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ELIZA TINSLEY LINKS TO HSBC AS IT TARGETS GROWTH

Eliza Tinsley, the Wednesbury-based chain, rope, hardware and office furniture trader and distributor has switched its full banking to HSBC's Birmingham Commercial division. Eliza Tinsley has also secured a significant finance package that will support its growth and provide funding to the company's owners to support the acquisition of Yorkshire-based Avocet Hardware out of administration.

HSBC is providing full business banking to both companies, owned by the Jain family from India, plus a comprehensive financial package that includes invoice finance lines, trade finance to support imports from overseas markets and commercial mortgages.

The Jain family purchased the hardware trading outfit of Eliza Tinsley, which was formed 160 years ago as a foundry and hardware manufacturer, in 2006 via its Group Company, and acquired Avocet Hardware, based in Brighouse, in 2012 from administrators Duff & Phelps, saving 108 jobs at the company.

The funding package arranged by HSBC Senior International Commercial Manager Jerry Green will enable the companies to complete the acquisition and fund anticipated growth as the two concerns increase their combined market share. It will also enable the Group to leverage the opportunities offered from the clear synergy between these two well-established concerns.

Eliza Tinsley supplies chain, rope, hardware and accessories to the DIY, agricultural, building, engineering, fencing and garden market sectors, offering over 3,000 products to its 4,000 customers. Of the total UK market, the company supplies 80% of welded chain, 55% of total chain requirement, 40% of decorative and domestic fixings, 25% of rope and 40% of accessories to the flexible connectors market, making it the market leader in its field.

Avocet was established in 1978 and operates through three UK divisions, the £13 million turnover Door & Window hardware business, the £18 million turnover Builders Hardware Division, and the £2 million turnover door lock division ABS. Administrators were appointed in January 2012 after Avocet was hit by losses from its Chinese operation and the insolvency of a major customer.

The Jain family are well renowned for identifying and turning around the performance of struggling companies. The family's Group Company required a timely and efficient financial solution to enable it to fund the acquisition of Avocet, which HSBC delivered.

The Group Finance Director Renga Ramamoorthy said: "This was a very complex deal and it was a challenge to get the support of the financial institutions to simultaneously complete on different aspects of the deal in the shortest possible time as the administrators required a quick completion. But the HSBC team represented by Jerry Green, Senior International Commercial Manager, acted swiftly and pulled through the deals. Now the acquired company is on road to success. With tremendous investment in stock, stable supply chain and high customer service levels, the company is trading profitably. It was a satisfying experience to see such complex deal pull through."

Jerry Green, HSBC Senior International Commercial Manager, said: "Whilst the deal was a challenging in its complexity, we were able to utilise HSBC's presence in India and Dubai to assist in completing documentation, with our global colleagues helping to provide a complete solution."

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