

Looking back over the summer, in new business terms, this has traditionally been a quieter time for us, but this year levels of new business during July and August proved surprisingly resilient with both the number of proposals and new business written holding up well and exceeding our expectations. One notable recent transaction was the provision of £850,000 of asset finance for a large plant hire company in Scotland where we refinanced over 100 items of plant to enable a settlement of pre-existing funding.

Looking forward to the remainder of this year, our new business forecasts have risen. As a result, we have increased the volume of funds available and are keen to lend where it is appropriate to do so. Recent published research by BACS* shows that there are some 769,000 SMEs affected by late payments, and the total amount of money owed to these companies is now nearly a third more than it was six months ago. This must provide a significant opportunity for asset finance brokers and factoring companies alike in the coming months.

In terms of factoring, I'm delighted to say that so far this year our book has doubled in size and we are optimistic that this trend will continue. We are confident that there are many more factoring opportunities available (indeed I'm somewhat surprised that more asset finance brokers do not promote factoring to their clients!). We would be pleased to provide you and your staff with training or practical support to leverage factoring opportunities and boost sales, so do contact me or your Account Manager if we can help with this.

We are pleased to advise you that we have recruited an additional member of the sales team. Nick Wolfe has joined us recently, Nick has good experience not only of asset finance generally but also asset finance for challenged credit situations in particular. Nick will initially be covering the East Midlands area for us and also undertaking some work in central London. This is the first new recruitment we have undertaken for some considerable time and demonstrates our commitment to our chosen market and our confidence in our broker introducers!

We value your continuing support and, given the increased lending budgets for the remainder of the year, we are keen to do all that we can to develop our relationship with you further still.

Regards,

Barry G Hutchings ACII FHD
Sales and Marketing Director
State Securities plc

* Source: BACS, a not for profit, membership based industry body.

State Securities' Core Values

- We always deal with customers, introducers and colleagues in an honest and professional manner
- We work in partnership with our customers and strive to understand their market and their needs
- We take responsibility for our actions and for their consequences
- We always treat people with respect
- The customer is at the centre of all we do