



UK Export  
Finance

## CASE STUDY

# THE HELP YOU NEED TO GROW

**UK Export Finance (UKEF) used its range of solutions to help design and engineering company Houlder to expand its market and its workforce**



Houlder helps clients upgrade the capability of vessels such as the Technip Apache II above

### An important contract

London-based Houlder turned to UK Export Finance for help in 2012 when it won a three-year contract to project manage the construction of a floating storage and offloading vessel off the coast of Libya.

The client, an oil and gas company, asked Houlder for an advance payment bond worth 10% of the contract value and a smaller performance bond. The company's bank issued the bonds, but asked for 100% cash cover to secure them. Houlder asked UK Export Finance for help.

"This Libyan contract is our biggest in terms of value," says Rupert Hare, Chief Executive Officer at Houlder. "A company like ours wouldn't normally need to provide a bond this big, but the length of the contract and its location meant that large bonds were a must. We needed funds to mobilise staff to start the work. After bidding for the job in 2011 we looked at several routes for credit and realised that UKEF offered the best solutions."

### A suite of solutions

UKEF used its Bond Support Scheme (BSS) to guarantee 80% of Houlder's bonds and the company's bank guaranteed the remaining 20%. Once the bonds were issued, UKEF issued two Bond Insurance Policies (BIPs) for the advance payment and performance bonds. BIPs cover exporters against unfair calls on bonds, as well as fair calls caused by certain political events. UKEF also put in place an Export Insurance Policy (EXIP) covering the company for 95% of the amount Houlder deemed to be at risk of non-payment.

This arrangement gave Houlder enough working capital to fund the contract and work started on the vessel design in November 2012.

### Growing the business

The company has already employed 12 new staff to support the project and expects to take on several more in the next year.

"As with any SME, our cash flow is always an issue," says Rupert. "But we found that the help from UKEF and our bank really helped us to move forward. Without this help, we would have been limited to looking at smaller opportunities that were closer to home. I advise companies to talk to UKEF as soon as possible and find out what help they can offer."



**If we didn't have the help from UKEF, we wouldn't have been able to do this work. This job is providing a lot of growth and good credentials for the future."**

Rupert Hare,  
Chief Executive Officer  
at Houlder

We are the UK's export credit agency.  
[gov.uk/uk-export-finance](http://gov.uk/uk-export-finance)

Find out how we can help  
your business

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