



**Finsensa**

UK SME Credit-Ready Lender Pack

# Northbridge Precision Components Ltd

Credit-Ready Snapshot for Banking Partners

**Date:** 04 Dec 2025

**Prepared for:** UK bank relationship managers and credit underwriters

**Prepared by:** Finsensa

15-person light manufacturing business supplying precision metal components to UK HVAC and building products customers.

## 1. Executive summary

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- Northbridge Precision Components Ltd ("Northbridge") manufactures precision sheet-metal components for UK HVAC, ducting and light industrial equipment OEMs from a single leased site in Leeds.
- Revenue for the 12 months to 31 Oct 2025 was **£3.1m** with EBITDA of **£0.35m** (11.3% margin). The business is stable with diversified customers; no customer >20% of sales.
- Closing cash at 29 Nov 2025 was **£0.27m** with undrawn overdraft headroom of **£0.11m**. Minimum forecast cash over the next 13 weeks is **£0.27m**, before headroom.
- Total interest-bearing debt is **£0.58m** (term loan, asset finance and overdraft), with net debt / EBITDA of **0.9x**. All core covenants are in compliance with comfortable headroom.
- Working capital is manageable but stretched by a small number of mid-size contractors paying late. Debtor days are **52 days** vs an internal target of 45 days; creditor days are **41 days**.
- Management requests renewal of the existing overdraft and term facilities on broadly unchanged limits and pricing, with flexibility to fund up to **£0.15m** of incremental capex over the next 12–18 months.
- Key risks are demand softness in commercial construction and customer payment behaviour. Mitigations include active debtor management, discretionary capex control and cost flexibility through overtime and temporary labour.

## 2. Company profile

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<b>Legal name</b>	Northbridge Precision Components Ltd
<b>Company number</b>	09876543
<b>Registered address</b>	Unit 4, Northbridge Industrial Estate, Leeds, LS10 1AB
<b>Incorporation date</b>	15 Mar 2016
<b>Ownership</b>	Privately owned: Jane Smith (60%), David Patel (40%). No external institutional shareholders.
<b>Sector</b>	Light manufacturing – precision sheet-metal components for HVAC and building products OEMs (UK-focused).
<b>Employees</b>	15 (11 shop-floor, 2 engineers, 2 back-office).
<b>VAT status</b>	VAT registered. VAT number GB 345 6789 01.
<b>Accountants</b>	Holland & Co. Chartered Accountants, Leeds.
<b>Financial year-end</b>	31 October (latest management accounts to 31 Oct 2025).

### 3. Banking overview

#### 3.1 Operating bank accounts

Account	Bank	Purpose	Average monthly inflow (£)	Average monthly outflow (£)	Average month-end balance (£)
Business Current Account	Barclays Bank UK PLC	Main trading account	258,000	247,000	210,000
Business Saver Account	Barclays Bank UK PLC	Short-term cash buffer	15,000	10,000	55,000

All flows are based on the last 6 months of actual bank data to 29 Nov 2025.

#### 3.2 13-week end-balance trend (actuals)

Total cash balances across all bank accounts (before overdraft headroom).

Week ending	Closing cash (£)
06 Sep 2025	238,000
13 Sep 2025	244,000
20 Sep 2025	251,000
27 Sep 2025	247,000
04 Oct 2025	255,000
11 Oct 2025	249,000
18 Oct 2025	260,000
25 Oct 2025	262,000
01 Nov 2025	258,000
08 Nov 2025	266,000
15 Nov 2025	271,000
22 Nov 2025	268,000
29 Nov 2025	265,000

Trend: modestly increasing cash balances over the last quarter, reflecting stable trading and controlled capex.

### 4. 13-week cash forecast summary

All figures in £'000. Forecast period: weeks commencing 01 Dec 2025 to 23 Feb 2026.

