

# The rough and the not so smooth

Troubled Genesis, 1pm and General Capital dig in as recession bites

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It has been another tough month for UK lessors, and most people in the industry know funding is top of the agenda.

Small ticket lessor 1pm is certainly no exception, having seen its funding lines reduced by 15 percent.

In a trading statement, the AIM-listed lessor said that one of its block discounting funders had withdrawn from the market, and another had reduced its credit facilities.

The growing number of customers requesting payment variations has also had a “consequent” impact on cash flow and on the timing of prospective profits.

Not one to give up, Mike Johnson, 1pm’s chairman, remained positive, saying that he was confident that his strong relationships within the market place would enable the company to find new funding sources.

Elaine Levitton, the operations director at

Genesis Capital, said that her business had been affected by funders withdrawing facilities or limiting their appetites for new business.

Genesis closed its Leeds office last summer and stopped taking on new vendor relationships due to the lack of funding available. Since last August, new business has fallen by half – which has led the business to reduce headcount by 60 percent.

Even though Levitton said that she expects new business to continue to fall, she believes that it will be far more gradual, at least until the end of the summer.

“But it’s difficult to predict when the funders will be genuinely ready to write new business again,” she explained last month.

General Capital, the AIM-listed asset finance specialist, also admitted that due to funding difficulties, its future was “uncertain”.

But it is not all bad news out there, either.



In conversation during a gathering at The Ivy – generously hosted by LPM Outsourcing to celebrate its 21st birthday – Syscap CEO Philip White said that his company had actually renewed and expanded funding facilities with two of its funders, Lombard and BNP Paribas Lease Group (*see page 16*).

Things certainly are difficult in the market place right now, but companies will need to tough it out to prepare for the upturn.