

# MADE WITH ASSET FINANCE

We take a proactive approach, commissioning research into the trends and challenges within the manufacturing sector. Insightful and forward thinking, this process of discovery is just one of the ways we help you drive your business forward.

## FOREWORD



Globalisation. Fourth Industrial Revolution (4IR). Brexit. These three expressions encapsulate the major challenges that face UK manufacturers. But they also represent opportunity. Forward-looking companies are recognising that the key to growth is to adapt to this fast-changing world.

To benefit from globalisation, manufacturers must embrace new markets. Following Brexit, the demand for UK manufactured goods in non-EU markets - particularly in emerging economies - offers real potential and the government is strongly supportive of UK exports. Its Exporting is Great campaign offers lots of advice to potential exporters.

To look outwards with confidence, UK manufacturers must first look inward. 4IR is increasing automation and generating greater insight into what customers want. It's up to businesses to use the emerging technologies and tools to make their operations leaner, more focused - or conversely, more diversified - and more productive than their competitors.

We're here to support you. We have a long history of helping manufacturers capitalise on opportunities for growth by using asset finance and we'll be happy to share our experience with you.

**Ian Isaac**  
Managing Director, Lombard

Visit [great.gov.uk](https://www.great.gov.uk) to find out more and to register for overseas opportunities.

Security may be required. Product fees may apply.

# THE CATALYST FOR GROWTH

This brave new world won't wait - and you don't have to either. By spreading the cost of investment over time, asset finance lets you invest in the equipment you need without tying up working capital or putting undue pressure on cash flow.

## Asset finance offers many benefits

### Flexible options

We prepare tailored finance packages that help businesses to acquire assets without over-stretching their working capital.

### Eliminate uncertainty

Budget is fixed for the length of the asset finance contract, so you can budget accurately.

### Minimise the risks of ownership

With our leasing products, we could share the 'residual risk' with you so you don't have to worry about how much value is left in the asset at the end of the contract.

### Release cash tied up in existing assets

We can refinance equipment you have already purchased in order to release capital back to you.

### Open up additional credit lines

Asset finance complements the cash resources you already have, as well as other bank credit lines like overdrafts and loans.

### Access funds efficiently

The loan is secured against the asset, so we don't always need to look for additional security, so it should speed up the process.

### Cut wasted spending

If you'll only use an asset for part of its life, the finance terms will reflect that.

# MAKE THE MOST OF AIA

The Annual Investment Allowance (AIA) allows your business to deduct the cost of certain assets from your profits before tax. From 01 January 2019 for two years, the AIA allowance is set at £1,000,000 per tax year.

## How is it relevant?

Many types of asset count as qualifying expenditure. You can claim AIA if you have a hire purchase (HP) arrangement which will lead ultimately to you owning the asset. You don't have to have paid outright for the asset, you get the AIA allowance even though the rental payments are spread over the term of the HP agreement.

## Taxable profits



up to a maximum of

**£1,000,000**

# MAKING IT HAPPEN

Our appetite for lending is second to none; it's all we do, and we've been doing it for over 150 years. We provide asset finance for manufacturing firms of all sizes, from small family concerns to large commercial enterprises.

Last year, we supported over 3,000 customers in the manufacturing sector and provided funding for over £500m of production equipment.

We've relationship managers across the UK who specialise in this vital sector. They'll work directly with you, using their sector knowledge and connections with suppliers and installers to help. They'll also collaborate with our colleagues at Royal Bank of Scotland and NatWest to put together the best funding option for your business.

## Future Fit: The road ahead for manufacturing

We understand how important a robust and cohesive support network is for your business. We also have a thorough understanding of the landscape you operate in. That's why we've developed our Future Fit programme.

We reached out to manufacturers and industry leaders from across the UK, and pulled together key insights into what future success means for manufacturing. And whatever success looks like for our individual customers, we're committed to supporting them to make it happen.

To read the latest Future Fit report, visit:  
[natwestbusinesshub.com/FutureFit](https://natwestbusinesshub.com/FutureFit)

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# ASSETS

## MADE TO MEASURE

Asset finance covers a range of funding options and it's our job to find out which works best for your business. We look at your financial situation and develop a bespoke solution using one or a combination of the following options.

