



Case Study Management Buy-In Speke of Sure Maintenance Ltd



“The funding from MSIF was absolutely critical in getting the business off the ground. They provided ongoing support alongside their investment which has helped us grow further and now we have been able to pay off all our borrowings in full earlier than expected - and provide the Fund with a reasonable return”

*Heikki Viitiko
MD Sure Maintenance*

The company

Sure Maintenance specialises in domestic and commercial gas installation and maintenance. Customers are based all over the North West and include housing associations, local authorities, and NHS Trusts.

The proposition

Sure Maintenance was originally a wholly owned subsidiary of a construction company called The Strong Group. The owner wished to sell Sure as its activities were non-core to the business. In 2001, Finnish born entrepreneur, Heikki Viitiko, alongside co-director David Ingram saw the opportunity of a management buy-in and approached MSIF for funding. Both individuals had outstanding management skills and considerable industry experience. At the time the gas maintenance market was relatively undeveloped and recent changes in legislation meant the Directors were confident that they could create a clear competitive advantage through differentiation, customer focus and utilisation of performance monitoring. In brief, the company has been creating its market rather than adapting to existing one.

The transaction

A package of £800,000 was raised. MSIF provided a Mezzanine loan of £200,000, which enabled the deal to go ahead, and saved around 100 jobs in the process. Grant support was provided from Liverpool City Council and Speke Garston Partnership. Syndicated asset funding was secured via Genesis Asset Finance.

Progress to date

Sure Maintenance has now fully repaid its loan, which included a commercial return, to MSIF. Turnover is expected to hit £13million and staffing levels will shortly reach 200. A second office has recently opened in Salford and two major contracts have been secured involving servicing a further 10,000 properties. The company has won several awards and is continuing to grow rapidly.

The MSIF Group of Funds is managed by Alliance Fund Managers which is regulated by the FSA in the course of investment business.