

# THE Bookkeepers SUMMIT 2011



#BkprsSMT



**THE INSTITUTE  
OF CERTIFIED  
BOOKKEEPERS**

# NACFB

Helping Fund UK Business

## Adam Tyler CEO National Association of Commercial Finance Brokers



**National Association of Commercial Financial Brokers:** the UK's only Trade Body representing Brokers who help small businesses directly by accessing all types of funding.

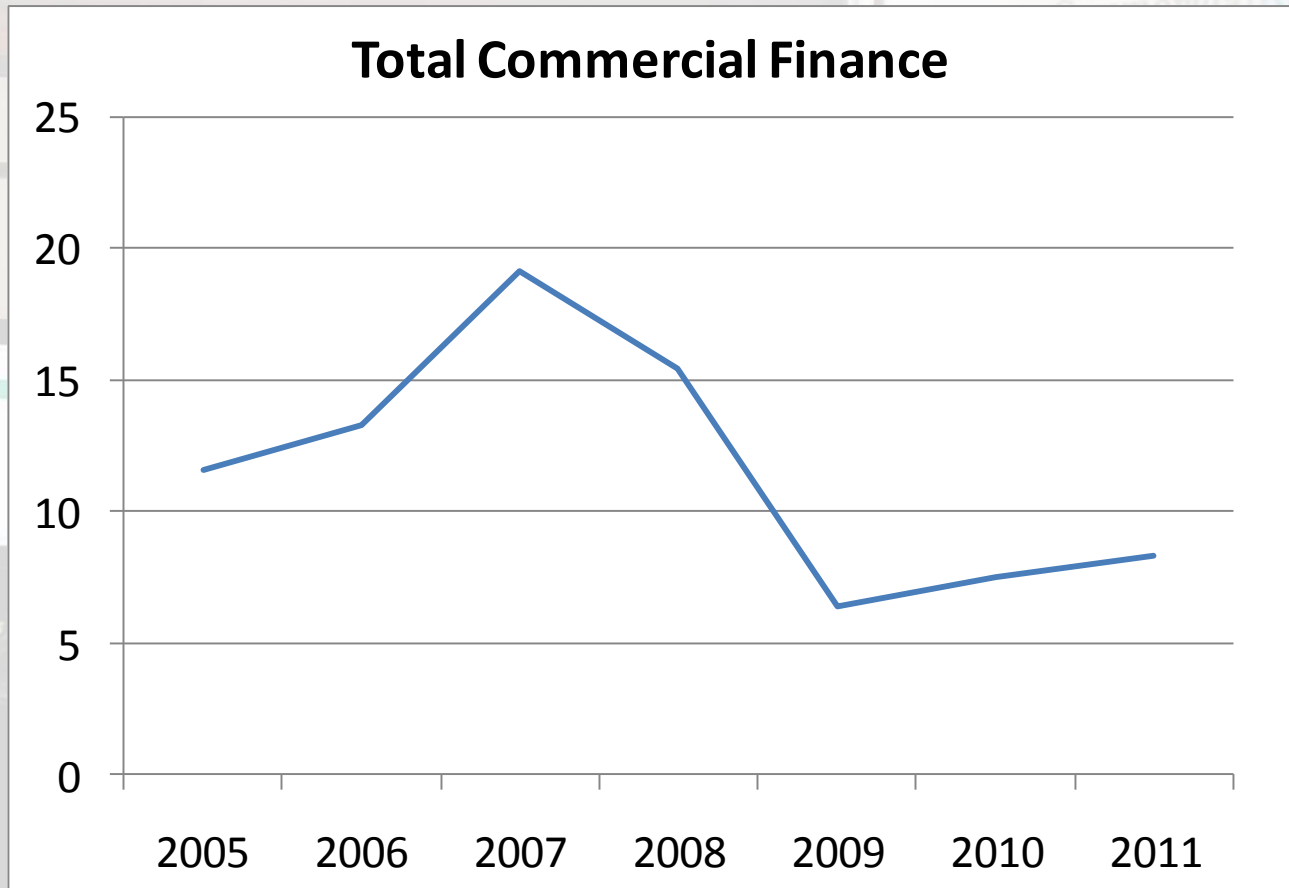
## Key facts on NACFB

- Provide a Code of Practice in an otherwise unregulated Industry
- 1000 Brokers specialising in Commercial Finance
- 70 Different Lenders including the High Street banks
- National Coverage
- Working relationships with SME Trade and Industry Bodies
- Pilot Scheme in place with your colleagues in the East Midlands
- Lobbying on behalf of the whole SME Industry

The NACFB is a not for profit organisation that celebrates its twentieth anniversary in 2012 and has an OFT recognised Code of Conduct for its members.

