MAGNA

MONEY

Bespoke, collaborative and expert **funding advisory**

Powered by

SEDULO

THE COMMERCIAL FINANCE BOUTIQUE

Providing bespoke, collaborative and expert funding advisory to business owners throughout the United Kingdom

WHY US?

Expert

We have vast experience of all areas of commercial finance and are able to use the skills of the entire business to assist a client. The Aristotle quote "the whole is greater than the sum of its parts" sums up our ethos with both industry and service led expertise being at the forefront of our proposition.

BESPOKE

We understand that every owner has a different business model and unique motivators. With that in mind, we look at every funding proposition from the perspective of the client.

COLLABORATIVE

We take a long term, relationship approach and partner with our clients for the long term. We are not transactional but consultative and we put the long term value of clients at the centre of everything we do

QUITE SIMPLY, LIFE CHANGING...

A business can rarely say they have changed someone's life. It's a bold statement to make, but one that really hits home when true.

Mark Dunne is the Managing Director of WasteSure, a national waste management firm based in Bury that specialises in waste logistics, storage, segregation and dealing with hazardous waste.

However, it hasn't always been plain-sailing for Mark - far from it. Before WasteSure, he was struggling financially and involved in business disputes with a previous company from which he decided to leave.

After exiting the partnership, Mark was left with literally nothing and didn't know what options were available.

He wanted to go alone and start his own business, however, he was struggling to raise the funds and just wasn't sure where to start.

Following a referral, Mark was put in contact with Leyton Jeffs, Director at Magna Money who helped him pitch his business idea to numerous lenders and investors:

“Leyton saw the potential in what I was trying to do, he was regularly in contact with me, asking how things were going and it was just so helpful to have him there as a sounding board.”

After further introductions to a legal firm and gaining the funding required, Mark was finally cleared to set up his own business.

Fast-forward just over 12 months and WasteSure had broken through the £2million turnover barrier and have been contracted by the likes of Bethell and Balfour Beatty to assist with major projects.

INVOICE FINANCE

BUSINESS LOANS

DEVELOPMENT FINANCE

ASSET FINANCE

COMMERCIAL MORTGAGES

MERCHANT CASH ADVANCE

HMRC FUNDING

BRIDGING

CREDIT INSURANCE

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Invoice Finance

WHAT IS IT?

Invoice finance is a way of financing your business by giving you a % of your outstanding invoices as soon as the goods/service has been delivered as opposed to waiting for your customers to pay. This allows you to then pay your bills (wages, supplier payments etc) before your customer pays you which is often necessary in a growing business.

There are 4 main variations of invoice finance:

Factoring

The lender will not only lend the money but will also carry out credit control and maintain a sales ledger. Debtors are aware of the lender due to the credit control and also a notice of assignment on the invoice

CHOCS

A hybrid of the above two. This is a disclosed facility but the client is allowed to carry out the credit control

Confidential Invoice Discounting

For more sophisticated businesses where a sales ledger and credit control is already being done competently. This is the lowest touch where administration is completed by the client still.

Construction

Can be any of the above three but is into construction companies where staged invoices, applications for payment and contracts are prevalent. The lender can fund applications but with the additional risk, additional due diligence is undertaken.

BENEFITS

- Funding that grows with your business – releasing more cash as you need it
- Uses security in your business meaning limited personal security (if any)
- Tailored products for specific circumstances (confidential vs credit control function)
- Use finance for any purpose
- Can have credit insurance bolted on

WHAT DOES IT COST?

Costs vary from agreement to agreement. The two main costs are service charge which is charged as a percentage of the invoice that is financed (so essentially turnover) and discount which is another name for interest. Interest is charged like it is on say an overdraft, with a rate for each day you borrow.

Viv Sharma
Eagle Freight Group

“”

I've worked with Magna Money for 3 years and they are always my go-to people when I have a funding requirement. They have helped us with sourcing various finance due to the growth of the business and he are always available 24/7 to get something done urgently. I know I can pick up the phone at 9pm and they are working for me immediately. Their knowledge and contacts in the finance world have ensured that we get the finance we need, quickly and at excellent rates. I wouldn't hesitate in recommending Magna if somebody was looking at invoice finance or any other form of business finance.

LLOYDS BANK RBS ABN·AMRO 4SYTE SKIPTON BUSINESS FINANCE MARKETFINANCE Close Brothers Invoice Finance Shawbrook Bank Aldermore HITACHI Inspire the Next SecureTrust Bank advantedge COMMERCIAL FINANCE CALVERTON FINANCE POSITIVE CASHFLOW FINANCE BIBBY FINANCIAL SERVICES ULTIMATE FINANCE

Asset Finance

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WHAT IS IT?

