

## Working Capital Finance explained

Working capital finance solutions offer businesses the opportunity to improve cash flow. The world of commercial finance and asset-based lending (ABL) is complex and expansive with products, terminology, and contractual interpretation varying from lender-to-lender.

The benefits of arranging working capital are:

- / Up to 90% of outstanding invoice value can be advanced within 24 hours;
- / Flexible lending – funding increases in line with your growth (UK and Export);
- / Confidentiality – lenders can offer a completely confidential service – your customers need not know you have a facility in place;
- / Lenders allow you to manage your funding at all times;
- / Sector-specific finance is often available;
- / Structured ABL – funding for management buy-outs/management buy-ins; and
- / Trade finance & supply chain finance solutions.

Specialists in this area can advise on:

- / Invoice Finance - an effective way of quickly accessing a proportion of the value (up to 90%) of your invoices. Effectively a business 'sells' its invoices to the lender in return for accessing cash at the point products and services are sold. Specific sector-based offerings are available, as is the ability to arrange finance for selected invoices only;
- / Structured ABL - generate a higher level of funding by unlocking the maximum value tied up in the combined assets within your business, including Debtors, Inventory, Plant & Machinery, and Property. Additional forms of funding can be structured in addition to this, such as top up loans to drive growth; and
- / Trade Finance - supply chain finance with various options, enabling the purchasing of goods from overseas where you are otherwise unable to obtain credit from suppliers.

Typically, you will need to ensure your management accounts are up to date, you make available current detailed lists of debtors and creditors, and you might need up to date projections before an expert will consider your application.