

# Corporate finance newsletter

Winter 2023

Now, for tomorrow





# Welcome to our winter 2023 corporate finance newsletter

In this edition we share details of some of our four recent deal completions and we outline the importance of an ESG strategy when raising funding.

## Experts in:

Business valuations

Raising equity & debt finance

Management buyouts

Employee ownership trusts

Business acquisitions

Financial due diligence

Capital markets advisory

Preparing for exit

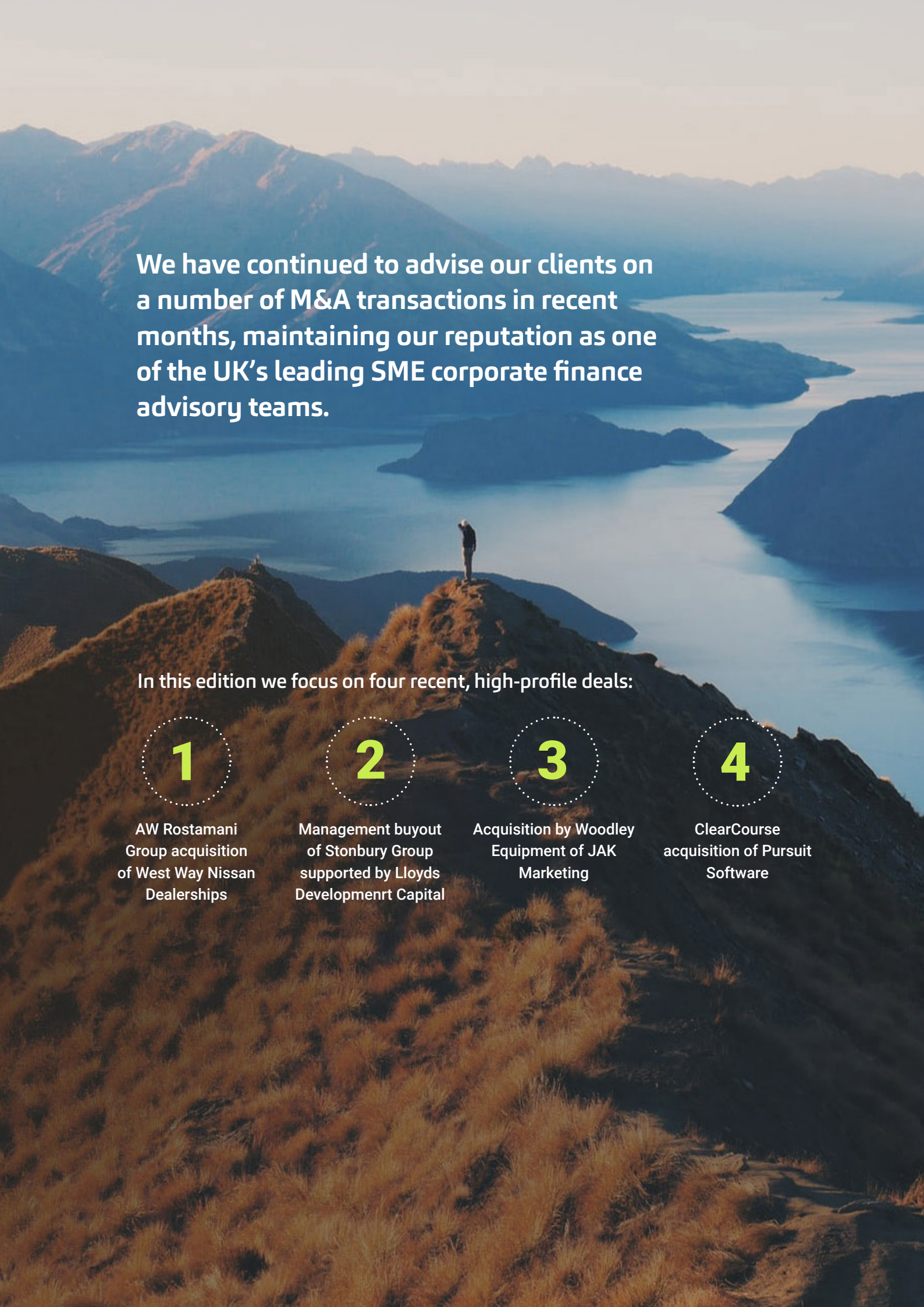
Business sales

Strategic M&A



## How can we help

If you would like to know more about how we can assist you, your clients or your contacts on corporate finance, M&A or strategic planning matters, then contact one of the senior members of our team, whose details are on page 12 or visit us at: [mha-uk.co.uk/services/corporate-finance](https://mha-uk.co.uk/services/corporate-finance)



