

# Asset Based Lending

Access cash within your assets, to free up funds to support working capital

Asset Based Lending lets you borrow against your existing assets. If you are a business with high growth, high working capital requirements (often seasonal), high financial leverage or marginal cash flows then this may be the right solution for you.

## Your needs

You have capital tied up in physical assets, such as receivables, inventory, plant & machinery and real property.

- You're looking to grow your business
- You want to invest in materials, inventory or technology
- You want to improve business liquidity
- You need capital to fund Management Buyouts
- Your business wants to make new acquisitions

## Our solution

Asset Based Lending is a way for you to borrow against your existing assets. Our Asset Based Lending solution provides a specialised funding product that provides a fully secured, fully collateralised funding option against a range of corporate assets including Account Receivables, Inventory, Plant & Machinery and Real Estate Property. Released funds can satisfy working capital demands of growing and seasonal businesses and/or provide a larger scale cashflow solution for strategic purposes, such as an MBO/ MBI, refinancing or expansion."

## Benefits

- Asset based lending facilities can easily be combined with other sources of capital including high yield bonds and mezzanine financings.
- Asset based facilities provide your business with more liquidity and fewer financial covenants.

- Asset based borrowers usually have higher financial leverage and marginal cash flows
- Capability to fund export debts
- Flexible financing as the facility will grow with your business

## Considerations

- Business turnover must be greater than £6.5m
- Your business must be UK domiciled
- Business-to-business and on credit terms
- Debtor book and fixed assets used as security

## Is Asset Based Lending right for you?

You might consider Asset Based Lending if your business:

-  Has high working capital requirements (often seasonal)
-  Has high growth (organic or acquisition based)
-  Wants higher financial leverage and has marginal cash flows
-  Is undertaking a turnaround or restructure

## How it works

### Initial Discussion

Business Development Manager (BDM) or Relationship Manager (RM) discusses options available to you



### Application

The RM/BDM will send you an indicative offer, details of the survey and some more information. Once the survey is complete, we go through our approvals process.



### Outcome

If approved, our documentation team sends you an offer letter and formal documentation to review and complete



### Completion

Once documentation is returned, your BDM talks you through the on-boarding process, including making a first payment to you. We also introduce your Relationship Manager, provide you with training on our online management system FacFlow and send you a welcome pack



### In-life

Your initial funding line is set up to accommodate the highest required funding peak in your 12 month forecast. This means you operate with headroom that's appropriate for your business

## Working with you

Once you join us you'll have your own dedicated Relationship Manager. They will be your first point of contact and will head up an expert banking team built specifically for your business. Your Relationship Manager will be like another member of your team. So when you need to make decisions about your banking and finances, they will always be on hand to help.

## Product Specifications

- **Business Turnover:** Must be greater than £6.5m
- **Buyer or Seller Led:** Seller Led
- **Currency:** GBP, USD and EUR
- **Interest Rate Type:** Hybrid
- **Asset Type:** Receivables, Inventory, Property and Plant & Machinery
- **Loan to Asset Value:** up to 95%

### Your Challenges

- Finding a suitable medium-to-long term funding solution for your type of business
- Being able to access more funds as you grow

### Our Solution

- Asset Based Lending is ideal for those that have money tied up in fixed assets and require the liquidity to grow, adapt, revive or continue to manage day-to-day requirements
- Funding availability grows as your business grows, meaning you can continue to support operations as you expand

### Additional Information

- Access to FacFlow
- Tenor available for up to 5 years
- On Balance Sheet
- No flexibility on Facility Limit

### Explanation

- A client communications system which allows you to access your bank account information and upload all of your invoices
- The advised tenor of the product
- How the assets or liabilities are recorded
- Static limit with the ability to increase this in-line with your business growth

Security may be required. Product fees may apply.

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