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# Business Levels 2005 to 2011



# Types of Commercial Finance

## Getting the right solution at the right time

Long Term Finance

Short Term Finance

Day to Day Banking

Bank Accounts

Short Term Finance

Long Term Borrowing

Overdraft or Factoring  
Leasing and Asset Finance  
Commercial Mortgages

Debt / Liability / Arrears

High Street Bank

Non Bank Lending

Specialist

Up to 12 months

1 to 5 years

Over 5 years

SERVICE LINES

Debtor Finance

Equipment Finance

Property

Re-financing

Manage-aways/Exit strategies

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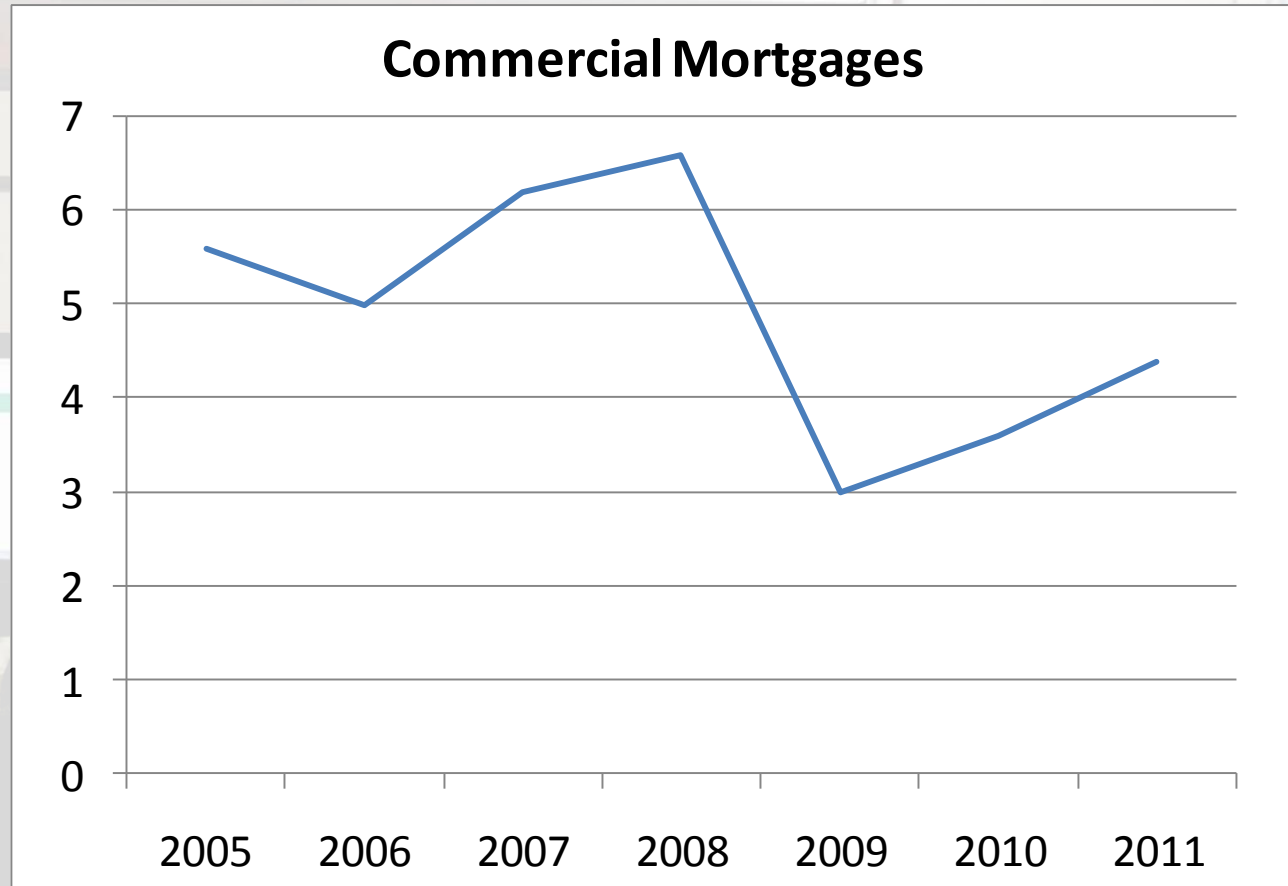
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**Commercial Mortgages:** Long term borrowing to buy the largest asset of any business and seen as a long term investment providing security for the owner and staff alike.

