

# Independent Business Reviews



**In the current economic downturn there are an increasing number of businesses experiencing financial difficulties. Lenders now face greater potential non-payment of some or all of their outstanding loan book.**

**Our multidisciplinary team of corporate finance and insolvency specialists are able to provide an “integrated offering” creating practical, deliverable business solution.**

## What we do?

Our team of transaction services professionals work seamlessly together to assist both businesses and lenders in addressing their key concerns, including:

- Short term liquidity position of the business.
- Reasonableness of the Business Plan as a basis to make future lending decisions.
- The future market prospects and sustainability of the business.
- Options available to both the business and lenders.
- An assessment of management and its ability to deal with any crisis and deliver a recovery plan.

## How we can help

The Kingston Smith approach is to focus on a review of the short term cash flow forecast, providing detailed analysis and proposed sensitivities on the Business Plan, based upon:

- A review of future trends and the positioning of the business.
- Indicative valuation of the business as a whole and of its key component parts

- Financial review based on detailed historical analysis.
- Practical commentary on the potential options available to the business, including refinancing, restructuring and potential insolvency

## What is an Independent Business Review?

Independent Business Review (IBR) is a partner led professional and independent assessment of the situation a company is in. It provides the management and debt and equity providers with the required transparency and basis to take robust and well-founded decisions.

IBRs often constitute the solution of choice in the following circumstances:

- Planned / forthcoming changes to company / group structure.
- Significant upcoming investment decisions.
- Capital or loan increases, extensions or changes to financing arrangements.
- Existence of significant problem loans and/or justified doubts about the value of existing security in respect of those loans.

## Why is it useful?

An IBR provides detailed, unbiased information about the company's financial situation and delivers realistic, clear and specific recommendations on the best course of action. Based on this, the lender can initiate - in cooperation with the borrower - the appropriate restructuring or recovery strategy.

## Who is it for?

An IBR is mostly aimed at corporate lenders, e.g. senior secured lenders (individual banks, bank syndicates, investment, clearing banks and private equity houses) as well as larger companies, in complex situations requiring multiple layers of in-depth analysis.

## Our strategy and workflow

In an IBR, we examine and report on the following areas:

- Review and presentation of the existing “as is” financial situation together with a critical appraisal of revenues, assets, liabilities, cash flows and financing arrangements
- Concise outline of the legal and fiscal framework.
- Assessment of the effects of the situation, market trends and the competition.
- Analysis of the operational structure of the company, including key strengths and weaknesses of the company's various areas of activity.
- Evaluation of the company's strategy
- Assessment of company's planning with regard to plausibility of scenarios and performance of a risk/reward assessment by means of a sensitivity analysis.
- Improvement recommendations, and if requested, action and implementation plans.
- In all cases, we agree the form and content of our deliverables with our clients at the outset of the assignment within a clearly defined timetable.

## Our findings

Typically our work will result in a series of recommendations and action points that we are also able to assist with their implementation. They are designed to preserve and maintain long term value.

## The purpose

Our Strategic Independent Business Review enables funders or Stakeholders in a business to obtain real clarity of the financial and operational status of a business and the range of options available in the short and longer term.

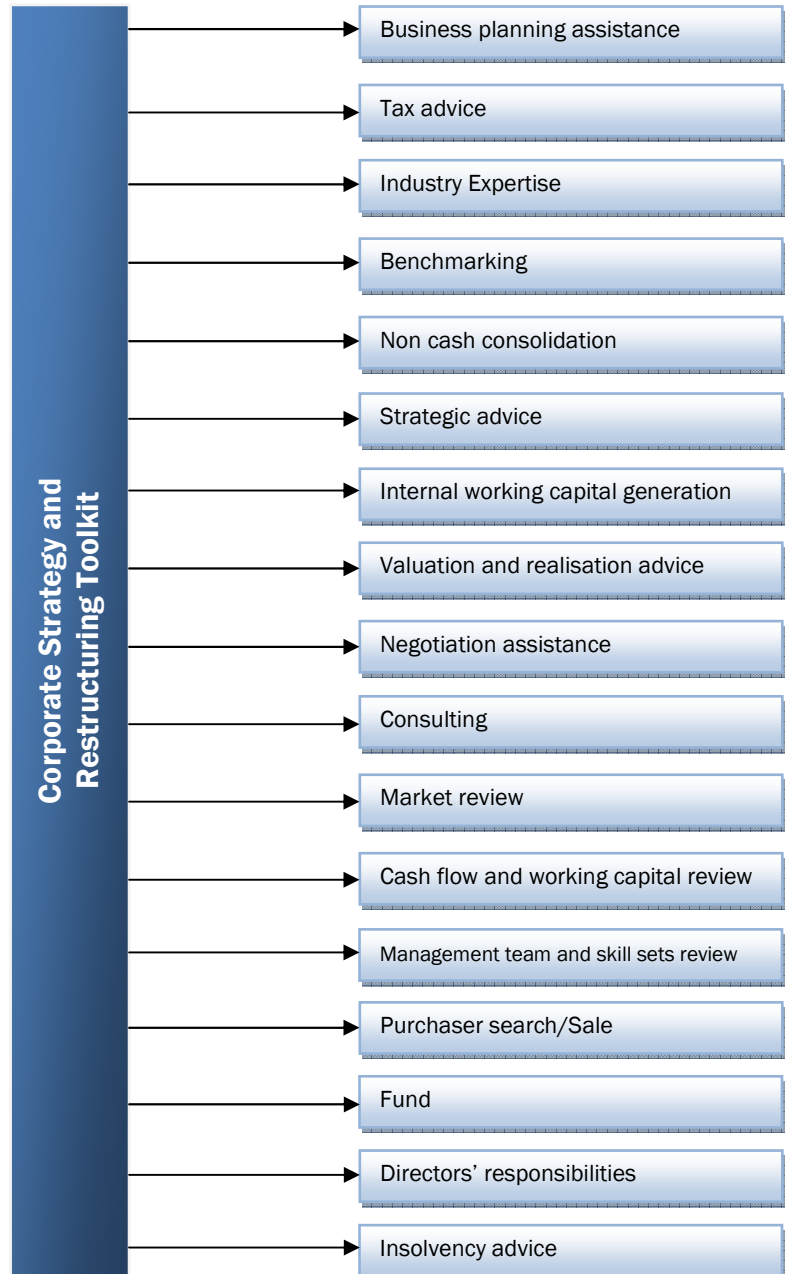
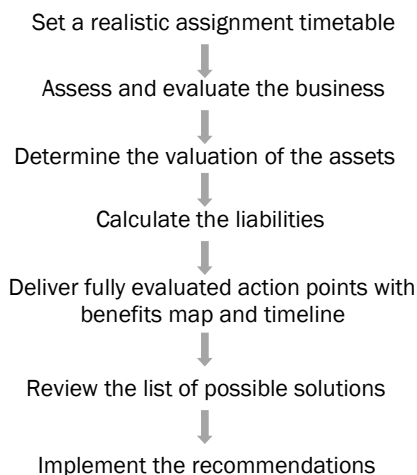
At Kingston Smith LLP our ethos is straight forward - we want our clients to be successful. We accomplish this objective if we fully understand the detail of an organisation, its sector and businesses potential. We recognise that the only way to gain this knowledge and to build a trusting relationship is to appoint a dedicated team to personally formulate the required strategy and help implement it.

