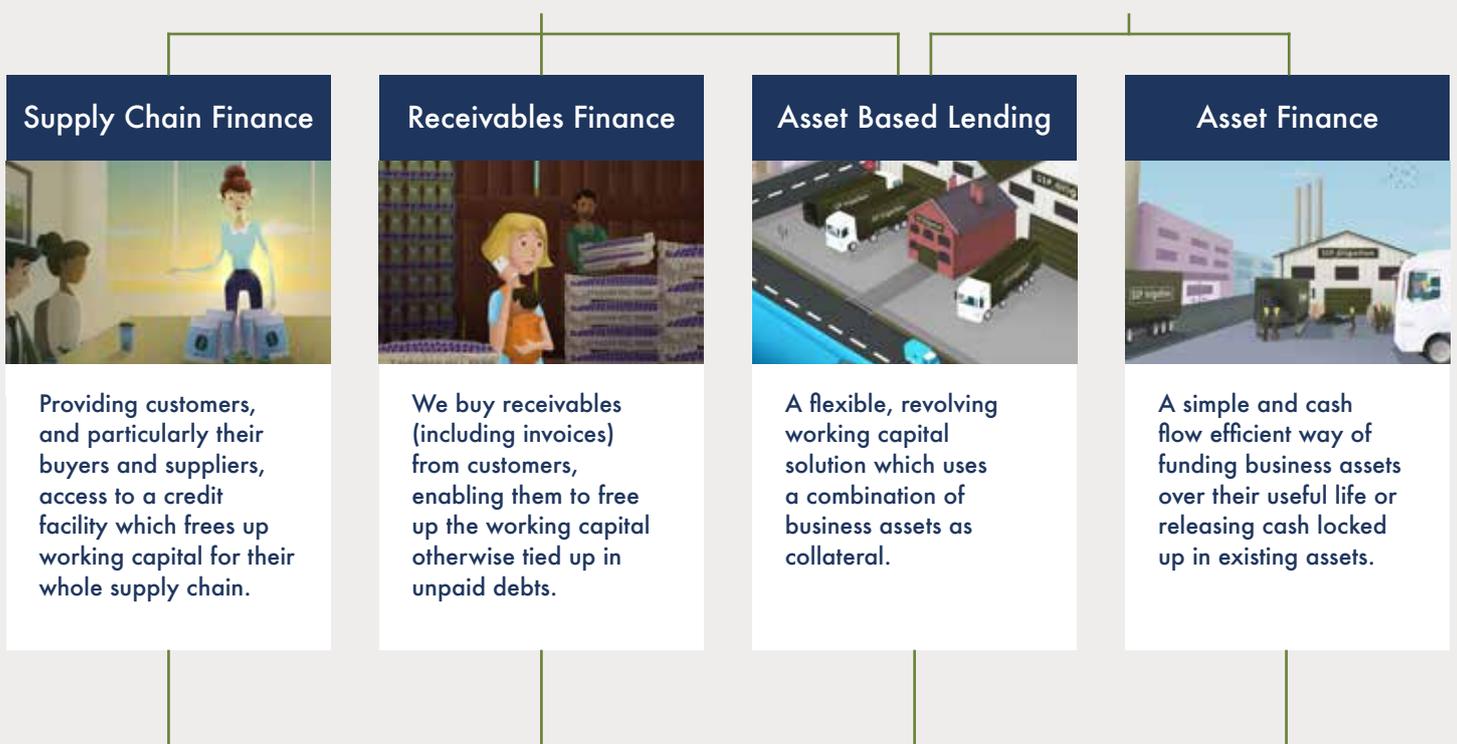


HOW WE HELP BUSINESSES TO UNLOCK GROWTH

We provide firms with finance solutions based on the value of their assets, wherever they are in the supply chain.

WORKING CAPITAL SOLUTIONS

ASSET FINANCE



Target market

- Our customers are typically established businesses with turnover of £10m or more
- They are typically looking for a facility of between £1m and £15m, with a maximum lending term of five years
- Preferred sectors include: industrial manufacturing (automotive and aerospace), construction, steel, aluminium, renewable energy, food and beverage

In enabling greater access to finance Wyelands Bank will help the UK's mid-sized manufacturers to trade, grow and create jobs.



BUSINESS DEVELOPMENT TEAM

If you would like to know more about how we could help your business unlock growth, then please get in touch.

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About Wyelands Bank

Wyelands Bank partners with businesses to support industrial growth, enable businesses to trade more easily around the world and to create jobs. It provides finance to businesses and will provide savers with competitive and attractive products.

The bank is owned by SKG Financial Holdings PTE Limited which has been set up and funded by the Gupta family. SKG Financial Holdings PTE Limited is ringfenced and run with an independent structure and governance.

Wyelands Bank Plc is authorised by the UK Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority. It has regulatory approval to raise retail deposits in the UK and Germany. Wyelands Bank Plc is registered on the Financial Services Register and is a company registered in England and Wales.

Methodology

The study was conducted by Circle Research and completed in November 2018. The research surveyed 305 UK mid-sized manufacturers turning over £10m-£300m. Respondents were senior financial decision makers from the following sectors:

- machinery and components
- computers and electronics
- electrical equipment
- oil and gas
- textiles and apparel
- chemical and pharmaceuticals
- wood, paper and printing
- rubber and plastic products

BDO, "What now? a new economy", November 2018 (<http://neweconomy.bdo.co.uk/>)