

The background of the entire page is a silhouette of a construction site at sunset. A large tower crane is positioned on the right side, its lattice structure extending diagonally across the upper half of the image. Below the crane, the skeletal framework of a building under construction is visible, with numerous vertical rebar rods protruding from the structure. The sky is a warm, orange-yellow color, and the sun is visible as a bright glow behind the building's framework. A semi-transparent white rectangular box is overlaid on the upper portion of the image, containing the title text.

Guide to finance for construction companies

Our clients often tell us of the difficulties they face in raising finance and ensuring adequate cash flow for the smooth running of their business and financing of new projects.

We have written this e-book as a quick guide to the three most popular finance options as requested by our clients; business loans, asset financing and cashflow finance.

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Introduction

The Bank of England estimates that lending to construction firms has fallen by 30% in the past two years. High street banks often do not understand or are reluctant to co-operate within the constraints those in the construction industry work.

However, all is not lost..... There are extremely competitively priced alternatives to the high street banks, and we have helped clients similar to you raise over £200million over the past few years.

The future is looking bright for pro-active forward thinking business owners. There is no need for worry about ongoing costs of existing contracts or financing new ones....you can take charge of your business's future rather than looking over your shoulder at what your competitors are doing.

We do hope you find this information helpful. St Georges Construction Finance is an independent award winning funding specialist with access to the entire market. With over 50 lenders on our books and 30 years' experience in the banking industry, we are so confident in our service that we always work on a no success no fee basis. We even offer a free Construction Finance Assessment to our clients.

If you would like further information, please do not hesitate to contact us on 01737 652 122 or visit us at www.stgeorgesconstructionfinance.co.uk

BUSINESS LOANS

In an attempt to increase the supply of finance available to smaller businesses, the government set up the British Business Bank to help address this problem by bringing expertise and government money to the smaller business finance markets.

They are **investing £10 billion** over 5 years with 80 partners to create a more diverse and vibrant market with a greater choice of providers.

This offers up great new opportunities to you and will **enable your business to take up those new projects and opportunities, or prevent you from losing existing contracts to competitors.** With an injection of

capital you could take the pressure off your ongoing cashflow worries, and concentrate your time and effort on what really matters; making your business more profitable.

Benefits to your business

- There is now a real alternative to the high street bankst for businesses
- The competitive rates mean that 80% of companies who have taken out one of these loans would approach these lenders first as opposed to their bank.
- Loans provided from £5,000 - £1,000,000
- Terms up to 5 years
- Fast – funds typically available within 1 week from application

"The service from St Georges was excellent. The knowledgeable, friendly staff sorted out an unsecured business loan at an excellent rate really quickly. They have also helped me apply for grants and business growth initiatives which are allowing me to take on new projects and expand my business. I would thoroughly recommend the service; they are a pleasure to deal with"
David Ingram, D.P Engineering Ltd

To Find out more:
Tel: 01737 321 142

- You can use it for any purpose e.g. working capital, asset finance, expansion
- Loans can be secured or unsecured
- No early repayment fees

What information do I need to supply when applying for a business loan?

You will be asked for your last 3 months bank statements and two years accounts.

How long does it take?

Many lenders can pre-qualify you immediately, giving you a good idea of how much you can borrow and over what term within minutes. A full sanction will typically be made within

24 hours, and funds are usually released within 7 days.

Where to apply for a business loan

There are over 80 different lenders taking part in this scheme and it pays to do some research to find the most suitable loan for your business. A full list of partners along with details on how to apply can be found at:

www.british-business-bank.co.uk/our-partners

You may also wish to consider using an independent broker such as St Georges Construction Finance, as they are up to date with current developments and rates within the whole of the market.

Click here to get an instant quote

ASSET FINANCING

Asset Finance refers to finance used by companies to obtain equipment, plant and machinery. It is a source of funding that is increasing in popularity, providing a flexible alternative to the traditional bank loan or overdraft.

Many asset finance arrangements are hire purchase contracts which give you immediate access to the equipment that you will own outright after completing a series of payments over an agreed period of time.


Other agreements are generally straightforward leasing agreements in which you agree to rent the assets concerned but do not own them at the end of the term.

Refinancing packages are also available enabling companies to release some equity in the equipment and other

tangible assets that they already own; the lender will buy the item(s) from you and lease it back to you over a set period.

Benefits to businesses

- Access to the latest equipment that you might not have been able to afford otherwise.
- You may be able to use your annual investment allowance for HP purchases which will reduce your tax liability.
- Can be considerably cheaper than a bank overdraft; with rates as little as 2.8% p.a for up to 90% of the value of the asset.
- Interest rates on monthly repayments are fixed, which helps with business and cash flow planning.
- Cash already within the business can be retained as working capital instead of being used to purchase necessary equipment.
- Asset financing agreements are



usually easy to obtain because the asset itself provides the security.

- Some agreements include the option to replace or upgrade equipment at the end of the term, thereby allowing you to obtain new assets without the need for further capital investment.
- An overdraft can be withdrawn by the bank, whereas with asset finance agreements you are protected with the security of a fixed term contract.
- Many agreements include servicing as part of the deal

What information do I need to supply when applying for asset finance?

Lenders will ask for details of the equipment you wish to purchase. They will also ask to your last 3 months bank statements and accounts. This is to make sure that you can afford repayments and to work out the most suitable repayment plan.

How long does it take?

Most lenders make decisions quite quickly. Once they have all the information requested 7-14 days for drawdown is usual.

