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FREEDOM PAPER CONVERTERS CLEANS UP WITH HSBC FUNDING DEAL

Aston-based kitchen and toilet roll manufacturer Freedom Paper Converters is targeting a 60% uplift in annual turnover following the introduction of a third production line. The new line has been financed with support from HSBC's South West Midlands Commercial team through the bank's [Assisted Asset Purchase Scheme](#).

The scheme is designed to support small to medium-sized enterprises (SMEs) grow their business and is supported by the [Government's Regional Growth Fund \(RGF\)](#).

The company has installed machinery from Italy that will enable it to increase production capacity from 20,000 tonnes to 30,000 tonnes a year, plus offer a wider range of products to the market. Freedom Paper Converters generated a turnover of £10 million last year and expects the new production line to help increase revenues to £16 million over the next five years.

The move safeguards eight current jobs, and the company will be creating new roles as a result of the expansion. HSBC has provided a £3.4 million funding package to support the investment in the new equipment and to provide ongoing working capital facilities in a deal led by Senior Commercial Manager Paul Witter. Paul worked closely with HSBC Equipment Finance Business Development Manager Richard Harrison on the construction of the finance package. The company also received a £195,000 RGF grant.

Freedom Paper Converters was formed in 1996 and is a family-owned and managed business. Employing 30 people, the company currently predominantly supplies to the wholesale market and high street discount store multiples, and plans to widen its distribution chain to include supermarkets. It plans to add two further production lines over the next 24 months and also has longer-term ambitions to develop a purpose built production and distribution facility after increasing the space it rents at its current Electra Park-based premises.

Managing Director Mohammad Ali said: “This new production line means we can offer a wider array of products and increase our production capacity to meet demand. Our philosophy is that you must keep investing to stay ahead of the competition and that is why we have ambitious plans over the next few years to grow the business. Ultimately we want to develop our own purpose built facility but, more immediately, we will look to add two further production lines.”

Andy Willett, HSBC Area Commercial Director for South West Midlands, added: “This investment will create employment as well as safeguard existing jobs, so it a boost for the local economy. We have structured a funding package that will support Freedom Paper Converters current and future growth and we are pleased to welcome the company to the bank.”

The Regional Growth Fund is a flexible and competitive £3.2 billion Government fund operating across England from 2011 to 2017. It supports projects and programmes that lever private sector investment to create economic growth and sustainable employment. HSBC has agreed to facilitate up to £25 million of the fund via its ‘Assisted Asset Purchase Scheme’ to support small and medium-sized businesses that are purchasing assets such as machinery and vehicles in order to grow. Qualifying businesses with up to €50 million turnover can receive additional funds of up to £500,000 to put towards the acquisition of assets, which create or safeguard employment when the purchase would not ordinarily go ahead without RGF support.

Ends

More information on the Regional Growth Fund can be found at <https://www.gov.uk/understanding-the-regional-growth-fund>

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Notes to Editors:

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The Regional Growth Fund: The Regional Growth Fund is a £3.2 billion fund designed to help companies in England to grow. So far £2.6 billion of funding has been allocated to support projects and programmes committed to deliver sustainable jobs and economic growth. Round 5 selected bidders will be announced in spring 2014. A sixth round is due to launch in the summer. For more information, please go to www.bis.gov.uk/rgf