

Turnaround News

## ENDLESS AND BANKS RESCUE VASANTA

**Vasanta Group, the UK's largest distributor of office products is looking forward to recovery following a rescue refinancing by Endless and its syndicate of banks.**

Vasanta was recently ranked the 7th largest business in the Sunday Times Top Track 250 league table of profitable, privately owned UK mid-ranking businesses, with turnover of £517m and operating profit of £18m in 2008. The current group was formed through the merger of office supplies businesses Kingfield Heath and ISA in 2007 in a £300m transaction.

The group supplies retailers and consumers with over 20,000 products, from stationery through to office furniture and electrical equipment and operates under the brand names Vow, Supplies Team and ISA Retail. The business employs over 1,400 people, with its head office in Sheffield and distribution centres across the UK.

Although profitable, the business experienced difficulties in the first half of 2009 following a withdrawal of credit insurance. This combined with a downturn in its markets and high levels of debt led to breaches in banking covenants and a new funding need.

The circumstances required an extremely speedy rescue in order to avoid a collapse and funding was provided by Endless only three weeks after being first introduced to Vasanta. The deal sees Endless acquire a majority equity stake in the group and the company's banks taking a minority stake. Endless and the banks injected £30m of working capital funding and restructured the group's debt.

The transaction protects Vasanta's position as a leading supplier of office products in the UK and Ireland, sustains a major employer in Yorkshire and elsewhere in the UK and safeguards the businesses of many Vasanta suppliers and customers.

Endless was advised by Deloitte and law firm Walker Morris. Vasanta was advised by Deloitte and DLA. The banking syndicate involved includes The Royal Bank of Scotland, Bank of Ireland, Allied Irish Banks and Alliance & Leicester and they were advised by PricewaterhouseCoopers and Linklaters.

Garry Wilson, Managing Partner of Endless said: "Endless exists to provide fundamentally good companies requiring financial or operational restructuring with new funds and hands-on support, and we do this quickly. This deal proves that there is equity and bank investment available to UK companies at this time."

This investment represents Endless' latest acquisition and the seventh since the launch of Endless Fund II. The deal is featured in more detail in this edition of Oxygen in our article titled [The Tipping Point](#).



supplies  
team



VOW



isa  
RETAIL