

GETTING TO KNOW YOU

This is a feature where we ask clients of HH a range of obscure questions in order to get a better appreciation of their life and interests.

This edition features **Tim Edwards, Director and owner of Boningale Limited.**

1. Where were you born?

Albrighton, Shropshire. But both parents were from the South of England: I'm proud to be from Shropshire, it's certainly home, but I'm not sure I quite feel like a local yet.

2. Where would you like to be in 5 years?

After two heart attacks at the end of last year I'll be happy enough to find myself above the ground right here in Shropshire!

3. Who has influenced you the most in your life whether business or not?

My father. He died more than 30 years ago, but he still impresses me, I still wonder at him and perhaps I still try to impress him. I'm only disappointed by one of those facts.

4. If you could be an animal, what would it be and why?

I would have said 'Dolphin' when I was younger. These days I say 'Octopus'. I'm not entirely sure what has brought about the change: perhaps physicality and extravagant skill impress me less than they used to; perhaps unconquerable curiosity and ingenuity impresses me more. At least the water is a constant.

5. What was the biggest challenge you faced in your business and how did you overcome it?

Finding myself inheriting a business when my father died the day after I left college. I managed to understand the need to take good advice before I faced my first recession.

6. If you could travel in time, where would you go first?

To the late seventeenth century, to the point in time when science had started to define the physical laws of nature and yet magic had not yet gone from the world.

7. What is your favourite food?

Cheese. I know it's bad for me and I try to limit the amount I eat, but I couldn't do without it. What would be the point?



Tim Edwards, Director and majority Shareholder of Boningale Ltd

8. What are you currently listening to?

Bach instrumental music. I like to close my eyes and watch it.

9. What makes your approach to business unique/different/special?

I think I'm more aware of my short-comings than almost anyone else I know.

10. What would your ideal Sunday be?

Good gardening weather and no interruptions before I call it a day just as the sun goes down and I go inside for a bath. Then a good home-cooked meal and a bottle of wine with my wife.

11. If you could invite anyone for dinner (living or deceased, real or fictional), who would it be and why?

Wallace from the Wallace and Grommet movies. Or anyone who could make a meaningful contribution to the cheese course conversation.

12. What motivates you to work hard?

I wish I could say it's a drive to provide for my family, but I doubt that's really true. I love it and I can't think of a better way of spending the time that's not spent gardening or eating cheese.

13. What is your favourite thing about your career?

The freedom it gives me.

MSA HAVE THE PRESCRIPTION FOR SUCCESS

Over the last five years MSA Global Holdings Limited ('MSA') has continued its expansion of pharmacy businesses throughout the West Midlands and Worcestershire. Having only purchased the Droitwich pharmacy in 2015, Manor Park Pharmacy in 2016, MSA started negotiations with the owners of Anichem Limited ('Anichem') this year. Anichem owned pharmacies within Nuneaton and Rugby.

MSA have built up their revenue to over £40 million with offices in Europe (United Kingdom and Germany), Africa (Uganda and Djibouti) as well as strong sales into the Middle East. The Group has expanded its focus from pharmaceuticals to medical devices, dental consumables and supplies to veterinary practices. The Group projects to reach £60 million revenue by 2020.

Shan Hassam, Managing Director at MSA, said that "having purchased many pharmacies over the last few years you would naturally expect the process to become easier, but there are always new challenges, especially in a sector which is facing constant change. That said, with the right team of advisers to support us we achieved the ultimate goal. We're also excited by the new proposed Health Centre in Rugby and are keen to expand our services there to provide patients with the very best service possible."

Manny Sahota, RMY Clements Limited, said that "having worked as MSA's accountants for a number of years it is great to see how their business has developed and grown from strength to strength, and I know that with the new acquisition of Anichem MSA's brand will continue to energise the pharmacy sector".

