

# Debt or Debt Restructuring

## Do you need Trade or Debt-Raising and Restructuring Advice?

Companies looking to raise new trade or debt capital or refinance existing facilities will often have established relationships in the banking, leasing and capital markets.

The key issue for companies is not finding advice on raising money – there are plenty of lenders offering free advice on their own products – but getting objective and independent advice. They need to know their full range of options and how to achieve financing structures which meet their personal, strategic, taxation and operational objectives.

Our experienced trade/debt advisory team uses its extensive knowledge of the asset/trade and debt financing markets to provide our clients with clear analyses of their options and the impact on them of these alternative funding routes.

The advice we provide to our clients is objective and independent of the providers of capital. We can offer assistance throughout the transaction process from initial strategy, the preparation of the business case (Investment Proposal), the approach to lenders, the negotiation of the deal terms through to the completion of the deal.

A company's need to address its trade finance/debt requirements could be triggered by a wide range of circumstances. For example, a company could be:-

- Making significant acquisitions requiring trade/debt finance
- Receiving multiple offers from trade/debt providers
- Needing to diversify its funding base and broaden its trade/debt relationships
- Considering entry into a new trade/debt market
- Refinancing maturing facilities
- Experiencing a credit ratings downgrade
- Needing additional funding for a change in business strategy
- Needing additional trade/debt funding for working capital growth
- Looking to its options for raising finance, on or off balance sheet, secured against business assets

## What type of Trade/Debt Finance is available?

The most common forms of trade/debt finance available in the market include the following:-

- **Asset Backed Lending** – Finance is available to assist in the purchase/re-development or improvement of a property (mortgage finance). Also asset backed finance may be available for the purchase of plant & machinery, motor vehicles, IT equipment or other fixed assets where the asset itself can be used to provide security for all or some of the finance provided.
- **Trade Finance** - Finance is available, in some circumstances, in the form of invoice discounting/factoring to provide a line of finance secured against the trade debtors/receivables of the business. In more limited situations a line of inventory finance secured against the value of your stock and import finance may be available to fund the cost of imports through to the point of their sale. A line of credit is offered by some payroll finance providers who will offer up to 2/3 months credit on the net payroll costs as part of their payroll bureau service. Some specialist finance providers will also support a sales finance facility whereby they will fund the offer of lease/finance terms to your customers.

- **Debt Funding** – Fixed or variable terms loan/debt finance is available from most high street banks and other lenders. In most cases this lending will require some sort of security (business or personal) but there are still some sources of zero or limited security based lending or government backed loan schemes in the market. A smaller number of banks/specialist lenders will also provide cash flow based loans where the loan is secured against the future income stream generated by a certain asset, department or division of the business.

### How can Blue Sky Corporate Finance help you?

There is a bewildering range of trade and debt finance options available in the market and our corporate finance professionals will help you identify the right sources of finance for your business, they will help you to put together the funding application and Investment Proposal document, they will approach the prospective lenders on your behalf, procure the best offers available and negotiate the terms of those offers on your behalf.

In short we can help to guide you through the process of procuring the right trade/debt finance for you business on the best terms available at the time.



To find out how **Blue Sky Corporate Finance** can help you  
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