### Hire purchase

Over the course of a hire purchase agreement you make regular payments and have an option to buy your asset at the end of the contract. Or you can return the asset to us.

### Contract hire

A type of operating lease for cars and vans, supplied by Lombard Vehicle Solutions (LVS). It's a complete solution that covers sourcing, financing, managing and disposal.

### Operating lease

Particularly suitable for equipment you need for just a limited time. You make rental payments over the period you need the asset for.

### Finance lease

With a finance lease, you simply rent the asset from us and we calculate rental payments over an agreed term. Although you never own the asset yourself, we still give you a share of the resale value at the end of the term.

### Refinance

This is a way for you to unlock the capital tied up in your existing assets and redeploy it elsewhere in the business. Refinance can be useful in a number of ways, including:

- Replenish cash resources for re-investment elsewhere
- Release land or buildings which have been used as security to fund other assets; we would use the refinanced asset itself for security
- Replace 3rd party investor funding

### Capital Import Finance

This is something we offer in conjunction with NatWest's team of International Trade Advisors to help manufacturers source, import and install specialist equipment from abroad. It's a one-stop funding package that reduces the challenges and risks of buying from overseas suppliers.

**LVS - Finance subject to status.  
Guarantees and indemnities may be required.**

# WHAT DO YOU NEED?

We provide asset finance for manufacturers in all key sectors. Think of an asset and it's more than likely we'll be able to help you acquire it, even large-scale investments such as production lines.

From forklift trucks and robotic arms to 3D printers and state of the art software, we could help you get what you need to support your plans for expansion or diversification.

Remember, funding doesn't only apply to new equipment, we can arrange finance for used assets too - and even against the IP value of your proprietary software.

As the 'fourth industrial revolution' (4IR) gains traction, robotic and digitised technologies are evolving from costly bespoke systems to cheaper off-the-shelf options, making them more widely accessible. A recent survey\* revealed that 87% of manufacturers questioned were ready to invest in productivity enhancing digital technologies. We've developed a finance scheme specifically for these kind of technologies - and the payback can be surprisingly quick.

\*Source: PWC Annual Manufacturing Report 2018

# AND THERE'S MORE

Since our very earliest days, asset finance for manufacturing machinery and plant has been a core part of our business. But we've always looked to the future and this has led to the development of other specialist expertise that might be relevant to your business.

## These specialisms include:



### Cars and vans

Delivery vans, trailers, company cars – you get complete freedom to choose what you want, from wherever you want. We prepare a tailored vehicle finance package that helps you to acquire them without over-stretching your working capital.



### Technology

Our specialist division, Lombard Technology Services (LTS) can help your business keep pace with rapidly evolving technology by helping you finance state of the art IT assets. If you have invested in developing your own software, LTS could also help you unlock some of that valuable capital by buying the software IP from you and licensing it back to you to use over an agreed term.



### Green energy

The business case for investing in renewable technologies is compelling. It's a way to significantly cut energy bills, reduce your carbon footprint and even generate revenue through government incentive schemes like the Renewable Heat Incentive (RHI).

As the first company to offer asset finance for green energy solutions we have extensive experience in helping manufacturers like you invest in renewable technologies such as:

- LED lighting
- Biomass boilers
- Combined heat & power plants (CHP)
- Solar photovoltaics (PV) panels
- Air source heat pumps
- Ground source heat pumps

# LET'S GET STARTED

To find out more about how asset finance could help your business meet the demands of a changing world:

Call us on **0800 502 402**

Visit us at **[lombard.co.uk](http://lombard.co.uk)**

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Lombard Vehicle Solutions (LVS) is provided by ALD Automotive Ltd (ALD), trading as Lombard Vehicle Solutions, Oakwood Drive, Emersons Green, Bristol, BS16 7LB. Finance subject to status. Guarantees and indemnities may be required.

LVS is a product solution provided for Lombard by ALD and there is a financial connection between Lombard and ALD as a result. The arrangement ensures that Lombard customers as well as those of National Westminster Bank PLC and The Royal Bank of Scotland PLC have access to a wider range of products to meet their vehicle asset finance needs.

Customers whose agreements are regulated by the Financial Conduct Authority should be aware that Lombard is acting as a credit broker and not a lender, and that Lombard will receive a payment from ALD should you wish to proceed with an agreement. You can ask Lombard or ALD for more information about this.

