

PRESENTATION TO THE FOOD CLUB

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RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

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RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

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1. WHERE DO FINANCIAL PROBLEMS OCCUR
2. SOURCES OF FINANCE
3. HOW A COMMERCIAL FINANCE BROKER CAN HELP

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

1. WHERE DO FINANCIAL PROBLEMS OCCUR

- § Cash Flow
- § Premises: Rent/Buy
- § Stock
- § Labour

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

1. WHERE DO FINANCIAL PROBLEMS OCCUR

CASH FLOW

- A. Cash Purchases
- B. Payments to Creditors
- C. Sundry Payments - Product Testing, Janitorial, Laundry
- D. Premises - Rent / Mortgage / Rates
- E. Insurance - Product liability, Staff, Premises, etc.

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RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

1. WHERE DO FINANCIAL PROBLEMS OCCUR

CASH FLOW

- F. Vehicle - Insurance, Fuel, Service, Lease
- G. Utilities - Gas, Electricity, Water
- H. Purchasing Materials
- I. Purchasing Packaging

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

1. WHERE DO FINANCIAL PROBLEMS OCCUR

PREMISES: RENT/BUY

- A. Pilot Plant Facility
- B. Rent a unit - Lease Period / Fixtures and Fitting
- C. Buy - Blockage of Cash

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

1. WHERE DO FINANCIAL PROBLEMS OCCUR

STOCK

- A. Cash
- B. Credit Periods
- C. Import / Export

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

1. WHERE DO FINANCIAL PROBLEMS OCCUR

LABOUR

- A. Staff Salaries / Wages
- B. PAYE - Pension Contributions, Benefits in Kind
- C. Drawings, etc.

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

- § Bank Loan
- § Outside Investment (Equity)
- § Partnerships
- § Secured Loan/Re-mortgage
- § Leasing

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RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

- § Factoring
- § Overdraft/Rolling Facility
- § Extended Credit (Supplier)
- § Delay in Paying Suppliers
- § Grants / SFLG

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

BANK LOAN

- A. Loan <£25,000.00 - Fixed Term, Fixed Repayment, for Working Capital or Capital goods
- B. Security Personal Guarantee (Usually a charge over property, second mortgage)

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

PARTNERSHIPS

A. Active

B. Passive (Sleeping)

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

OUTSIDE INVESTMENT (EQUITY)

- A. Family, Friends - Loans, Equity
- B. Business Angels
- C. Venture Capital

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

SECURED LOAN/RE-MORTGAGE

- A. Loan >£25,000.00
- B. Charge over Property
- C. Second Mortgage

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

LEASING / ASSET FINANCE (AF)

There are 5 types:

- A. Hire Purchase/Lease Purchase
- B. Finance Lease
- C. Operating Lease
- D. Contract Purchase
- E. Asset Acquisition

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

BENEFITS: LEASING / ASSET FINANCE (AF)

- A. No large outlay
- B. As Competitive OR better than Bank Loan
- C. Fixed and Monthly plan available
- D. AF does not involve Working Capital or Stock Funding
- E. Offset Leasing costs against Taxable Profits

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

FACTORING

- A. What is Factoring?
- B. With or Without Recourse
- C. Discreet
- D. Turnover as Low as £50,000.00 per annum

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

OVERDRAFTS/ROLLING FACILITY

A. Bank Overdraft Manageable Buffer

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

EXTENDED CREDIT (SUPPLIER)

- A. Negotiate a Longer Credit period

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

DELAY IN PAYING SUPPLIER

- A. Cheque is in the post ploy
- B. May have adverse impact

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

2. SOURCES OF FINANCE

GRANTS / SFLG

- A. Very selective
- B. SFLG (Small Firms Loan Guarantee) Costs borne by the borrower

RESOLVING FINANCIAL PROBLEMS AND RAISING FINANCE

3. HOW A COMMERCIAL FINANCE BROKER CAN HELP

- § Independent
- § Search the Market for Best Financial Solution
- § Understands your Business Needs
- § Share your Vision

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THANK YOU

ANY QUESTIONS?

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