

Raising finance and refinancing



Are you looking to raise new debt finance or refinance existing debt facilities?

We are often asked by business owners about the raising of new finance or the refinancing of existing bank debt.

With interest rates expected to fall in the coming months, now is most certainly the right time to be looking at your current debt facilities, consider if they are adequate for your current and future needs, and look at what other sources and types of debt funding are available.

Are your current debt facilities fit for purpose?

RPGCC's Corporate Finance team is able to help determine if your current bank facilities are adequate to support your current and future business plan. We do this through a free debt "health check".

Simply provide us with a few details on your current facilities and we will be happy to run this health check. The results provide an informed view on whether your current facilities are competitive and fit for purpose. We are then able to help you refinance your existing facilities or raise new debt finance to support the growth of your business.

What kind of financing could you consider?

There are a broad spectrum of debt funders outside of traditional banks which provide access to different funding types – from invoice discounting and asset financing through to more structured and term lending for acquisition financing.

Over recent years there has been a rapid growth in the number of private debt funds and volume of private debt lending, offering an alternative to more traditional high street bank lenders. This shift is in response to several factors including increasing regulatory capital requirements for banks, collapse of institutions such as Silicon Valley Bank and a reduction in overall appetite for lending by banks, including syndicated loans.

What advantages do private debt funds offer over traditional banks?

Private debt funds offer several advantages when compared to traditional bank funding:

- They offer longer term facilities, often up to 7 years.
- They offer more flexible repayment terms, often "balloon" repayments and options on interest payments.
- They are more responsive and not burdened by credit committees and their lengthy approval and due diligence processes.
- Covenant packages are often less onerous than those imposed by traditional lenders.
- They usually offer financing on a floating interest rate basis, often more beneficial than fixed rate options in a volatile interest rate environment. This is especially attractive to borrowers given the expectation of lower interest rates in the UK over the next six to twelve months.
- There is a wide range of funds providing debt from £1mill upwards.

Of course, when it comes to financing and refinancing of a business this really is just the tip of the iceberg. Business finance is a complex area and specialist advice should always be sought.

If you would like to arrange a free debt health check of your current debt facilities or if you would like help arranging new sources of business finance, please do not hesitate to contact RPGCC's corporate finance team on 020 7870 9050.





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