

Grant Sharpe Recruitment Limited

- ✓ Turnover is £250,000
- ✓ Overdraft is £10,000
- ✓ Sales ledger is £40,000



Advantages

- 📄 Grant Sharpe entitled up to 90% advance of outstanding sales ledger = £34,000
- 📄 Overdraft (£10,000) is repaid leaving £24,000 working capital benefit to the business.
- 📄 Limits director's personal exposure.
- 📄 Contract is for an initial 'trial period' of 28 days 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 £10,000 overdraft = £650* per year
- 📄 Invoice Finance alternative = £3,600 (fixed fee) per year

* 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 £2,950 per year worth having an additional £34,000 working capital today?



Contact Touch Financial today

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