



# Guide to alternative finance

Alternative finance options for UK small businesses, including invoice finance, asset-based lending and crowd funding

# Guide to alternative finance

Raising finance can be daunting and exhausting and it can feel like the odds are stacked against you but there are a number of alternatives to the traditional high street lenders. Perhaps you need a quick cash injection, or are in need of some new equipment whatever your reason for needing finance there is now a variety of options available. Here we talk you through some of the options.

## What are the benefits of alternative funding?

- Often available when other options have been exhausted
- More likely to have a funding application accepted
- Can provide temporary funding to relieve short term cash flow options
- Terms can be suited to your situation

## What alternative finance options are available to me?

- Business overdraft
- Business loan
- Invoice finance
- Asset finance
- Crowd funding & peer to peer lending
- Third Party loans/investment

When your business needs cash what are the options?

## Business loan / overdraft

A business loan / overdraft may or may not come from a main stream provider e.g. a Bank often referred to as a term loan, bridging loan, unsecured loan or overdraft.





## Invoice Finance

Invoice finance allows businesses to get advances on their sales ledger rather than wait until invoices fall due. There are two types of invoice finance;

**Factoring** - advances on money tied up in customer invoices full credit control including chasing & collecting outstanding invoices.

**Invoice discounting** - Only advances cash tied up in customer invoices but no credit control allowing you to remain in control.

## How does invoice finance work?

## Asset Finance

Is a loan that is used to obtain assets for example equipment, machinery, vehicles, and it can offer a flexible alternative to a normal loan.

## Asset Based Lending

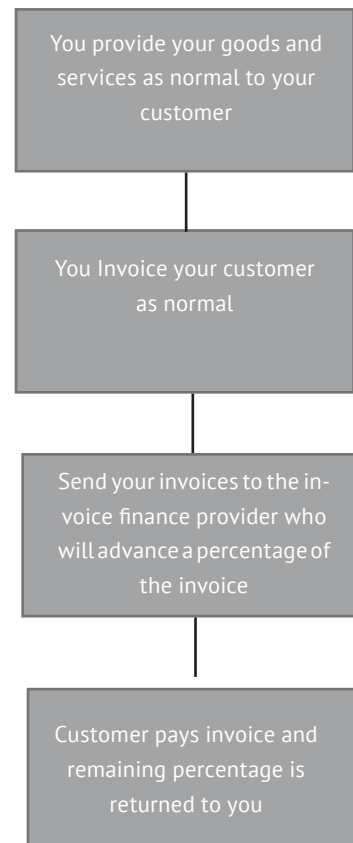
Asset based finance allows you to raise capital by using your existing assets as security such as stock & plant and machinery.

## Crowd funding & Peer to Peer lending

Peer to Peer lending involves connecting borrowers directly with lenders via online platforms. This can sometimes involve them taking a small equity share of the business. As these communities operate online access is more straightforward than mainstream lenders.

## Third Party loans and Investment

Finance available via individuals or institutions that specialise in challenging scenarios from fast growth to turnaround.



## We're here to help when all options are exhausted

Raising finance can be daunting and exhausting and it can feel like the odds are stacked against you. We have unrivalled connections with finance providers gathered over many years of helping businesses succeed, our expert guidance explores innovative funding methods.

We can:

- Assess your requirements
- Help prepare financial information and borrowing proposals
- Support your proposal to potential funders including sensitised forecasts and covenant analysis
- Arrange meetings with our network of lenders including alternative finance providers.
- Assist in negotiations on terms

If you would like to discuss how Moorfields can assist you with raising alternative finance or any other issues please contact

**Nick O'Reilly**  
**T: 0207 186 1188**  
**E: [noreilly@moorfieldscr.com](mailto:noreilly@moorfieldscr.com)**

Moorfields, 88 Wood Street, London, EC2V 7QF

Tel: +44 (0)20 7186 1144 Fax: +44 (0)20 7186 1177 Web: [moorfieldscr.com](http://moorfieldscr.com) Email: [info@moorfieldscr.com](mailto:info@moorfieldscr.com)

Disclaimer

This guide is prepared as a general guide only. 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. Always seek professional advice before acting. Moorfields Advisory Ltd is registered in England and Wales No 8910792. The Institute of Chartered Accountants in England and Wales authorises Simon Thomas, Aaron Kendall and Nicholas O'Reilly to act as insolvency practitioners in the UK under section 390(2)(a) of the Insolvency Act 1986. Office Holders acting as Administrators or Administrative Receivers manage the affairs, business and property of the debtor subject to the appointment and contract only as agent of the debtor and without personal liability. Office Holders acting as Receivers manage the property of the Mortgagor and contract only as agent of the Mortgagor and without personal liability.