## Key facts on Commercial Mortgages

- Mainly property related lending
- Usually medium to long term
- Largest Investment for a business
- Borrowing was High Street banks and Building Societies
- Interest rate is based on either Base Rate or Libor
- Fixed rates, interest only etc the same as Residential Mortgages
- Agreement to lend based on the ability of the occupying business to repay

# Business Levels 2005 to 2011



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# Business Levels 2005 to 2011



CommercialKeeper

Business Cloud Management System



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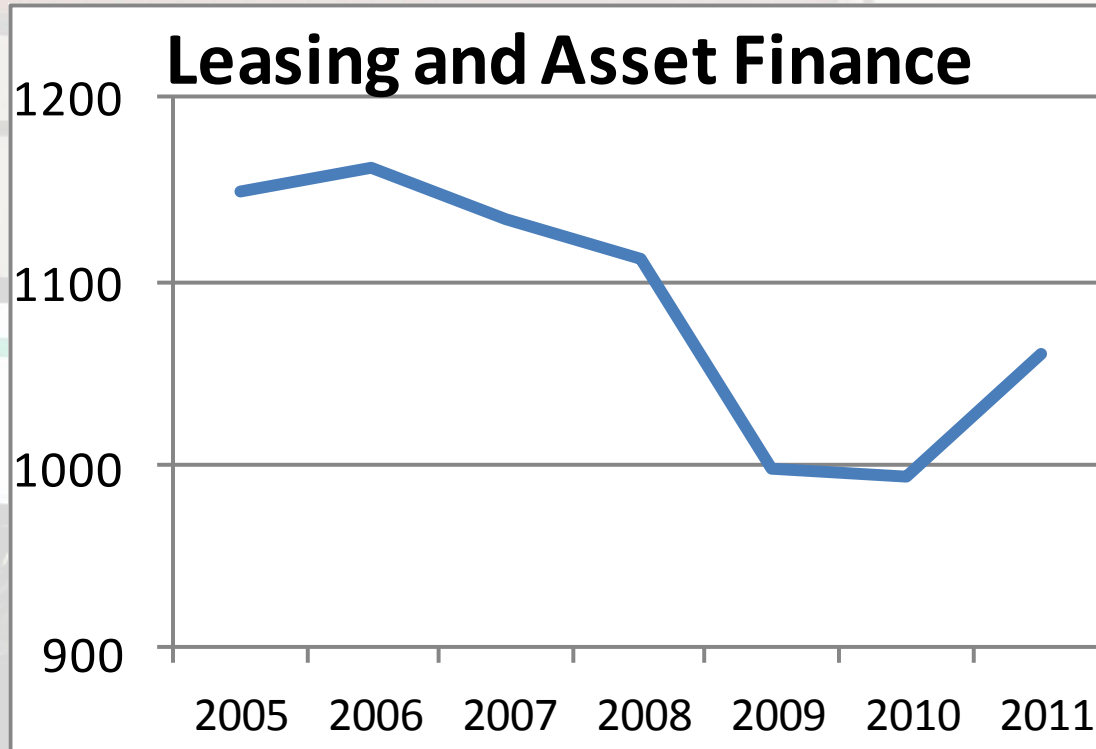
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**Leasing and Asset Finance:** short to medium term borrowing to buy assets for the business, which could include production equipment, vehicles and IT systems.

