

# J C Rathbone Associates Ltd



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## Corporate History

JCRA was formed in 1989 to provide independent advice to its clients on the management of their interest rate and foreign exchange rate risk. It has specialised in the property sector where its clients range from major publicly quoted companies through to small private companies. In recent years, an increasing amount of work has been undertaken in advising on the structuring of debt as the company has widened its area of operation in response to its clients' requirements.

## Client Base

JCRA focuses primarily on companies operating in the property sector. It also works in a variety of other sectors including leisure, social housing, private equity and financial institutions.

## Areas of Work

### Interest Rate and Foreign Exchange Risk Management

- JCRA works with its clients to ensure that they manage their interest rate and foreign exchange exposure in order to meet corporate objectives, while remaining within the financial covenants imposed by the underlying funding structure. In particular, JCRA looks to ensure that the hedging structures allow its clients to benefit from advantageous interest rate movements and to ensure that any potential termination costs are restricted to a known and acceptable maximum cost. JCRA assists in the efficient implementation of an agreed hedging structure utilising its knowledge base and, more importantly, its ability to price the underlying instruments independently.

To the extent that JCRA advises on the use of derivative instruments to manage such exposures, it is authorised and regulated by the Financial Services Authority.

### Structured Finance

- As interest rate risk management has become an increasingly integral part of the ability to raise funds, JCRA works with its clients to advise on the most effective method of finance and the optimal terms that may be achieved. This is based around modelling financial structures to demonstrate the viability of any request for finance together with an analysis of the risk parameters.

Independent advice in achieving the selection of the most cost efficient available debt structure, including securitisation, is the fundamental priority to this activity.

### Valuations

- The introduction of FRS13 as an accounting standard has forced property companies to focus to a greater extent on the impact of their interest rate sensitive liabilities. The valuation process is often carried out in conjunction with an analysis of how clients may alter existing hedging structures to take advantage of altered market conditions.

## Staff Details

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<b>Interest Rate Risk Management</b>	John Rathbone Andrew Walsh Rory Fyfe
<b>Securitisation</b>	Ian MacFarlane
<b>Foreign Exchange Risk Management</b>	James Stretton John Walker
<b>Structured Finance</b>	John Edwards Martin Orrell Paul Huberman Alan Murray
<b>Social Housing/PFI</b>	Ian MacFarlane Jonathan Dwyer
<b>Valuations</b>	Margaret Moss

## Recent Instructions

- Resolution - interest rate hedging advice on the funding of the purchase of Little Britain
- Telereal - advice on the restructuring and increase of its securitisation programme
- PFI - acted as advisor on the benchmarking of hedging structures on over 60 PFI transactions over the past year for lead advisors including: Deloitte & Touche; Ernst & Young; Grant Thornton; KPMG; Secta; Nexus and DWPF
- University of Warwick - acted as advisor on the funding of new property investment and the interest rate strategy thereon
- Pillar Property - provided advice on restructuring the hedging supporting the investments held by Hercules Unit Trust
- Allied London - funding and interest rate advice on the Spinningfield development in Manchester
- Mailbox - acted as advisor on the refinancing and related interest rate hedging
- Arena Central, Birmingham - refinancing and interest hedging advice for the joint venture
- Prestbury - interest rate hedging advice on the funding of the pubs portfolio joint venture
- Debenhams - acted as advisors to Baroness Retail in hedging the debt associated with the public to private transaction
- Spirit - acted as advisors to Spirit in managing the interest rate implications in purchasing the Scottish & Newcastle managed pubs and hotels portfolio
- Green Properties - advised on the interest rate implications in refinancing its property portfolio in Ireland
- Emerson Group - advised on the restructuring of a portfolio of loans being provided by Norwich Union
- Bruntwood - advised on hedging the debt associated with the purchase of Piccadilly Plaza.