Asset finance is a facility where an asset financier takes a fixed charge over a specific asset or assets to provide funding into your business. The amount of funding will depend on the asset in question, its residual value and the ease in which a finance company could sell it on.

Asset finance can be used to buy new assets or even to refinance existing ones:-

New assets
This is used for the purchase of new assets into the business – it may be a new piece of engineering equipment, a fleet of vehicles or even an office fit out. A company can pay for it's asset(s) over a period of time as opposed to paying for the asset upfront.

Refinance
This is effectively a loan into the business that can be used for all manner of things. The lender will take a charge over existing assets in the business as collateral for the loan.

BENEFITS

- Improves cashflow as you can pay for the asset over a period of time as opposed to up-front
- Allows businesses to grow more quickly than they would be able to organically
- Finance agreements can often be tailored to the business' needs, with flexibility on both the term and repayment schedule
- Little or no personal liability as the lender takes the asset as security
- Businesses can finance almost any asset – it doesn't need to be a piece of machinery or a vehicle (hard assets), it can be software or even office furniture (soft assets)

WHAT DOES IT COST?

Costs for asset finance are usually fixed monthly instalments over an agreed period of time, often up to 60 months but for certain assets, can go up to 84 months. They can also include a balloon (a one off payment at the end of an agreement) – this is used to keep monthly costs down and the balloon is based on the expected value of the asset at the end of the finance. The fixed instalments will be based on an interest rate which can vary wildly based on two main things.

1. the quality of the business and the chances of them failing and
2. the quality of the asset and how easy it is to liquidate the asset in a worst-case scenario.

Ben Wardle
Bens in the UK Ltd

"

When we needed new machinery for our butchers, we went out and received a quote from a finance company directly. Whilst the quote seemed okay, we were recommended to speak to the team at Magna Money and it turned out to be excellent advice! We managed to get a considerable saving from the quote we obtained ourselves and the whole process was completed in 24hrs. I couldn't be happier with the work that the team did and would have no doubt in recommending them.

Who we work with

LLOYDS BANK

Shawbrook Bank

Close Brothers Asset Finance

Aldermore

genesis asset finance, simplified

amicus | asset finance FUNDING BUSINESS

Simply—

HTB

WHITE OAK

Investec

HMRC Funding

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WHAT IS IT?

A HMRC loan is an unsecured business loan designed specifically to pay your HMRC VAT or corporation tax liability. This allows you to distribute your firm's tax bills evenly over the year with manageable monthly payments instead of having to pay a large sum every three months or at the end of a year - If you're a growing business it's likely that you could always make better use of your cash than send it to HMRC.

To take advantage of this funding all you need to do is supply the relevant tax bill with your last filed accounts and we can do the rest for you! The lender will typically pay HMRC directly on your behalf and you would then pay monthly repayments to the lender.

BENEFITS

- Obtain supplier discounts by using the funds to pay creditors early
- Use the retained cash to fund new orders and business opportunities
- Help smooth out cash flow pressures from other areas of your business such as
- Customers needing longer payment terms
- Often no personal security taken
- You can use this every quarter resulting in a revolving working capital pot

WHAT DOES IT COST?

HMRC loans are charged via a monthly interest rate and the rates are balanced versus the perceived risk to the lender. We are seeing rates form around 0.50% per month meaning that if you had a £100,000 VAT bill and wanted to pay it over a 3 month period as opposed to all in one go, you would pay back in total £101,500.

Keith
Trident HD

We always use Magna for our VAT funding. Whilst we have the funds to pay for this, we always prefer to pay our VAT over a 3 month period as opposed to in 1 go. This gives us ongoing working capital as we're able to revolve the facility by using it each quarter and we always find something more profitable to do with the monies than the cost of the finance, which is negligible. Funding is always very quick and easy to put in place and Sedulo give us access to the best lender each quarter depending on rates available.

Who we work with

Business loans

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WHAT IS IT?

A business loan does what it says on the tin. The lender advances a set amount at inception which is then repaid using fixed or variable monthly repayments over a set period of time. The parameters for the loan are set at the outset and are complied with throughout the term of the loan. Whilst what it is, is relatively simple, there are two important sub-categories in business loans which are important to understand:-

1. Unsecured business loan - No tangible security by either the business or individual and is secured via an unsupported personal guarantee from the owner(s)

2. Secured business loan - As the above but is secured against something more tangible like a 2nd charge on a home residence or the business unit. This is often less expensive than the unsecured option

BENEFITS

- A set schedule of repayments make planning easier
- Making capital and interest repayments mean that you are repaying the debt as opposed to revolving facilities where you only pay interest and are left with the debt remaining
- Often only a personal guarantee is required, leaving the business assets to be used elsewhere and personal assets remain unencumbered
- You can use the proceeds for absolutely anything!! Rarely restrictions are put in place for this so you can use to purchase stock, pay off a minority shareholder, pay taxes, buy another business – literally anything you want!

