

### **Background and Problem**

The entrepreneurial and charismatic CEO had developed the business to £4m turnover. However, given his large ambitions, he was constantly investing for the future and not making much profit now. This was exacerbated by high growth rates putting severe strains on cash.

Despite Venture Capital backing of a million pounds the relationship had deteriorated in recent times. The previous relationship manager had retired from the Fund, although he had retained his non exec role with the company.

A plot was hatched to remove the VC fund, by way of a private investment round. We were brought in to help with the development of a prospectus and the TVBA Business Advisor was ultimately asked to sit on the board as part time FD.

The investment round achieved 50% of its target and negotiations developed with the VC fund for a reduced exit. In the mean time TVBA were asked to help with alternative sources of funds.

### **Actions Taken**

Prepared appropriate documentation using the work done for the prospectus and other existing material.

Approached Nat West with the opportunity to bid for the whole account, including invoice discounting.

Organised a meeting between RBS and the client. RBS impressed the client with their enthusiasm, interest and knowledge.

Invoice discount audit performed and funding offer made. However this was subject to sorting out the balance sheet. This was achieved after a significant amount of work.

### **The Result**

With invoice discounting in place, this is the ideal way to finance a growing business – particularly one that has to pay its staff up front and can only get customers to pay 30 days after that – at best. This has created a platform for the company to push ahead and maximise its position in the market place.

**If you want to find out more about any of the areas covered in this case study and how we can support your business – contact us today.**