We have continued to advise our clients on a number of M&A transactions in recent months, maintaining our reputation as one of the UK's leading SME corporate finance advisory teams.

In this edition we focus on four recent, high-profile deals:

1

AW Rostamani  
Group acquisition  
of West Way Nissan  
Dealerships

2

Management buyout  
of Stonbury Group  
supported by Lloyds  
Development Capital

3

Acquisition by Woodley  
Equipment of JAK  
Marketing

4

ClearCourse  
acquisition of Pursuit  
Software

# Acquisition by AW Rostamani Group of West Way Nissan Dealerships

We are delighted to announce that we have advised the Dubai-based AW Rostamani Group on its recent acquisition of nine West Way Nissan Dealerships.

The franchised car retailer has broadened its UK footprint, further to its acquisition of Brayleys several years ago. This follows Nissan's decision to divest of its 13-site AM100 car retail operation in July 2022. Other sites were acquired by Glyn Hopkin Group and Hendy Group.

Established in 1968, its automotive business, Arabian Automobiles has been the exclusive distributor in Dubai and the northern Emirates for Nissan and its alliance partners, Infiniti and Renault. AW Rostamani now owns the midlands and northern sites, including Birmingham, Coventry, Stourbridge, Wolverhampton, Altrincham, Manchester, Oldham, Rochdale and Stockport, plus head office and group support functions, with existing employees being transferred to the new owner's group.

West Way Managing Director, Jon Roberts, noted "We are delighted to be able to share the news of the acquisition of West Way by such a prominent global partner as AW Rostamani."

The MHA team, led by transaction services partner, Rob Dando, supported by tax partner, Nathan Sutcliffe, head of automotive, Steve Freeman and VAT Director, Glyn Edwards, delivered both financial and tax due diligence services to help facilitate the transaction.



Rob Dando commented:

**Our team is exceptionally proud to have advised AW Rostamani on this acquisition, which continues the group's exciting growth and development strategy here in the UK. We are sure this partnership with Nissan will continue to flourish over the coming years and we look forward to working with AW Rostamani again in the future."**



Group Chairman, Khalid Al Rostamani added:

We are very excited about the partnership between AWR Group and West Way Nissan, which comes as part of our ongoing strategy to expand our portfolio in the UK. Being a partner of Nissan for many years with a strong, longstanding relationship, we are very pleased to be working together to bring our shared expertise and core values to the UK market.”



Steve Freeman commented:

We were delighted to be approached by AW Rostamani to act for them on this exciting deal. Our combined transaction services and automotive teams have carried out an excellent job.”



To find out more about AW Rostamani and West Way Nissan go to [www.awrostamani.com](http://www.awrostamani.com) and [www.westway.co.uk](http://www.westway.co.uk)

# WEST WAY

YOUR NISSAN, YOUR WAY.





# Management buyout of Stonbury Group supported by Lloyds Development Capital

We are delighted to announce that we have advised the exiting shareholders and the incumbent management team of Stonbury Group on the management buyout of the business, supported by one of the UK's most active private equity houses, Lloyds Development Capital (LDC).

Stonbury, headquartered in Bedfordshire, has a 40-year heritage of working with UK water companies and environmental agencies to provide low-carbon services to maintain, repair and refurbish their critical assets, from drinking water provision to wastewater treatment, helping to protect supplies and extend asset lives. The group employs about 300 people across 11 locations in the UK. It recorded revenues of just under £45m in its latest financial year ending June 2022.