Where to apply for asset finance

There are many lenders on the market, from high street banks and their subsidiaries to specialist companies who offer this service. The rates they offer vary enormously, so it pays to do some homework before committing to a contract.

Independent funding specialists such as St Georges Construction Finance have access to the entire market, and will be able to source the most suitable finance for you at a competitive price. Very often broker fees are paid by the lender; so the independent advice could be free of charge, and save you a lot of time and legwork.

Click here to get an asset finance quote

CASHFLOW FINANCE

Every business needs cash to survive, without it suppliers and staff cannot be paid and the business will inevitably fail.

For most businesses this involves a balance of injecting capital, borrowing money, paying suppliers and getting paid from customers. For those in the construction industry this is made even more difficult through the contractual nature and staged payments of much of their work. Many have considered this an obstacle in accessing this type of finance in the past and may have been told by their high street bank that they couldn't offer this service.

But.... times have moved on with new, competitive specialist lending options open.

Over the last few years the cashflow market has grown dramatically, with over 50,000 businesses using the service to improve their cash flow.

The chances, are many of your competitors are already taking advantage of this, and looking for new business and projects with

one eye on your existing customers. This is an issue that simply cannot be ignored!

Cashflow finance solves this problem, as it provides cash against the value of invoices already raised, with the additional benefit of a professional credit control service, if you want it.

There are over 50 companies offering this service including the subsidiaries of high street banks as well as independents of varying sizes. Each company will work to the same general principles, but will have different strengths and weaknesses. Some will be very 'hands-on' and provide lots of advice and assistance, whilst others will be more distant and will work to a strict set of rules.

It is important that you choose the company that best suits your needs, and it is highly recommended that you request a 3 month trial period; a company that is confident in its product and customer service will be happy to agree!

**To Find out more:
Tel: 01737 321 142**

Benefits to your business:

- Cash flow is improved.
- Up to 90% of the value of an invoice can be released.
- Funds available within 24 hours.
- Gives you access to ongoing capital that grows with your sales, unlike overdraft facilities that sometimes do not meet your needs and require frequent renegotiation.
- Allows you to manage seasonal fluctuations.
- Take on new projects and opportunities with additional confidence.
- Recruit staff with specialist skills or buy new equipment that will benefit your business.
- Can help protect your company from bad debts.
- Time saving for the management of your business by providing a credit control system, freeing up managers to concentrate on their core strengths.

**Click here to get an instant
cashflow quote**

CASHFLOW FINANCE (Continued)

Do my customers have to know?

For many, having a third party involved in credit control saves time, effort and postage, freeing up valuable time to focus on your core business. Many of our clients have told us that they have built up such a good relationship with their provider; it is like having an additional employee on board and they are happy for their customers to know.

On the other hand, other businesses may not like the idea of their clients knowing that they have someone else in control of their credit control, in this case they are able to opt for confidential financing.

Whatever your preference, there is a solution for you.

How much will it cost?

A finance company will normally charge you

in two ways:

1. Administration charge.


This is a charge for the service carried out by the lender and will reflect the workload undertaken by the company e.g. your sales turnover, how many debtors and the number of invoices you raise.

2. The discount charge

This is a fixed percentage charge made against the money you draw on the facility, and is much the same as an interest charge on an overdraft.

Some lenders will charge other amounts for sending out payments, legal work etc. These can add up, and it is wise to ask what other charges exist and get an idea of what these could cost you.

What information do I need to supply when applying for finance?



"St Georges Finance's factoring solution has given us the support we needed and they are always on the end of the phone to help with any queries we have. The team are excellent and I would have no hesitation to recommend them to other Construction Recruiters looking for a commercial, efficient and great service."

Shane Monoghue, W12 Recruitment

The lender will ask to see your debtor book so they can see the amounts and spread of your invoices. They will also ask to see your last 3 months bank statements and your accounts so they can get a clear picture of your company's cash flow needs. This will enable them to identify the most suitable service to you.

How long does it take?

A typical cash flow service will take on average a week to set up, although we have helped some clients achieve much shorter time frames than this. Once set up, you submit your invoices and the funds are transferred into your account the same day.

Where to apply for cashflow finance

With this service becoming increasingly popular there is a great deal of choice

available. It is important to look around to find the best possible deal for your business. Word of mouth and recommendations are always a good place to start, or you could consider using an independent funding specialist such as St Georges Construction Finance, with access to the entire market and not being tied to any lender, they can find the most suitable factoring company at competitive rates.

**Click here to get an
instant cashflow
quote**

CONSTRUCTION FINANCE ASSESSMENT

The Construction Finance Assessment has been introduced by St Georges Finance to allow businesses to get all the information they need on the types of finance available to them in a quick and easy way



Typically the Construction Finance Assessment is a 30 minute discussion for us to understand your business and your funding needs. We can also collect the information we will need to provide you with a tailored lending solution, detailing the type of finance we believe you would be eligible for and what the likely costs will be.

To book your Construction Finance Assessment

Give us a call on 01737 652 122

Email us at info@stgeorgesfinance.co.uk

Visit us at our office 4 Eastgate, Banstead, Surrey, SM7 1RN

To Find out more:
Tel: 01737 321 142

Dont be held back in growing your business or lose customers to your competitors. Make sure you access the funding you need by taking up your Construction Finance Assessment.

St Georges Construction Finance is an award winning independent funding specialist with access to the entire market. With over 30 years banking experience, we work on a no success no fee basis.



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