

Restructuring & Insolvency Lending support options

Funding and business financing

We can help your clients with raising capital, although it is important to consider the reasons why they may need funding.

A cash injection can be a catalyst for business growth, and in our experience timing and confidence when starting the conversation with lending partners is important. Understanding how to approach funders and identifying the areas of your client's business that could benefit from funding is key. By closely examining the business with your client, you can determine where a business loan will have the most impact.

For example, there may be new business opportunities being missed due to lack of funds; funding might improve daily operations or support a management takeover or buyout. While a business loan can transform your client's trajectory, a lender will need a clear justification for supporting the proposal.

We have identified the reasons why your clients may need funding, and the advantages of business financing.

Funding for asset purchases

Clients may be seeking access to finance to fund the purchase of new machinery or equipment to remain competitive and/or expand operations. To do so, they will need a solid case for why they need funding and how it will benefit their business. Starting a conversation early will help identify what options are available to best suit their needs and maintain a healthy cash flow.

Refinancing current debt

Your clients need to have visibility of their business's existing debt obligations and current interest rates. Evaluating the pressure that repayments are putting on the business is crucial in determining if refinancing to a more favourable rate (perhaps by switching lender) would be beneficial. Additionally, exploring refinancing options could potentially open up new loan terms for the business. Refinancing has the potential to positively impact a client's cash flow, even when there is outstanding debt involved, and well worth exploring.

Stock purchases

Managing when to buy stock and in what quantities can have a significant impact on a client's financial position. Buying smart, at the right time, is essential. The amount invested at this stage can lead to greater rewards in the future.

By investing larger amounts, for example, clients can benefit from economies of scale, saving money and allowing for allocation of funds elsewhere. Understanding fixed costs related to stock and production methods is important when determining the amount of funding that can be taken on.

Business expansion

Maintaining an existing site and/or looking to expand or take on new premises can be expensive, but may also be critical for ongoing customer interactions and business success. Discussing plans for refurbishment or expansion and how to finance these projects is essential. Additionally, planning for the potential need for larger premises in the future should be considered.

Exploring growth opportunities is important for clients looking to expand their business. Accessing additional funding could help make growth plans a reality. While growth can sometimes happen without external funding, having financial support can accelerate the process and lead to long-term benefits such as opening new locations or new business acquisitions.

Management buy-out or buy-ins

When considering a management buy-out (MBO) or buy-in, it is important to keep in mind the potential impact on the company's structure and future success. Investors and lenders will require information on any changes in management/shareholder structure to assess the implications for the business.

If there are impending management changes then it is beneficial to understand the new leaders' vision for the business. Additionally, in the event of an MBO it is crucial to determine the level of involvement of the previous owners post-transition. Funding a business through a loan can provide opportunities for growth, but it also entails risks. Business leaders must be aware of the responsibilities associated with loan repayments and how this will affect future financial planning.

Expert lending panel

If your clients have carefully evaluated their situation and are considering pursuing a loan, reaching out to a lending partner for further discussion is recommended. We collaborate with an expert panel of lenders to simplify the process of securing funding for clients.

Please feel free to contact us to initiate a conversation about the funding requirements of your clients, or should you require any further information.

About PKF Littlejohn Advisory

PKF Littlejohn Advisory is a national team of restructuring professionals, licensed insolvency practitioners and fraud and forensic specialists, advising clients from offices in London, Leeds and Manchester.

Collectively, the team has over 45 years of experience, working with trade creditors, government bodies and lenders.

The team supports companies which are experiencing financial or operational challenges, by providing restructuring and rescue solutions.

For more information, get in touch with our Advisory team:



Stephen Goderski
Partner
+44 7776 180 702
sgoderski@pkf-l.com



Oliver Collinge
Director
+44 (0)113 426 7405
ocollinge@pkf-l.com



Brendan Clarkson
Director
+44 (7)929 418 903
bclarkson@pkf-l.com



PKF Littlejohn

www.pkf-l.com

London

15 Westferry Circus,
Canary Wharf,
London E14 4HD
Tel: +44 (0)20 7516 2200

Leeds

3rd Floor, One Park Row,
Leeds, Yorkshire,
LS1 5HN
Tel: +44 (0)113 244 5141

Manchester

11 York Street,
Manchester,
M2 2AW
Tel: +44 (0)161 552 4220

This document is prepared as a general guide. No responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication can be accepted by the author or publisher.

PKF Littlejohn Advisory Limited is a wholly owned subsidiary of PKF Littlejohn LLP, Chartered Accountants, and is registered as a limited company in England and Wales No. 08867423. Registered office is situated at 15 Westferry Circus, Canary Wharf, London E14 4HD.

PKF Littlejohn LLP is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).