



TRADE FINANCE SERVICES

HELPING BUSINESS GROW

CASE STUDIES

HEALTH

A distributor of Electric (battery powered) Mobility Scooters to disabled people, based in Bangor, North Wales

Introduction from the Institute of Directors

Voted one of the fastest growing companies in Wales, this company provide tailored solutions to disabled people through out the UK. They market a comprehensive range of battery powered electric scooters to suit every ones different circumstances.

The Problem

Owing to the businesses rapid growth they saw a need for additional working capital facilities over and above their current bank borrowings and support from the Welsh Development Agency. TFS quickly realised traditional funding was not available and cash flow was tight. The bank could not provide any more facilities as all the security available had been pledged, including a PG from the director.

The Solution

The only way forward for the company in the short term was to convert or collateralise the finance agreements between the company and its customers who had bought scooters on credit by using a Block Discounting facility. This effectively converted the value in existing customer credit agreements into cash by selling them to a specialist lender to provider a loan. The monthly repayments from the customers repaid the loan over a period time but gave the company an immediate injection of cash. It also allowed them to continue using the facility in the future by converting new agreements in the same way.