

## April 2010

Armitage Jones and LPA Direct are now well into the second year of trading and both firms are developing at a remarkable pace.

Currently, LPA is advising on a wide range of challenging property situations including:

- Representing an international bank in relation to its lending to a multi-site property development group facing financial difficulties.
- Representing a well known high street bank in relation to its lending to a company running 32 public houses in the North of England
- Representing an international bank in relation to its lending to a commercial property group experiencing cash flow and management difficulties.
- Advising on the possible acquisition of a large property portfolio and many other projects.

Armitage Jones has seen work levels grow dramatically during 2010 with projects including:

- Advising on a re-construction of a trading division of a large public company
- Advising on the wind down of a formerly publically owned learning and skills business
- Possible investment/acquisition of a security and safe travel business, amongst many other projects.

It is the view of the Partners that the economic climate is bad and deteriorating.

Whatever the media headlines may be, the reality on the ground is that:

- Banks are not lending to SMEs other than on the most onerous terms including personal commitment from Directors backed by security
- Banks are squeezing existing borrowers for repayment or enhancement of terms, both in terms of pricing and security
- Commercial property prices are still falling and in our view have some way to go
- Licensed premises are in even worse shape

In reality, only injection of Government cash and interest rates at a 300 year record low are preventing the most devastating consequences.

Our experience of the larger projects we are handling is that so much can be achieved if proper expertise is engaged at the right time. We have seen a series of situations now, where if clients had acted more decisively at an earlier stage they could have saved literally millions of pounds. We can't help until we're engaged!

Thank you to our clients and supporters who continue to assist us on this remarkable journey.