Week (w/c)	Opening	Receipts	Payments	Net	Closing
1 – 01 Dec 2025	265	255	242	+13	278
2 – 08 Dec 2025	278	248	251	-3	275
3 – 15 Dec 2025	275	262	249	+13	288
4 – 22 Dec 2025	288	240	252	-12	276
5 – 29 Dec 2025	276	258	244	+14	290
6 – 05 Jan 2026	290	246	253	-7	283
7 – 12 Jan 2026	283	252	261	-9	274
8 – 19 Jan 2026	274	268	246	+22	296
9 – 26 Jan 2026	296	255	248	+7	303

10 – 02 Feb 2026	303	248	250	-2	301
11 – 09 Feb 2026	301	260	247	+13	314
12 – 16 Feb 2026	314	242	254	-12	302
13 – 23 Feb 2026	302	250	246	+4	306

Runway: Minimum forecast cash is £274k in Week 7. Including undrawn overdraft headroom of £105k, total liquidity headroom remains above approximately £379k throughout the 13-week period.

## 5. Working capital snapshot

### 5.1 Key working capital metrics

Metric	Value	Internal target
Debtor days (DSO)	52 days	45 days
Creditor days (DPO)	41 days	45 days
Stock days (DIO)	49 days	45 days

Ratios calculated on a rolling 12-month basis to 31 Oct 2025.

### 5.2 Top late payers (trade debtors)

Customer	Outstanding (£)	Days beyond terms
BuildRight Group Ltd	68,000	24
Northern HVAC Supplies Ltd	54,000	19
CityMechanical Installations Ltd	39,000	27
EcoVent Systems Ltd	31,000	17
Premier Fit-Out Contractors Ltd	28,000	21

### 5.3 Working capital actions

- Weekly debtor calls for top 20 customers, led by the Finance Manager, with clear escalation for invoices >15 days beyond terms.
- Introduce small early-settlement discounts on selected customers to bring average terms down from 45 to 35 days where commercially acceptable.
- Align stock purchasing with firm orders and frame agreements, reducing slow-moving lines and freeing c.£40k of stock over 6–9 months.
- Maintain supplier terms at ~40–45 days while prioritising on-time payment to key steel and coating suppliers.

## 6. Debt facilities register

Lender	Facility type	Limit (£)	Balance (£)	Rate	Repayment profile	Maturity	Security	Covenants	Renewal window
Barclays Bank UK PLC	Term loan	600,000	410,000	3.25% over SONIA (c. 8.0% p.a.)	Monthly capital and interest; no bullet. Amortising to maturity.	30 Jun 2029	All-asset debenture; director PGs totalling £150k.	DSCR, leverage, ICR and minimum liquidity covenants (see Section 7).	N/A – fully amortising, annual review in June.
Barclays Bank UK PLC	Overdraft	200,000	95,000	3.75% over SONIA (variable)	On demand; reviewed annually.	30 Jun 2026 (next review)	As per debenture and PGs above.	Minimum liquidity ratio and maximum utilisation at review.	90–30 days prior to 30 Jun 2026 (Apr–Jun 2026).
Lloyds Bank Commercial Finance	Hire purchase	180,000	72,000	Fixed 7.4% p.a.	Monthly fixed instalments over 5 years.	31 Mar 2028	Fixed and floating charge over specified machinery.	No financial covenants; cross-default to Barclays facilities.	Standard HP; no formal renewal.

Directors' loans of £40k are fully subordinated to senior lenders with no scheduled repayment.

## 7. Covenants & key ratios

Latest actuals based on the 12 months to 31 Oct 2025 and balance sheet as at 31 Oct 2025, unless stated.

Metric	Description	Threshold	Latest actual	Status
DSCR	Debt service cover ratio (EBITDA less cash tax vs scheduled debt service).	≥ 1.25x	1.45x	PASS
ICR	Interest cover ratio (EBITDA vs net finance costs).	≥ 3.0x	4.3x	PASS
Leverage	Net debt / EBITDA.	≤ 2.50x	0.9x	PASS
Liquidity ratio	(Cash + undrawn overdraft) / next 3 months' net cash outflows.	≥ 1.10x	1.18x	AMBER

Liquidity ratio flagged amber as headroom is positive but relatively thin in a downside scenario. Management is monitoring weekly and has identified levers to protect liquidity (see Sections 5 and 8).