## Key facts on Leasing and Asset Finance

- Usually for new equipment, but can be for existing
- Usually short to medium term
- Three or six month deposit and then monthly payments
- Various lease options available
- Agreement and set interest rate at outset
- Certain tax advantages can be a benefit
- Warranty for equipment can be built in and ownership at end of the term

# Business Levels 2005 to 2011

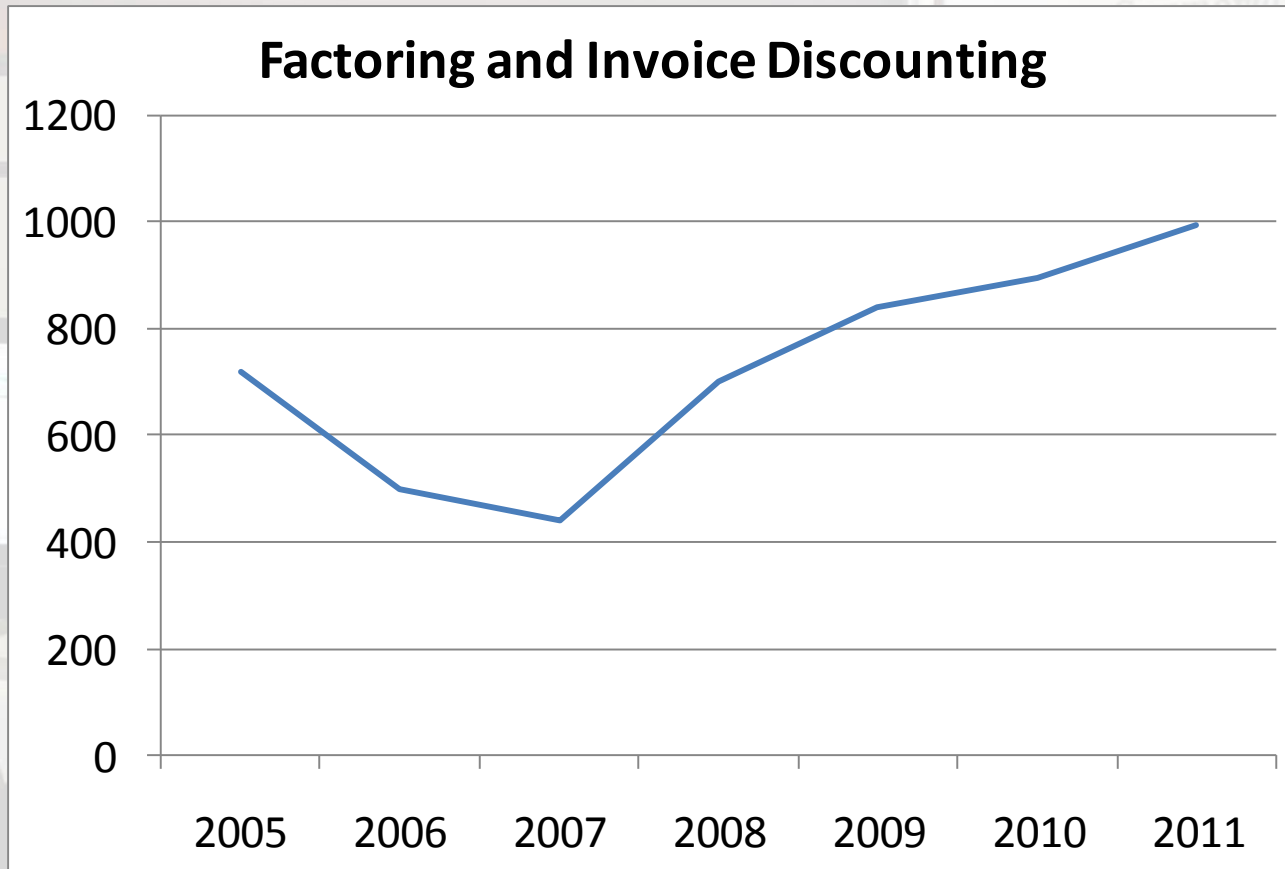


**Factoring and Invoicing Discounting:** Short term borrowing to help with cashflow, by reducing the time invoices remain outstanding to a business.

## Key facts on Factoring and Invoice Discounting

- Lender takes ownership of an invoice and pays business immediately
- Usually short term borrowing in a medium term agreement
- Business will receive a percentage of the invoice upfront (90%)
- Numerous combinations available including full collection
- Allows a business to trade easily as guaranteed income on order fulfilment
- Specialist lenders in this area with a real close relationship with their borrowers
- Can be an alternative to an Overdraft facility

# Business Levels 2005 to 2011



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NACFB  
Invoice Keeper  
Payment System  
Invoice Paper!  
The Worldwide Web  
From Any Location  
Suits You  
Business  
Control  
Use  
Big business  
later with  
50%

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# Overdraft Comparison

- Factoring is a flexible form of finance that grows in line with your sales
- Factoring offers a credit management service that frees up valuable time to grow your business
- Factoring help collect debts in quickly which improves cash flow and reduces the risk of bad debts
- Factoring can also include credit protection which can eliminate the risk of bad debts



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**Commercial Lenders & Funders:** There are the five High Street banks plus the building societies, the “new” banks, overseas banks and specialist lenders available to UK SME’s.