We specialise in dealing with entrepreneurial business owners who want to work with experienced advisers committed to maximising the opportunities available to smaller and medium sized companies.

Our philosophy is simple; to provide a personal service to clients that want to succeed and using our commercial realism and “can-do” attitude to “deliver positive results”.

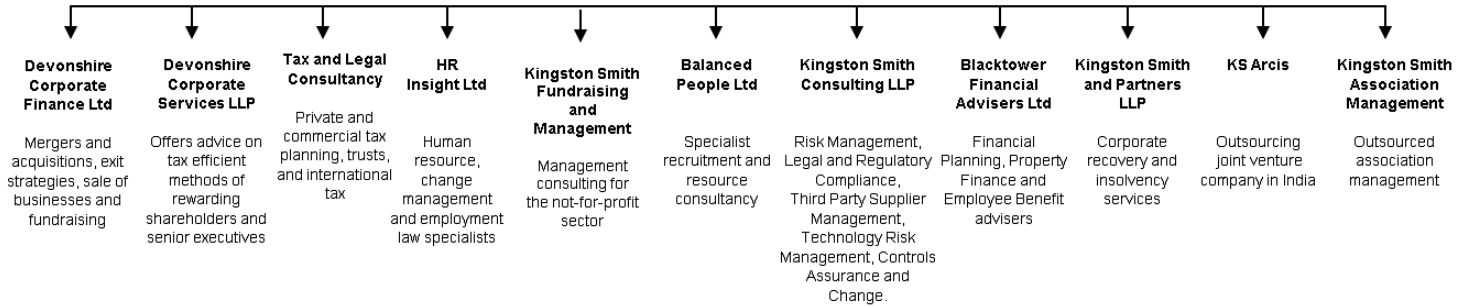
## Solution process

Our work schedule to provide positive outcomes by:

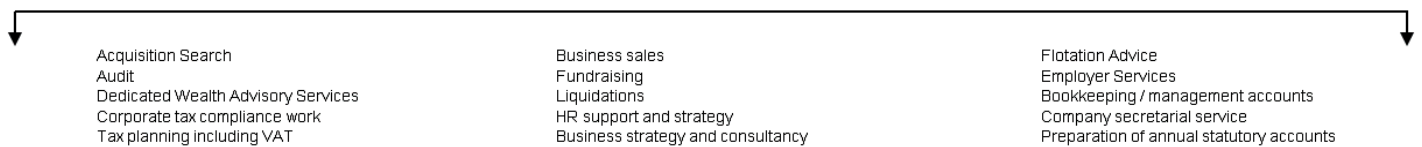


## Kingston Smith Group Services

### Kingston Smith LLP



### Range of Professional Services



## Sectors

We have spent many years working with businesses on key strategic issues creating a track record delivering successful outcomes. Our own research into the barriers to growth found that they favoured industry-specific advice, rather than that which simply reflected the size of their organisation.

As a result, we have developed considerable expertise in a number of industry sectors:-

- |                    |                    |                       |
|--------------------|--------------------|-----------------------|
| Healthcare         | Retail             | IT & Technology       |
| Manufacturing      | Professional Firms | Leisure & Hospitality |
| Marketing Services | Property           | Media & Entertainment |
| Retail             | Automotive         |                       |

## Contact us

More information about Kingston Smith LLP and our services can be found at [www.kingstonsmith.co.uk](http://www.kingstonsmith.co.uk)

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