LDC's investment, from the firm's East of England and East Midlands team, was led by partner David Bains, supported closely by Nicole Wong and Mikayil Salahov. The management team is led by chief executive Trevor Hoyle, former chief executive of environmental consultancy group RPS's EMEA divisions. Ian Burnett also joins the board as non-executive chairman. The management team will increase its support for customers by expanding its range of water, wastewater and nature-based, low carbon- environmental services, through organic growth and acquisitions.



Laurence Whitehead commented:

**With many years' experience of advising clients on private equity deals of this nature, we were delighted to be engaged to support the exiting shareholders and the incumbent management team during this high profile transaction in the region. We are confident that the Stonbury-LDC partnership will flourish over the coming years and we look forward to working with both parties again in the future."**



David Bains added:

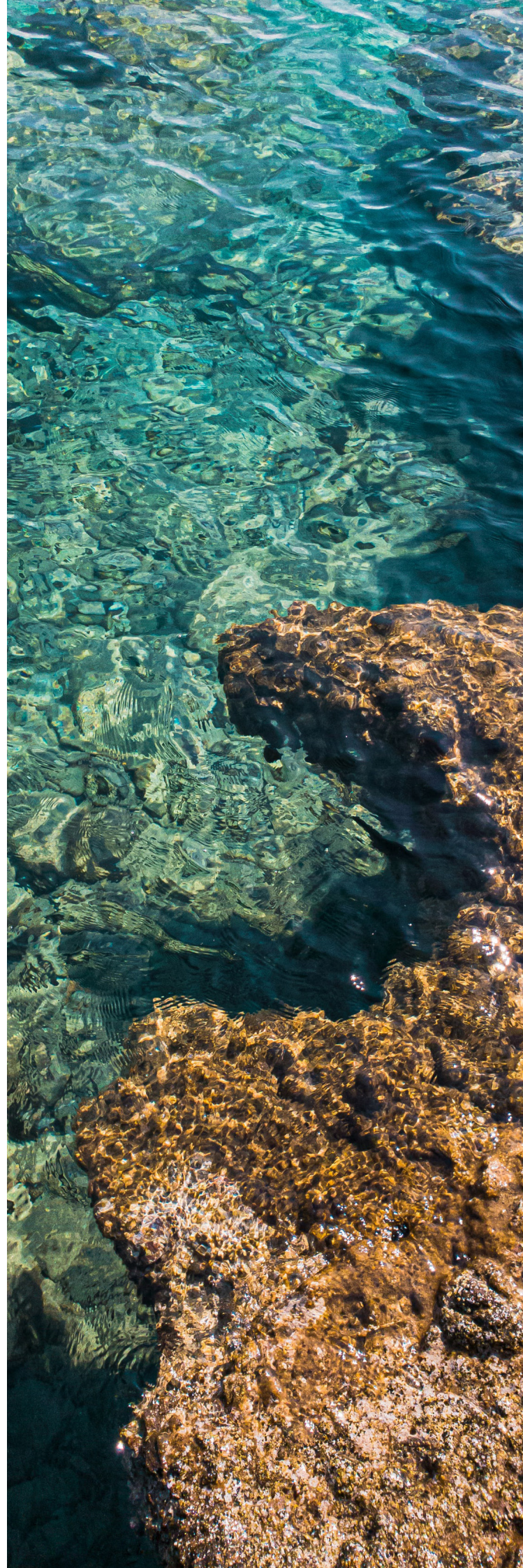
**LDC is committed to helping companies that contribute to a more sustainable future. Stonbury's clear purpose focuses on sustainability and its experience and expertise over many years make it well-placed to support the water and environment industries in mitigating the impacts of climate change. We're looking forward to supporting Trevor and the rest of the management team to continue building Stonbury into one of the UK's leading critical infrastructure services businesses."**

Chief Executive, Trevor Hoyle said: "Sustainability sits at the heart of the challenge water companies and environmental organisations are facing. Creating a more resilient and efficient water network and a healthier, safer environment will be vital to reduce the impact of significant weather events. Stonbury is well-equipped to support our clients with low-carbon and nature-based solutions. We knew from the moment we met the LDC team that they were the right investment partner for us. Their relationship-first approach and extensive network of connections were important factors in our decision. With LDC's support, we are actively exploring organic and acquisitive opportunities to expand our range of services."

