

# Key to the future

## Unlocking your aged debt to augment cash flow as we ease out of lockdown



In these challenging and unprecedented times, cash flow has been brought even more sharply into focus. It is a problem affecting most barristers, from juniors to silks. The nature of the issue makes it difficult to budget and forecast for the future which has contributed to the increasing popularity of aged debt funding.

During the pandemic many barristers may have opted for short-term solutions by way of mortgage holidays, government-backed loan schemes and tax deferral options to assist with cash flow.

Vector Professions Finance is also here to help with its ever-popular aged debt funding facility for your short- and long-term requirements. The aged debt loan product is designed to augment cash flow and offer peace of mind in one easy step. With more than 25 years' experience with the Bar, and endorsed by the Bar Council for 10 years, we understand the complexities barristers are faced with. Our mission is to provide fast track, flexible funding with a quick and easy application process. We aim to obtain a credit decision within 24 hours of application with minimal information required.

### Tax bill planning

Many barristers are planning to unlock aged debt now to fund their July tax rather than deferring their payment until January 2021, thereby reducing a larger than usual bill in the New Year. Others may be considering funding their July, January and on account payment together in a one-off January loan. A potentially higher than usual loan amount could be spread over a longer term than one year if required, as a short-term facility may possibly negate the benefit of augmenting cash flow. Our aged debt loan enables barristers to capitalise these fluctuating costs over a predetermined period with affordable monthly payments to suit the individual's budget.

If the tax bill has been covered by an overdraft, many clients will look to reduce or clear their overdraft via our aged debt loan product which increases headroom for contingency and for the day-to-day running of the practice.

### COVID-19 contingency planning

We have set up a number of credit lines for chambers who, as a result of the pandemic, have

also been forecasting cash flow issues and forward planning accordingly. Our chambers loan offers a much-needed alternative to the bank, leaving the overdraft intact for contingency. Funds have been utilised to cover rent, staffing costs, reduced income and to enhance IT systems to accommodate remote hearings and working from home effectively.

Chambers directors and heads of chambers have said that it is very comforting to know that Vector has assisted their sets in these difficult times, particularly when traditional lending sources are tightening. Many barristers are also reviewing their finances and options due to the pandemic. We offer a consultative approach and have identified that our facility could be used to assist with chambers' expenses, including fees and rent, funded by unlocking aged debt with affordable monthly instalments, allowing the barrister to concentrate on workloads rather than worry about cash flow. Our aim is to offer proactive assistance before an individual experiences financial difficulty which could adversely affect their credit file and impact any future applications.

### School fee planning

Private education costs are at the forefront of parents' minds and many have taken advantage of aged debt funding to finance school fees, which are often structured over a five-year term. Most individuals choose to fund various significant acquisitions and Vector can help spread the cost of education in the same potentially tax efficient manner. This is especially pertinent when one considers that five years of school fees for a single child could equate to £75,000 of taxed income. Our product has also been used to fund university expenses, nursery/nanny fees and care home costs.

### Junior to silk transition

Many barristers have funded the cost of their QC application, including consultancy, wigs, gowns and the chambers party, while factoring in a potential short-term dip in earnings during the transition period. These costs have been capitalised into an aged debt loan spread over a period of time to suit the individual's budget. This may help to ease the worry of finances, giving the newly appointed silk peace of mind to concentrate on their new cases. ●

**What our clients say:**  
 'Refreshing to deal with a company that understands barristers.'  
 'Such a straightforward application process.'  
 'So much faster than my bank.'  
 'Thank you for your prompt and courteous service.'  
 'I wish I had used your valuable service earlier.'

### Typical uses of aged debt loans:

Tax bill planning; school fees/university expenses; mortgage reduction; chambers expenses; overdraft clearance/reduction; chambers freehold acquisition; debt consolidation; property deposits; junior to silk transition; pension top ups; awaiting payments; COVID-19 contingency planning.



Vector Professions Finance  
[www.ageddebtfinancing.co.uk](http://www.ageddebtfinancing.co.uk)

**About the author**  
 Philip N Bristow BA Hons is Managing Director, Vector Professions Finance.  
 To find out more visit: [www.ageddebtfinancing.co.uk](http://www.ageddebtfinancing.co.uk) or call us on 0845 500 1666 for a without obligation confidential discussion. *Please note Vector Professions Finance does not offer tax or financial advice. Please check with your accountant or financial adviser.*