

Trading his way to the top



INTERVIEW OF THE WEEK

Shaf Rasul, property tycoon and IT guru

By Steven Vass

IF you want to get your head around Shaf Rasul – new inhabitant of the BBC's *Dragons' Den*, richest Scottish Asian and supercharged dealmaker – you might as well start with the day he tried to sell Sly Bailey a private car registration plate.

"I phoned her husband, Peter Bailey," he laughs. "I told him I had the number plate 1 SLY and asked if he wanted to buy it for his wife. I'm a salesman and I'd thought, 'what do you buy the chief exec of a huge company like Trinity Mirror for her birthday?' I knew it was best to go through him."

Bailey, a businessman himself, nevertheless said no, and Rasul warned him that if he called back in six months' time, he would charge three times the price.

"A couple of months later, he calls me, and he's giving me all this s*** about how if I don't sell it [at the original price], I'm not making any money from it. I said I was quite happy to keep it on my own car, and in the end he paid a ridiculously high price for it."

So goes the law of the business jungle, and Rasul freely admits that he lives for the deals and not the details that they bring in their wake. Be it flats, shares, blank DVDs or chunks of companies, the Edinburgh-based 38-year-old's fortune has been built on so many buys and sells that you would do well to get to the bottom of them.

His main businesses are East Coast Property, a big portfolio of Edinburgh properties, and E-Net Computers, which distributes blank DVDs, CDs and memory cards from Scotland and Dubai. He also owns Datasafe, which buys and licences trademarks and other intellectual property, and has stakes or investments in umpteen other ventures, ranging from everything from T-shirts to exotic fish.

According to last year's Sunday Times rich list, he was worth £82 million, down from £102m the year before due to declines in E-Net and the property market. Time will tell what happens when the 2009 update comes out next month, but it's not likely to be pretty.

Boish, candid and hyperactively confident, he says he doesn't know how much he has lost, but has reigned in all his businesses until things turn around. For the property empire, which was worth £70m at the top of the market but much less now, he stopped all buying and selling about a year ago and sold his Excellet lettings business. This leaves about 150 homes and numerous commercial properties, including the E-Net Park industrial estate near Linlithgow, plus various development proposals that local authorities have been asked to put on hold.

"Our rental income more than covers our bank loans," he says cheerfully. "We never borrowed to the max, so we can afford for the market to drop more. If values drop to 40% or 50% of today that would be a disaster, but I don't foresee us breaching our banking covenants."

Over at E-Net, life is little more sanguine. It owns digital media brands such as Datasafe, RiDisc and Bulkpaq, under which it manufactures products in Taiwan to supply to high street stores, independents and distributors, as well as making own-name products for electrical giants which prefer not to be named.

From offices in west Edinburgh, it had captured the lion's share of the world market, but things have fallen a long way in the past two years due to tumbling demand and supply difficulties. Having made a profit of £4.5m on sales of £67m as recently as 2006, the credit crunch had reduced this to about



The latest dragon, Shaf Rasul, says he has only seen the BBC show *Dragons' Den* a few times Photograph: Steve Cox

£1m and £30m in the year ended March 31, 2008, and this year sounds like it will be a good bit lower still. However, he insists the business won't make a loss and that the Dubai arm, which has separate accounts and is apparently of comparable size, has not been affected by the downturn.

"We're focused on battening down the hatches and not turnover now," he says, which has meant stopping supplying major customers whom he regards as a credit risk. Costs are being pared back, there has been a shift to just-in-time delivery to maximise liquidity, and he and a partner have just set up a business that will buy stock from distressed sellers and redistribute it through E-Net, which will see it move into electronic products such as televisions and laptops.

He doesn't seem sure what has happened to his other investments as a whole, except to say that they were worth between £30m and £40m at the height of the boom.

"I bought 220,000 shares in RBS because I thought they couldn't go lower than 40p," he adds. "Of course, they went down to 15p. For this kind of reason, I'm not in shares now."

Rasul started life in a "comfortable middle-class" Pakistani home in Huddersfield until his father was made redundant from his job in a pipe-making company. The only business that his father could find to buy was a newsagent in Alloa, so the family decamped when Rasul was just six to the "horrendous" Hawkhill estate, where they had



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so little money in the early days that they didn't have curtains or carpets.

In his teens Rasul wanted to be a journalist, and did work experience at the Alloa Advertiser aged 16, but his parents insisted he aim more conventionally and he ended up studying law at Strathclyde University. He somehow stayed long enough to get the degree, only to walk out of his first law job within hours because he knew it wasn't for him.

He then blagged an IT contract with no experience or resources, built up a small chain of computer parts shops and began investing in property and other deals. He launched E-Net in 1999, followed by Datasafe, followed by everything else. And so to *Drag-*

ons' Den, in which he will appear in a new web version on iPlayer from tomorrow with the troublingly cute American entrepreneur Julie Meyer.

Aimed at slightly younger viewers, it is the same format as the main show, except that there are only two dragons, the maximum investment is £50,000 rather than £200,000, and Evan Davis has been replaced by Radio 1 presenter Dominic Byrne.

Rasul laughs that he was originally asked to screen test for the main programme several years earlier, along with numerous other television shows, but turned them all down because he was too busy with property.

Even this time he refused to come to Manchester, forcing the producers to audition him at his office in Edinburgh, but he has now signed up for a year and will go down south every few weeks to film a new batch of episodes.

The BBC won't let him say how many investments he has made from the first 20-odd pitches, or much else about the show, but before we go there is one thing that he confides with a smile.

"I have only ever seen *Dragons' Den* three times. They tried to send me a boxed set to get familiar, but I told them I'd watch some on YouTube," he says.

Asked whether TV business shows are not his thing, he says: "If I watch TV, I prefer to switch off. The last thing I watched was *Doctor Who*."

So if David Tennant ever gets a phone call asking if he wants to buy the TARDIS, you can probably guess who is on the other end of the line.