

**Case study:** Maria Mallaband Care Group Ltd, UK

# Supporting large-scale investments

## **Challenge**

To upgrade the heating system of a large residential care home, and finance such a large-scale investment.

## **Solution**

Mitsubishi HC Capital UK (formerly Hitachi Capital (UK) PLC) responds quickly with a suitable finance solution that spreads the cost and preserves cash flow.

## **Result**

An easy financial transaction and stress-free process, enabling the instalment of several new Worcester Bosch boilers to be completed quickly within a narrow timescale and without large initial capital outlay.

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## Understanding the needs of the business

**Background**

Established in 1996, Maria Mallaband Care Group (MMCG) has become one of the UK's leading providers of care homes and related services. Its 83 properties across the UK, Northern Ireland and Channel Islands, are home to 4,000 residents and employ over 5,000 members of staff. The group has an annual turnover of £180m.

In addition to residential homes for the elderly, MMCG offers care-oriented services for people with health conditions such as dementia. It also has palliative, respite, disability and day care homes, among others in its portfolio.

**Business challenges**

One of the company's care homes, Furze Hill Lodge in Surrey, required a new heating system to be installed. Purchased by MMCG in 2008, the Tudor-style residence has been extended over the years and now has 30 bedrooms. An upgrade to the heating infrastructure was necessary as the original boilers had started to fail.

Time was of the essence, as the upgrade had to be carried out efficiently during the warmer summer months and completed before autumn to ensure a pleasant environment for residents.

This was the first time the company had had to renovate an entire property and additional finance was required to help spread the cost of such a large-scale investment. MMCG Commercial Director James Burgan explains: "To budget out of cash flow, we estimated the cost to be £50,000 plus. Managing our cash flow is

challenging, because our main expenditure is staff wages and the payroll amounts to £1m per week."

**The solution**

Mitsubishi HC Capital UK was able to structure a hire purchase agreement to help MMCG spread the capital costs of the project over five years and the new Worcester Bosch boilers were fitted immediately by local firm Premier Heating Surrey Ltd. The installer had previously completed work for MMCG, and had also worked with Mitsubishi HC Capital UK beforehand, so James trusted in them and their recommendation.

"The most important thing for the care home was for Premier to be able to get on and do the job," he explains. Mitsubishi HC Capital UK acted quickly to enable that to happen. "I sent the first email on 22 June and it was all completed by the end of July."

**The result**

The new Worcester Bosch boilers are operating as expected at Furze Hill Lodge, which is the most important consideration for MMCG. "The installation of the new heating system demonstrates our commitment to residents; it shows how we have listened to their feedback and improved our customer service."

MMCG's first experience with Mitsubishi HC Capital UK has also proved a positive one. The finance solution enabled MMCG to reduce the initial capital outlay for the project and preserve their cash flow at the same time.

"I'd be happy to use Mitsubishi HC Capital UK again, the trust was there from the beginning"

James Burgan, Commercial Director,  
Maria Mallaband Care Group Ltd

James also valued the professional service and smooth, stress-free process. "There was no hassle or pressure, it was relatively easy and everyone played their part.

"I'd be more than happy to use Mitsubishi HC Capital UK again, the trust from all parties involved was there from the beginning. There are other properties in the MMCG portfolio of a similar age that may need upgrading in the future, and if the opportunity arises, I'll be sure to contact Mitsubishi HC Capital UK again."

