



Diamond Cut Engineering Limited

- ✓ Turnover is £1,000,000
- ✓ Overdraft is £50,000
- ✓ Sales ledger is £125,000

Advantages

- 📎 Diamond Cut entitled to 85% advance of outstanding sales ledger = £106,250
- 📎 Overdraft (£50,000) is repaid leaving £56,250 of working capital benefit to the business.
- 📎 Limits director's personal exposure
- 📎 Contract is for an initial 'trial period' of 3 months to ensure that prospect is happy with the service provided by the lender. Thereafter a 6 month rolling contract is in effect.
- 📎 Company will be paying an 'all in fixed fee'

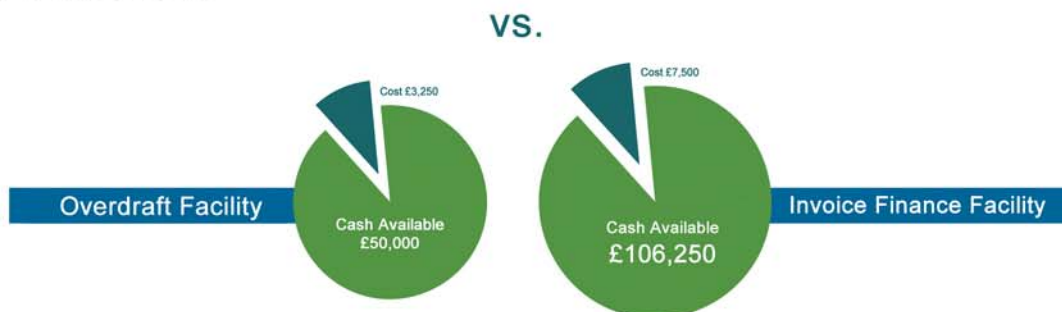
Dis-advantages

- 📎 Overdraft for a £50K overdraft = £3,250* per year
- 📎 Invoice Finance alternative = £7,500

* Example is based on an APR of 5.5%, with 1% added for arrangement fees

Conclusion

Is the net extra cost in this example of £4,250 per year worth having an additional £56,250 working capital today?



Contact Touch Financial today

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