

News in Brief:



Relocation to New Business Hub

Earlier this year Blue Sky relocated its Head Office to Birmingham's Baskerville House. These fantastic new facilities provide a perfect location with easy accessibility to both our Birmingham based clients and key business partners.

Competition Winner

Jaswinder Bhogal from Midven was the lucky winner of the Blue Sky Christmas chocolate hamper competition. Congratulations Jaswinder- we hope you enjoyed sampling the hamper's contents.



Support Children with Cancer



Adrian Clements and Bob Cox from Platinum

Commercial Ltd, a long standing client of Blue Sky, are planning to complete the London 2012 Marathon. Adrian and Bob hope to raise as much money as they can for the Children with Cancer charity. Blue Sky wish Adrian and Bob the very best of luck with their fundraising endeavour. If you wish to make a donation to this very worthy cause visit: <http://uk.virginmoneygiving.com/team/PlatinumCS>

Contact Us

Head Office

2nd Floor, Baskerville House
Centenary Square
Broad Street
Birmingham B1 2ND

Bromsgrove Office

Suite 6, Basepoint Business Centre
Bromsgrove Technology Park
Isidore Road
Bromsgrove B60 3ET

Dudley Office

Castlemill
Burnt Tree
Dudley DY4 7UF

Tel: 0845 2583 759

www.blueskycf.com



Blue Sky Bulletin

Issue 11

2012

Welcome to Issue 11 of the Blue Sky Corporate Finance newsletter.

Let's Start Making 2012 A Prosperous Year

With Jaguar Land-Rover set to more than double its output over the next 18 months, JCB geared up for a massive export growth drive and SAIC committed to huge investment into MG Motor amongst countless other opportunities, the Midlands region is well set for an economic renaissance built on the good old fashioned principle of manufacturing things. JLR have announced a swanky new £355m engine plant near Wolverhampton and an ongoing investment of £1.5 billion per annum in new product development. JCB have announced a new £31 million engine plant and SAIC are committed to an investment of more than £50 million in the MG Motor facility at Longbridge. All of this investment will spawn huge growth prospects for the region's based Tier 1 and Tier 2 suppliers with the courage and vision to step up to the plate.



Paul Heaven
Managing Director
Blue Sky Corporate

A recent study carried out by PWC and others; found that some 31% of respondents cited the absence of affordable finance as one of the factors deterring UK advanced engineering suppliers from investing in the growth of their capacity. This is supported by recent Bank of England statistics showing that the level of bank lending to SMEs is at an all time historic low. This is despite the fact that Government supported schemes to assist in the issue of access to finance for SMEs are being announced on almost a weekly basis. In addition to the Enterprise Finance Guarantee Scheme (EFGS) and its asset lending and export lending counterparts, the past couple of months alone have seen Government backed schemes announced by Santander, NatWest and HSBC. This is in addition to Government backed tax incentives for Business Angels, the Business Angel Co-Invest Fund, and additional funding support for CDFIs and the Advanced Engineering Supply Chain Fund. In short, there are all sorts of reasons why a UK based engineering company might not want to invest in growth but the availability of affordable finance is **NOT ONE OF THEM**.

Perhaps the most worrying research report that has emerged in the past month is a Government Department – BIS – report citing the finding that “only 9% of SMEs seek external advice when applying for an overdraft, and 20% in the case of a loan”. This is despite the fact that “4 out of 5 financial decision makers in SMEs have no formal training in finance”.

When you enter the shark infested waters of the finance market the odds are stacked against you. National statistics indicate that less than 40% of overdraft applicants, less than 30% of loan applicants and less than 4% of equity applicants secure the finance that they are seeking. **The finance to support those with the courage to make investment is out there but applicants for that finance need expert help. They need to identify the right source of finance, they need help to present their case for that finance and they need help to negotiate the terms of that finance.**

The scene is set for a year that will see many new jobs created in the engineering sector during 2012. So let's make sure that those jobs are created in the UK and better still, here in the Midlands, the very heart of the engineering sector.

Telephone 0845 2583 759, email Miranda@blueskycf.com or visit www.blueskycf.com to find out how Blue Sky Corporate Finance could help you.