The MHA team, led by corporate finance partner, Laurence Whitehead, director, Craig Chamberlain, and tax partner Gareth Peters, advised the exiting shareholders and the incumbent management team throughout the transaction, assessing initial offers received, shortlisting bidders, agreeing heads of terms with LDC, overseeing the due diligence process and advising on the complexities of the financial and tax elements of the deal documentation.



To find out more about Stonbury and LDC go to [www.stonbury.com](http://www.stonbury.com) and [www.ldc.co.uk](http://www.ldc.co.uk)





# Acquisition by Woodley Equipment of JAK Marketing

A supplier of veterinary laboratory diagnostic, human laboratory diagnostic and medical equipment has purchased a supplier of animal handling products. Woodley Equipment, based in Horwich, Bolton, has purchased JAK Marketing based in York.

JAK, founded in 1995, supplies an extensive range of products required by veterinary practices, from instruments and day-to-day consumables to sophisticated equipment. The company has a turnover of around £8.5m and employs around 40 staff. Woodley Equipment has three premises in the north-west, in addition to sales and distribution facilities in New York, USA.

The company supplies veterinary laboratory diagnostic, human laboratory diagnostic and medical equipment to both the veterinary and human medical markets and employs around 75 staff. In the veterinary market, the company supplies an extensive range of laboratory diagnostic products and designs and develops new systems with its manufacturing partners. In the medical market, it supplies a range of equipment to the pharmaceutical clinical trial industry through its brand Woodley Trial Solutions.

The acquisition will allow the shareholders of JAK to retire and is expected to provide growth for both companies by offering JAK's products via Woodley Equipment's additional routes to market, both in the UK and overseas.



Mike Wickham, owner and director of Woodley Equipment commented:

**The deal merges two strong veterinary supply companies which supply different product ranges, we share common values and a strong desire to supply the best product solutions to enable veterinarians to provide the best care to their patients. We believe JAK will benefit from Woodley Equipment's routes to market and likewise. We expect both companies to experience sustained growth over the coming years."**



Kevin Ingram, on behalf of the sellers, added "Having built JAK over the past 27 years, we're pleased to be able to hand over ownership to a reputable and growing firm which already has vast knowledge of the veterinary supply sector. We look forward to watching the continued growth of JAK".

MHA's support to the shareholders of Woodley Equipment included financial and taxation due diligence advice. The team was led by director, Simon Carruthers, supported closely by Robert Holgate, Sam Singleton and Hasan Hashmi.



Robert Holgate, associate director, commented:

**We are pleased that we have been able to support the completion of this deal, which will allow JAK to benefit from improved routes to market and additional expertise in the veterinary sector. We are looking forward to seeing our client, Woodley Equipment, continue its growth journey over the coming years."**



To find out more about Woodley Equipment and JAK go to [www.woodleyequipment.com](http://www.woodleyequipment.com) and [www.jakmarketing.co.uk](http://www.jakmarketing.co.uk)



# ClearCourse acquisition of Pursuit Software

ClearCourse, a leading group of innovative technology brands providing software solutions and integrated payment platforms, has acquired Pursuit Software, an established provider of jewellery management and point-of-sale (POS) software. The acquisition sees Pursuit Software join ClearCourse's retail division.

Founded in 2008 and based in Norwich, Pursuit Software provides bespoke software solutions for high-end, multi-store jewellery businesses, including London-based Fraser Hart and Edinburgh's Hamilton & Inches. The company's services include stock management platforms, POS integration, enterprise resource planning (ERP), and repairs and manufacturing functions, all of which help jewellery brands efficiently manage their stock and customer transactions.

The business offers a payment function, a click-and-collect service and website development and integration. Its software connects to existing instore and online sales systems, creating interoperable stock management across platforms that are tailored to customers all over the UK and Ireland.