## Different Types of Lenders & Funders

- Five High Street Banks
- Traditional Building Societies that have not merged
- New Banks, some without a branch network
- Overseas banks now lending to UK SME’s
- Leasing Companies
- Factoring Companies
- Private Equity and a Short Term Lending Market
- Specialist lenders for Short leasehold Premises

# Commercial Finance Brokers

- Widely experienced in Commercial Lending
- Access to a wide range of lenders
- Preparation of commercial lending application
- Lending tailored to individual businesses
- Ongoing advice for expansion
- Local knowledge and relationships



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# Borrowing Criteria

- Audited or Management Accounts
- Accurate forecasts or projections
- Experience of the borrower
- Suitable deposit available
- Detailed Business plan
- Including analysis SWOT (Strengths, Weaknesses, Opportunities and Threats)

CommercialKeeper

Easy to Use Client Management System

Reduce Your Overheads

- Streamline Your Office & Reduce Paper!
- Access Your Client Records via the Worldwide Web
- Reduce Office Costs and Work from Any Location

Flexible - Tailor the System to Suit You

- Reserve Fields to match your Business
- Automated Templates that you Control
- Advanced Reports & Data Capture

"Managing and processing business has become so much easier with CommercialKeeper"



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# Conclusion

- Funding is available to new and existing businesses, but not always from a traditional source such as a High Street bank
- You will need to prepare an application to a very high standard as there are plenty of new borrowers and not enough funds.
- Be prepared to seek specialist advice and take into account a full range of different types of borrowing to suit your business.
- The NACFB provides access to 1000 brokers and 67 lenders nationwide, all working under a Code of Practice.
- If you want further advice visit the Find a Broker facility at:

[www.nacfb.org.uk](http://www.nacfb.org.uk)

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