

As a product, Asset Based Lending provides a flexible and alternate financing solution for businesses experiencing change. A robust product, Asset Based Lending has proven its reputation within various economic cycles – boom or bust and is why Asset Based Lending continues to bolster its position despite the tightening effect of the credit crunch today.

Asset Based Lending delivers sophisticated solutions for a variety of scenarios including growth, buyouts, buy-ins, mergers and acquisitions, refinancing, turnarounds, public to private transactions across both a European and global arena.

This Deal Sheet was produced by the Asset Based Lending Committee, part of the ABFA, which aims to increase understanding and raise the profile of the Asset Based Lending industry in the UK and Ireland.

The Asset Based Finance Association (ABFA) is an Association which represents the Asset Based Finance industry (which includes Asset Based Lending) in the UK and Ireland. Currently over 49,000 businesses are benefiting from over £17 billion in lending from this industry.

To read more about recent ABL deals please visit [www.abfa.org.uk/abl/abl.asp](http://www.abfa.org.uk/abl/abl.asp)

### PATH MAPS A ROUTE TO GROWTH WITH MBO FUNDING FROM VENTURE

UK-based Path Group Plc designs, manufactures and distributes electronic equipment accessories for home entertainment systems and computers under its brand name IXOS. As the company expanded into international markets, the senior management team decided to launch a management buy-out (MBO) to help maximise the potential of the IXOS brand.

Following a recommendation, the senior management team approached Venture Structured Finance for finance to fund the MBO. The Asset Based Lender (ABL) carefully assessed the business plan, and then swiftly developed a bespoke ABL facility with a funding line of £4.5 million. It comprised Receivables Finance to provide ongoing working capital, and a Cashflow Term Loan that offered more flexibility and a greater level of funding than a rival offer under consideration. Importantly, it ensured fast access to finance to complete the MBO, limiting any impact on

the smooth running of the business. ABL is increasingly popular as part of an MBO funding mix, because many private equity and venture capital firms recognise the flexibility it can bring during and after a deal.

Tony Sanderson, Financial Director of Path Group Plc, said: "Venture's highly committed and professional team worked swiftly to understand our needs, providing a flexible package that met our requirements exactly. Without it we could not have successfully completed the MBO. Since the deal, we have concentrated on growing the business and are enjoying some encouraging results."

t: 0800 077 8547

e: [enquiries@venture-structured.co.uk](mailto:enquiries@venture-structured.co.uk)

[www.venture-structured.co.uk](http://www.venture-structured.co.uk)