



# How to finance the purchase of plant and machinery



The most suitable funding options to help businesses purchase plant and machinery whilst keeping cash flowing



## Introduction

**Buying new plant and machinery can be expensive, but these are often the assets that can take your business to the next level, allowing you to fulfil more orders in less time and to a higher quality.**

Even if you have the capital available, investing so much in one go can leave you with reduced cash flow, which you may have needed to take advantage of new opportunities or cover unexpected costs.

Commercial finance makes it possible for your business to get access to the assets you need, and there are various solutions to fit different businesses and situations.

Here, we will explore the options available for funding asset purchases.

## Is commercial finance the best way to purchase assets?

The right plant and machinery is often essential, and where it's not it could still be the key to taking your business up a level.

For some businesses, it may not be possible to buy the assets you need without financial support, and even in cases where you have the capital to buy assets outright, commercial funding solutions may offer you more benefits, flexibility and protection, so it's worth considering all your options.

Using commercial finance could mean the difference between an upgraded and more efficient model, having the extra cash flow ready to take advantage of a new opportunity or protecting your business down the line when it is time to upgrade.



## Solutions

### Which funding solutions are best for buying plant and machinery?

#### Asset Finance

Asset finance has been specifically designed to help businesses pay for assets such as plant and machinery.

It allows you to spread payments out over a longer period of time, as the lender will cover the initial expense of the asset and lease it back to you for set monthly payments.

Depending on the asset finance solution you choose, you'll either own the asset at the end of the contract period or you can return it. It just depends on whether you need the asset indefinitely or for a short period.

Because you're not paying for it up front, asset finance allows businesses to access higher spec equipment than you might otherwise be able to. It also typically comes with lower interest rates than an overdraft or bank loan and thanks to fixed monthly payments, makes it easier to predict your cash flow.

It can also protect you from asset depreciation, as you only use the asset while you need it and may have the option to upgrade when the lease ends.

**Asset finance**

## Business loans

There are some cases where a business loan can be a good way to purchase assets, as it allows you to secure large amounts of funding and can be processed quickly.

Interest rates are also often fixed for the term of the loan, making it easier to plan ahead when it comes to cash flow forecasting.

When using a business loan, you will own the asset outright from the time of purchase, so will be at risk of depreciation and will be responsible for any repairs and maintenance needed.

### Business loans



## Invoice finance

Invoice finance provides a way of releasing any money you have tied up in unpaid invoices. This money can be used for anything your business needs, including the purchase of new plant and machinery.

Using invoice finance to free up capital means that, by being able to buy the asset outright, the asset is yours and you will not have any monthly repayments. It can also be a good long term solution to keep your cash flow healthy and help pay for future assets or other business expenses.

### Invoice finance

**“Contacting Hilton-Baird was the catalyst my company needed to grow. Their knowledge of the industry was second to none and helped find the perfect funder for me.”**

Simon Powell, Managing Director, Astringo Commodities Ltd

# Why use a finance broker?

Finding the right funding solution can make a huge difference for your business, no matter what your current goals and challenges are.

An independent finance broker such as Hilton-Baird can save you time and help you secure the right funding options.

They will be able to discuss your requirements with you and introduce you to appropriate lenders that meet your requirements.

## Here are just a few of the reasons to choose Hilton-Baird:

- We have extensive experience across the commercial finance market
- With over 20 years' experience, 100% of our clients say they'd recommend our services to other businesses
- We have access to decision makers at a large number of banks, independent funders and asset finance companies
- We're wholly independent, meaning we only introduce the most suitable facilities away from external influences
- We're reputable: Authorised by the FCA, members of the NACFB and a UK Finance associate

To discuss your funding requirements and find the funding that's right for you, contact our team today:

**Call  
0800 9774833**

**Request a call  
back**

**Get an  
instant quote**

**“We were really impressed with the speed at which we could get a facility in place. Hilton-Baird recognised and related to our situation and worked with speed and efficiency to get us up and running.”**

Steve Marney, Managing Director, South East Construction & Recruitment