Following the acquisition, Pursuit Software will harness ClearCourse's significant investment to transition into its next growth stage, offering up its back and front-office solutions to larger businesses. New and existing customers will benefit from the company's integration with ClearCourse's spectrum of software businesses and its proprietary payments platform, ClearAccept, which is designed to allow individual businesses to tailor their users' payment experience while easing the burden of security and compliance.

Pursuit's managing director, Mike Burns, will continue to lead the business on a full-time basis. The MHA team, led by transaction services partner, Justin Moss, supported by tax partner, Chris Denning, delivered both financial and tax due diligence services to help facilitate the transaction.



Justin Moss commented:

**Our team is exceptionally proud to have advised on this acquisition for ClearCourse, which continues their exciting growth and development strategy. We are sure this partnership with Pursuit will flourish over the coming years and we look forward to working with ClearCourse again in the future.**



To find out more about ClearCourse and Pursuit Software go to [www.clearcourse.co.uk](http://www.clearcourse.co.uk) and [www.pursuit.co.uk](http://www.pursuit.co.uk)

ClearCourse 





# The growing importance of ESG when raising finance

Given that Environmental, Social and Governance (ESG) issues appear to be here to stay, a clearly defined ESG strategy can help secure a business's current and future financing needs, as well as bringing wider value to the business itself.

In recent times we have seen a very clear raising of the importance of ESG amongst company directors and also investors and other financiers. This convergence of the focus on ESG between the providers and the users of capital has undoubtedly been a major factor in the growth of ESG financing projects.

As a result, there is now a growing list of deals which can be described as "green financings". These deals cover a wide range of sectors and deal sizes. A number of these deals incorporate a pledge by the borrower to adhere to ESG-related targets whilst the facilities are in place. A number of other funds have only been released to the borrower on the basis that the proceeds are funnelled into ESG projects. The speed at which such lending has been taking place, and the wide breadth of what can be defined as ESG borrowing, can make it difficult for borrowers to shape an ESG strategy underpinned by performance goals and/or investment plans which are appropriate for the business, as well as being attractive to funders.

A number of organisations have produced literature for borrowers and lenders, which intend to create a standardised format for defining green strategies and aims. This literature illustrates the increasing maturity of ESG financing options, as well as striving to steer clear of any perception of so-called 'greenwashing'.

Raising your game to achieve this high ESG bar can often be easier said than done. In a world where wide ranging "green priorities" are frequently written and spoken about, business owners need to work out what their green goals are and what strategies they need to pursue to achieve these goals. Most current discussion appears to focus more on the E, and climate change specifically, than on the S and G. With the UK government having promised to hit net zero by 2050, all business owners are likely to feel a need to move to a greener future and develop carbon-free initiatives. However, it is likely that the S and G will start to be talked about more over the next few years.

ESG appears to be very much here to stay and so, from a funding point of view, borrowers need to realise that ESG is becoming ever more deeply embedded into credit department procedures. Consequently, it's essential for business owners to realise that a successful funding request will have to cover off the ESG angle, unless there is an obvious reason why it doesn't need to.

Indeed, this requirement to cover off the ESG angle is already in place. In recent months, there have been reports of some funders declining to support deals where they consider that the borrowers' ESG strategy has not been suitably defined. It would be misleading to give the impression that funders are taking a position which means that all businesses need to already have a fully developed green strategy to raise finance. However, it is becoming clear that funders believe that a detailed analysis of the credit credentials of a business is only possible if a clear strategy on ESG exists or is being progressed. Therefore, showing lenders that ESG is a priority at board level has become a must have for obtaining finance.

The ESG bar is high and may continue to go higher. However, the increased maturity of ESG as a discussion topic, as well as the expanding availability of ESG-focused literature, should help borrowers to understand that a focus on ESG may well provide an opportunity for business owners to conclude attractive financing deals, allowing them to achieve their goals and consequently increase shareholder value.

# How can we help

If you would like to know more about how we can assist you, your clients or your contacts on corporate finance, M&A or succession planning matters, then contact one of the senior members of our team below, or visit us at:

[mha-uk.co.uk/services/corporate-finance](http://mha-uk.co.uk/services/corporate-finance)



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