

Services to ABLs – An Introduction to Begbies Traynor Group

At Begbies Traynor Group, we value the relationships we have with our Asset Based Lending contacts and we demonstrate this through our dedicated national ABL Group. This is an accumulation of our specialists whose aim is to ensure our service offering to ABLs is maintained at a high and relevant standard.

Our professionals understand the issues and challenges facing ABLs, particularly in the current economic environment, and work in partnership with the lender to protect their investments, help grow their business and increase customer retention.

Corporate Recovery <ul style="list-style-type: none"> • Administration • Liquidation • Fixed Charge Receiverships • Company Voluntary Arrangements 	Corporate Finance <ul style="list-style-type: none"> • Management buy ins/outs • Acquisitions • Refinancing • Disposal planning and execution 	Commercial Finance <ul style="list-style-type: none"> • Financial solutions • New business introductions • Manage aways • Collect outs
Restructuring <ul style="list-style-type: none"> • Diagnostic business review • Cash-flow generation • Accelerated M&A • Equity and debt refinancing 	Tax <ul style="list-style-type: none"> • Crown deferral schemes • VAT planning and advice • Non-UK domiciliaries • HMRC tax investigations 	Forensic Accounting <ul style="list-style-type: none"> • Fraud investigation • Asset tracing • Directors due diligence • Corporate intelligence

About Begbies Traynor Group

- A specialist professional services organisation providing professional advice and solutions in the areas of finance, recovery and restructuring, investigation, risk management, commercial finance and specialist tax advice.
- Approximately 650 staff, including 85 partners and 37 offices nationally (and 6 satellite offices), with a presence in all major financial centres.
- Market capitalisation of £147 million, turnover £50 million.
- AIM listed since 2004.
- The market leader in terms of numbers of both administration and liquidation appointments.
- Operate internationally – in the main offshore centres and through strategic partnerships in 93 countries.
- We have the expertise, geographical spread and manpower to deal with any size of case.
- We are on all the major banking panels.

Recent Credentials

A Successful Turnaround Strategy

Background

A £25 million turnover private equity backed direct marketing business, which was financed using invoice discounting, lost a major customer at short notice leading to severe financial difficulties.

Position on Instruction

The company was operating with drastically reduced working capital facilities, and due to its poor credit rating, a number of suppliers were demanding cash on delivery. The company's financier had reduced the available invoice discounting advances and was keen to exit from the business.

Immediate Action – A Survival Plan

This included:

- Utilising an interim FD to manage day to day cash flows;
- Acting as a foil to management in their discussions with the bank;
- Preparing short term cash flow and projections;
- Opening discussions with alternative debt providers;
- Approaching a number of turnaround funds to ascertain their appetite for providing equity funding for the transaction;
- Preparing a short sales memorandum to help facilitate approaches to trade competitors.

Follow Up – Turnaround Strategy

This included:

- The company attracted interest from four trade buyers plus two turnaround funds;
- A solvent trade sale was subsequently completed within four weeks of our appointment;
- Rolling the bank finance into the new group: a £120 million privately owned business;
- Ensuring management shareholders retained roles in the enlarged group.

End Result

The bank accepted the opportunity to finance the enlarged group and back their expansion plans. The turnaround was successful and the company now enjoys a strong financial position and healthy turnover.

A New Start Business Seeking Funding

Background

A new start business to process ferrous and non ferrous materials approached us seeking funding. The directors were new to raising business finance so we facilitated a meeting with two providers of finance.

Position on Instruction

The business required initial stock finance, a working capital facility and also a banking relationship. Our approach was to access these facilities through our ABL and high street bank connections.

Immediate Action

Our team of specialists worked with the directors over several months securing a commercial loan of £900,000. In addition, we helped directors source both business and trade debtor credit insurance.

End Result

Initially the business model suggested the company required both a commercial loan to fund stock purchase and an invoice finance facility to fund working capital. Our team helped the business successfully structure all of its finance requirements.

New Invoice Financier Increases Funding Levels

Background

A property maintenance and shop fitting business with annual sales in the region of £750,000. Despite the challenging economic climate they had a very strong forward order book. The levels of finance generated by their existing invoice financier were inadequate.

Position on Instruction

There were some issues from a previous business caused by a falling out between directors, which led to claim and counterclaim along with HMRC arrears.

Immediate Action

With the help of our ABL specialists, we were able to reassure the incoming invoice financier as to the nature and validity of the claims and make suggestions as to how best to resolve the HMRC position.

End Result

The outcome was that the new invoice financier provided funding levels materially in excess of those provided by the previous lender.