WHAT DOES IT COST?

Ranges from 3% to 33%! And a term from 5 months to 5 years. Whilst business loans are straightforward, the disparity from one lender to another is huge, meaning it is vital to take advice from somebody who is experienced, independent and has whole of market reach.

Mark Abbey
Toast (Southern) Ltd

“ ”

Over the past year I have been working with Magna and together we have managed to move my business forward with the cash injections that they have sourced for me. The money raised helped me to secure a couple of large projects with the purchase of specialised equipment. I now employ an extra 2 members of staff and have used the finance to put them through training and equip them with the tools and vans needed for our job. I would rate Magna Money’s help through the last year as 5* out of 5* and would not hesitate to recommend the team to anyone.

Who we work with

Commercial Mortgage

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WHAT IS IT?

In simple terms, a commercial mortgage is the business form of a personal mortgage. The mortgage is a long-term loan taken by the business which is secured on a specific property or properties. With many different commercial mortgage lenders and literally hundreds of different commercial mortgage products, selecting the right one may seem confusing, but that's where an experienced commercial finance broker can really help.

Buying a commercial property for rental purposes or for your own business to trade from can be a sound investment, but as with all big decisions, it's worth considering all the options before you jump in.

BENEFITS

- An investment into your future – if a mortgage payment is the same as your lease or you can earn more in rent than your mortgage (if renting the property) then you will repay the mortgage and at the end you will own the property outright.
- Much longer term than with other forms of finance meaning you can borrow a large sum whilst keeping monthly payments low.
- If borrowing on an existing unencumbered property, you can borrow significantly more than you would be able to without the property as security.

WHAT DOES IT COST?

Rates are low and the term is often long which keeps payments low. There are lots of other considerations though such as interest only or repayment, repayment holidays and the loan to value you are able to borrow up to. We can assist in helping you borrow 100% through a hybrid of commercial mortgage and business loan top up.

Paul Carter
Maccplas Ltd

“ ”

We got our property funded 100% using the guys at Magna! The deposit was funded through a long term unsecured business loan and the mortgage was arranged incredibly quickly after we were declined by another lender. We were already trading from the property and buying it from the landlord reduced our monthly outgoings at the same time as providing the property as a long term asset.

Who we work with

LLOYDS BANK
RBS
Aldermore
Shawbrook Bank
REDWOOD BANK
assetz capital
BARCLAYS
Santander
together.

Bridging

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WHAT IS IT?

Bridging finance is usually a type of short-term secured business loan. It's best thought of as a temporary loan which gets you from A to B, until you can either clear the loan in full or secure a more permanent form of finance. That's where the "bridge" idea comes in – finance bridging a gap to get you from one place to another.

Lenders look at 3 key things when they are assessing a business for bridging finance:

1. **Credit rating** – this is the credit rating of the borrower using credit reference agencies such as Experian
2. **Security** – This is an assessment of the property used as security – what is the value of it normally and what is the value of it in a forced sale over a reduced selling period (these can change dramatically depending on lots of factors such as location).
3. **Exit** – The exit is how the borrower plans to repay the lender when they are at point B – usually through refinancing onto a more conventional mortgage or the sale of the asset which realises it's value and repays the lender, hopefully leaving the borrower with a profit!

BENEFITS

- Short term facility with flexibility
- Can be structured where there are no payments until the end of the facility, or only the interest is paid
- Quick timescales
- No early repayment charges

WHAT DOES IT COST?

There are usually percentages for arrangement fee, monthly interest and occasionally an exit fee. The rates charged depends on the above 3 factors, how robust the lending proposal is and the specific lender. There are additional costs occasionally for solicitors fees and valuation fees.

David Long
Monument Paper Bag Company Ltd

My company was going through a difficult period and so I used a bridge to inject some capital into the business and also to repay some existing debts. Working with the team at Magna, they gave me excellent advice and found the correct funder after some missed steps working with another broker. Since then, my business has gone from strength to strength and getting the cashflow in was a big part of that. I had funds in my account 3 days following supplying all of the information.

Who we work with

ORTUS SECURED FINANCE

mintbridging Handcrafted loans

HOPE CAPITAL bridging finance

AFFIRMATIVE FINANCE

TFG Capital Flexible · Quick · Direct

REWARD FINANCE GROUP

mt finance

UNITED TRUST BANK

masthaven

WHAT IS IT?

There are many, many types of development finance but in essence it is a loan that is given to contribute toward the purchase of land or a building and the cost of the development of the land or the building. The lender will take a charge against the title and sometimes on additional property to make up the security depending on the amount that the borrower wishes to borrow.