Colin Rodrigues, our Corporate Partner, said that "with the recent cut backs in the pharmacy sector, consolidation is happening more frequently, but the key is to find good pharmacies with the ability to adapt to the changes that the sector is facing. As such I know Anichem will be the right fit for MSA"



Left to right - Colin Rodrigues, Manny Sahota of RMY Clements Ltd, Abbas Kanani and Shan Hassam of MSA

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HOME TO HOME

TML Housewares Ltd is a family owned business, and has been a long established customer of Lloyds Bank.

TML manufactures plastic storage boxes and housewares which are used as everyday items throughout the country, such as storage boxes, bowls, mop buckets and other associated kitchenware products. Being a successful manufacturer, TML sells into many of the UK's independents and to PLC's such as Poundland and Home & Bargains.

The next step for TML is to continue expansion of its products and have an ongoing investment programme in plant and machinery. To allow for such expansion, TML took the opportunity to purchase additional commercial premises with the support of Lloyds Bank. This step has also created further employment opportunities within TML.

The Directors of TML, Jagtar Narle and Jaspal Johal said, "The new premises will enable increased capacity within the business, facilitating an increase in turnover of 10-15%."

Natasha Bhardwaj, our Commercial Property Lawyer, said, "Finding a new home for TML would have been difficult, so creating an extension to their existing premises by purchasing neighbouring properties was the perfect solution for TML, much like the products that they sell".

Mark Meakin, Relationship Manager at Lloyds Bank, Manufacturing said: "We've been helping businesses to grow and expand for over 250 years and when it is for a client who I have worked with for over 15 years, it makes the process even more rewarding. We are committed to supporting small to medium-sized manufacturers like TML and creating long-lasting relationships".



Left to right - Mark Meakin of Lloyds Bank and Natasha Bhardwaj with Jagtar Narle and Jaspal Johal of TML

DULUX, DOMESTOS AND ACTIVIST SHAREHOLDERS

Earlier this year, Unilever, and just of late the Company which owns Dulux paints, have both decided to break themselves up and return money to their shareholders. So what? You may be thinking... But this should be considered in the backdrop of Cadbury's takeover by Kraft some 7 years ago, which is still in the forefront of people's memories, especially given the increasing prevalence of activist investors. But who are these "activist investors"? Activist investors are not just fund managers with deep pockets, but can be wealthy individuals, who perceive value in a business, and seek to have their voice heard within that business in order to shake things up.

The activist investor is more familiar to our US cousins, and with the recent weakness in Sterling, opportunities within the UK and Europe are becoming more irresistible. Particularly as the US dollar continues to strengthen against other world currencies as a result of the "Trump effect".

Activist investors are now starting to target large publicly quoted companies, and after becoming significant minority shareholders, the activist investors may seek to de-list the companies in order to restructure or break up the business and to get value from its constituent parts. This is not anything new, but given the size of the targets, the modus operandi is becoming more noticed.

The activist investor's decision is predicated on having scrutinised the target, its valuation and the opportunities they can create from shaking up the business. That is why, in respect of the Dutch company Akzo Nobel, you get someone as notorious as Warren Buffet being involved. Activist investors are able to achieve their goal of wealth creation by stripping away complex layers of what are fundamentally good businesses, with a view to reducing overheads and costs to create cash. Some see this as short termism, compared with a long term outlook. However, bear in mind, not all target businesses have grown organically; most have expanded through acquisitions themselves in order to strengthen their brand and profile, and create dominance within the market place.



Colin Rodrigues

It is difficult to criticise or judge activist investors who clearly identify opportunities, which the current owners of the target businesses have not exploited, whether through complacency or otherwise. This is also a result of activist investors placing their own money on risk to generate those opportunities. Activist investors seek to create value beyond the target's current market value in the short to medium term, where the existing board may be complacent and content to maintain an existing level of dividends given their market dominance and brand profile.

Should you have any queries regarding this article please contact Colin Rodrigues on 01384 216840.