

FoundOcean

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FoundOcean's rapid growth made a reality with the help of ArchOver

FoundOcean is an offshore contracting company providing specialist sub-sea grouting to more than 220 offshore wind turbines and its clients include major oil and gas companies.

To continue supporting the growth of its business, FoundOcean needs to invest in equipment, operations and staff to allow it to continue scaling its offerings. That means it has a high level of demand for working capital, something historically provided by an invoice financing facility.

“Our previous facility had lots of restrictions surrounding the various currencies and clients that would be accepted. It was also impractical for the nature of our business - we need access to capital at the beginning of an assignment but would only have one invoice to fund against, meaning it simply wasn't fit for purpose”, explained Keith Miller, Chairman at FoundOcean.

“ArchOver offers a much more flexible way of accessing the money. It allows us to borrow against our historical debtor book with the further support of our strong order backlog and upcoming activity, so that we have a finance facility that supports our ambitions and expansion plans.”

How the money was used

The fixed term facility of £1.55m from ArchOver enables FoundOcean to provide services on more than 500 offshore wind turbines in 2018, which requires major up-front expenditure.

“Before we can even begin work, we often need to build specialist kit, adapt it or even refurbish it”, explained Miller.

“As a result, we incur a lot of expense before our clients have even settled the first invoice. Being able to use our Accounts Receivable to secure funds means we can afford to make those initial outlays. Now, we have both the resources and equipment we need to maintain momentum on new projects while we wait for the first few invoices to clear”.

We’re growing rapidly and expect our turnover to increase from £12.3 million in 2017 to £16.8 million in 2018”, he concluded.

“In addition, the long-term nature of large offshore windfarms means we already know about several large projects that are in the pipeline. This gives us a reliable sense of growth. We have £17 million of booked work for this year already and expect 2019 to be even stronger. ArchOver is helping us to make that a reality.”

The future

“The market forecasts are showing that wind farm activity will go up by another 20% or so over the next year. At the same time, oil companies have recast their business models and returned to profit, making us very confident about the future.



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