

As products, Factoring and Invoice Discounting provide flexible alternative financing solutions for businesses that require help with their cash flow. Factoring and Invoice Discounting provide robust financial solutions for businesses struggling to stay on top of their finances in this difficult economic environment. The Asset Based Finance industry provides finance to firms employing over 1.4 million people in the UK.

This Deal Sheet was produced by the Invoice Finance Committee, part of the ABFA, which aims to increase understanding and raise the profile of Factoring and Invoice Discounting in the UK and Ireland.

The Asset Based Finance Association (ABFA) is an Association which represents the Asset Based Finance industry (which includes Factoring and Invoice Discounting) in the UK and Ireland. Currently over 46,000 businesses are benefiting from over £15 billion in lending from this industry.

To find out more about Factoring and Invoice Discounting products, or to read more Factoring and Invoice Finance deals, please visit www.abfa.org.uk/public/industryInformation.asp



STATE SECURITIES ASSET BASED LENDING PACKAGE LIFTS MIDLANDS BASED MANUFACTURER OUT OF ADMINISTRATION

Asset based lender State Securities plc recently assisted an MBI team to acquire the assets of a large Midlands based manufacturing company and lift it out of administration, thus preserving valuable jobs and enabling this long standing organisation to carry out its normal day-to-day operations.

The previous group of companies had been placed into administration and trading had continued for over two months. A quick resolution was essential to ensure the future stability of the operation was not undermined by constrained working capital.

State Securities was the sole financier in the arrangement. Working closely with the business's MBI team, a comprehensive funding package comprising of asset finance, factoring and a loan under the new Enterprise Funding Guarantee Scheme was produced. State Securities' in-house legal team also ensured that the funding package was organised and delivered to meet the company's challenging legal requirements and timescales.

Adrian Taylor, Head of Factoring at State Securities commented: "The benefits of looking to a single lender to support company acquisition are considerable, not least given the sizeable costs that would have been incurred in resolving a myriad of legal complexities together with the demands of meeting competing priorities if multiple funders had been involved."

He continued, "By handling all these requirements under one roof, State Securities was ideally placed to meet the company's unique funding needs. Being able to access the EFG loan scheme was also a fundamental component of this arrangement that ensured adequate funding was available immediately to finance raw materials and staff payments, all of which were critical to ensure a positive start for the company going forward."

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