Most development finance facilities are set up to allow monthly interest charges to be added to the loan facility as opposed to being paid monthly. The interest is then repaid when the loan is redeemed (usually once the development is completed and the properties sold or refinanced onto commercial mortgages). Having the interest added to the facility takes pressure off the developer so that they can concentrate on the development.

BENEFITS

- Allows somebody to develop without having the cash themselves to do so
- Generally very profitable for the developer
- Costs are charged monthly so the quicker you work, the less you pay
- Interest can be rolled up until the end, meaning no financing costs through the development

WHAT DOES IT COST?

There are usually percentages for arrangement fee, monthly interest and occasionally an exit fee. The rates charged depends on the above 3 factors, how robust the lending proposal is and the specific lender. There are additional costs occasionally for solicitors fees and valuation fees.

Tim
Lakeland Properties

We had a development opportunity but as 1st time developers, we found it difficult to attract funding for the project. We approached lenders directly and also a broker but we had no joy. Eventually Magna was recommended to me and they were able to source finance that allowed us to build 6 houses. They say the 1st one is the hardest and they're right! Now with a track record, we have found funding much more attainable and at much better rates but remember these easier times are down to getting our 1st development done which is largely down to Magna Money.

Who we work with

paragon
Close Brothers Property Finance
TFG Capital Flexible • Quick • Direct
SENECA BRIDGING
AFFIRMATIVE FINANCE
mintbridging Handcrafted loans
Aldermore
together.

Merchant Cash Advance

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WHAT IS IT?

Merchant cash advances (MCAs) are one of the most innovative products in alternative business finance. The concept has only existed for a few years, but it's already proving very popular in the retail and leisure sectors. Put simply, an MCA uses your card terminal to security for borrowing – perfect for businesses without many assets, but who have a good volume of card transactions every month such as retailers and pubs/restaurants.

Repayments are taken directly from the terminal provider and are taken as a percentage of card takings, meaning it is perfect for seasonal businesses as you repay a percentage of sales as opposed to a fixed amount.

BENEFITS

- Flexible in that repayments are in line with sales
- Repayments taken directly from the terminal provider so you never see the money in your bank account so never miss it
- Frees up other forms of finance. Because no assets are used, it allows a business to use those other assets for additional forms of finance
- Whilst other forms of finance can only be accessed with 2 years+ trading, you can obtain an MCA much more quickly

WHAT DOES IT COST?

An MCA is charged through a factor rate which is essentially a multiplier of the loan. As an example, if you borrow £100,000 and the factor rate is 1.2 then over the term, you will pay back £120,000 (£100,000 * 1.2). The repayments are then taken as a % of card sales over a period of time – the % is fixed which estimates the term of the facility but the term is variable depending whether sales are more or less than anticipated. Below is an example:

Monthly Card Sales	£100,000
Loan	£150,000
Factor rate	1.2
Total repayment	£180,000
% repayment	15% (of monthly card sales)

In this example, 15% of card sales are taken (£15,000 per month) to repay the loan and the loan would be repaid back over 10 months.

Luke Tomlinson
Grindsmith Ltd

The Grindsmith brand has gone from strength to strength in the last couple of years with significant growth, culminating in the move to our fantastic new sit. Everything with the refurb of the site was going to plan but a last-minute curve ball from an investor meant we needed some extremely urgent financial support. Thankfully Magna helped us secure the finance we needed in a highly professional manner and considering the circumstances I was really impressed with their 5-day turnaround. Communication was key throughout this transaction and Magna showed true resilience in getting the funding we required ready for our deadline.

Who we work with

Capify – Business Funding Made Simple
liberis finance
YOULEND
BOOST CAPITAL
Nucleus
365 Business Finance
MERCHANTMONEY
Quick Capital – Simple business finance

Credit insurance

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WHAT IS IT?

Credit insurance gives business owners peace of mind to grow their business whilst removing the risk of non-payment through insolvency. An insurer will provide limits for all customers and if that customer falls into liquidation, the outstanding invoices to that customer are covered through the insurance.

BENEFITS

- Protection - Ultimately, the policy is there to quickly replace money lost through bad debt
- Growth - It facilitates expansion with security and allows you to deal confidently with new clients and increase credit lines to existing ones
- Funding - Helps in securing finance as funders are confident that the business will not have a loss as a result of a bad debt
- Profitability - Improve profitability by safely increasing your exposure to more customers

Martin RSJ

We used Magna Money when we were reviewing the costs for our credit insurance. They tendered the work professionally and provided us with a shortlist of providers, clearly explaining the benefits of each and some of the hidden fees of others. We were able to save 25% of the cost of our existing policy.

WHAT DOES IT COST?

The cost of credit insurance is usually charged as a % of turnover. The percentage is based upon a forecast when the policy is taken out and then the premium is paid monthly throughout the year.

Who we work with

EULER HERMES

QBE

Atradius

Managing risk, enabling trade

coface

AIG