



Lime Consultancy
MAKING BUSINESS FINANCE SIMPLE

Case Study

Non- Standard, Limited Company
Cash Injection

Injection of Cash Into Limited Company - Non Standard

Injection of cash into business for non standard use

A limited company needed to raise £180k to complete a restructure of the business and buy out one shareholder as part of a divorce settlement.

The company had traded for many years but had not made profits for the past 3 years, due in part to the restructure and in part due to the distraction of the divorce. The company's performance was improving and projected a breakeven in the current period.

In this case the client had been declined by their bank on grounds of the losses recently, this was despite the improving performance and long history of profits otherwise.

We obtained an agreement from a specialist lender which was secured on a rental property owned by the company. Our proposal was to raise £240k which would enable the client to repay their bank in full, in turn removing the bank's security over the director's home as they had plans to move in the next year.

In this case we;

- Obtained an approval to lend £240k
- Moved all the security within the limited company, providing the director with less personal risk overall and freeing them to move home when they wished
- Used a lender that would take an Accountant's certificate as comfort over affordability
- Structured the loan where only the interest required payment for 12 months ensuring that the business was profit generating before capital repayments needed to be started
- The purpose of the loan was not attractive to many lenders. Knowing who would lend in this case meant we could complete the deal quickly and structure it to suit the client

This case showed that just because the first lender the client approached had declined them did not mean they couldn't do what they wanted. By knowing who to approach and how to structure the deal meant we could meet the client's objectives.

This case was completed in July 2016