Innovative ABL arrangement provides immediate cash injection to support seasonal demands



**Customer:**Norman Emerson Group

**Industry:** Construction

**About Norman Emerson Group**

Norman Emerson Group Ltd has been at the forefront of the Northern Ireland construction industry for almost seven decades and is one of only five companies with a commercial licence to extract sand from Lough Neagh.

We spoke to George Emerson, Managing Director, about how Close Brothers Commercial Finance initially supported Norman Emerson through turbulent times and now supports its expansion, growth and profitability.

**Business Challenge**

The business had been restructured following the recession, and began to grow again. Sales of Norman Emerson’s ready mix and sand products are weather dependent, with sales peaking during the summer months and dropping in winter. The company relied upon an annual short term loan from its bank during the winter to ease cash flow. In addition to the annual short term loan, the company had a long term loan and invoice discounting facilities with the bank.

In December 2015, without warning, their bank informed the company that it was unable to provide the previously relied upon annual short term loan which supported the business through seasonal peaks and troughs.

Norman Emerson decided to seek advice from an independent financial services provider and engaged with Close Brothers Commercial Finance.

**Solution**

The provision of facilities would need to be structured to reimburse the incumbent lender in full. Facilities were structured to reduce the short-term burden on capital repayments on the long term, thereby easing the pressure on cash flow and assisting the company in the continued progress with its turnaround.

As a result, an innovative ABL arrangement was structured combining invoice discounting with funding against property. This provided an immediate cash injection to working capital which supported their seasonal demands, especially in the winter months.

George felt that the ability of his relationship manager to make swift funding decisions made a material difference to the day-to-day running of his business. George was particularly impressed with Close Brothers’ flexibility and creativity in structuring the transaction.

The finance solutions Close Brothers Commercial Finance were able to offer has enabled Norman Emerson Group to drive forward their vision for growth.