## 8. Headroom & key risks

### 8.1 Cash and facility headroom

Item	Amount (£)	Note
Cash at bank (actual 29 Nov 2025)	265,000	Business current and saver accounts combined.
Overdraft limit	200,000	Committed, annual review.
Overdraft drawn	95,000	Comfortably within agreed utilisation levels.
Undrawn overdraft headroom	105,000	Available to absorb short-term shocks.
Total interest-bearing debt drawn	577,000	Term loan £410k, overdraft £95k, HP £72k.

### 8.2 Key risks and sensitivities

- **Demand risk:** 10–15% reduction in orders from commercial construction and fit-out customers would reduce EBITDA and narrow covenant headroom.
- **Debtor behaviour:** Further stretching of payment terms by main contractors could increase debtor days from 52 to c.60 days, tying up an extra c.£70k in working capital.
- **Input costs:** Steel and coatings prices remain volatile. A 5% unmitigated increase in material costs would reduce gross margin by c.1.5 percentage points.
- **Concentration:** Top 5 customers represent ~48% of revenue. Loss of a single large OEM would require 6–12 months to replace.

### 8.3 Mitigating actions

- Maintain rolling 13-week cash flow forecast with weekly variance tracking and early trigger points for cost and capex reductions.
- Strengthen debtor collection discipline for the top 20 accounts, with clear escalation to directors on invoices >30 days overdue.
- Hedge a portion of steel purchases through forward pricing or fixed-term contracts where commercially viable.
- Diversify further into maintenance and replacement components, which have more resilient demand than new-build projects.
- Maintain an agreed capex envelope, with any spend over £25k subject to formal board sign-off and covenant impact assessment.

## 9. Renewal timeline – 90 / 60 / 30 days

Illustrative timeline for the next overdraft and term loan review (assumed review date 30 Jun 2026).

### 90 days before (c. 01 Apr 2026)

- Agree renewal objectives (limits, pricing, security) with the board.
- Refresh this Finsensa lender pack with latest 13-week cash flow and management accounts.

### 60 days before (c. 01 May 2026)

- Submit full renewal pack: Finsensa lender pack, latest statutory and management accounts, aged debtor and creditor listings, and fixed asset register.

- Prepare draft 12–24 month integrated P&L, cash flow and balance sheet forecast.
- Share early views with relationship manager; confirm information needs and timetable.
- Confirm any changes to security, guarantees or covenants requested by the bank.
- Respond to clarifications and provide any additional sector or pipeline commentary requested.

### 30 days before (c. 01 Jun 2026)

- Agree final term sheet and facility structure, including any revised covenants and amortisation profile.
- Prepare and approve board minutes, director guarantees and any subordination agreements.
- Ensure Companies House filings, insurance schedules and asset valuations are current and available.
- Plan for drawdown / transition, ensuring no overlap or gaps with existing facilities.

## 10. Actions & mitigations

Concrete next steps agreed by management to support a smooth renewal and protect liquidity.

Action	Owner	Target completion	Status
Reduce debtor days from 52 to 47 by tighter credit control and formal weekly debtor reviews.	Finance Manager	31 Mar 2026	In progress
Free up at least £40k of slow-moving stock and implement tighter reorder points.	Operations Manager	30 Jun 2026	Planned
Maintain a rolling 13-week cash flow forecast with weekly variance analysis to actuals.	Financial Controller	Ongoing (weekly)	In place
Prepare a 24-month integrated financial forecast ahead of the 2026 bank review.	Managing Director	31 Mar 2026	Planned
Agree early with Barclays on any covenant adjustments linked to planned capex.	Managing Director	31 May 2026	Planned
Document and test a downside liquidity plan (reduced overtime, discretionary cost pauses, capex deferral).	Finance Manager	30 Apr 2026	Not started

## 11. Appendices – financial summaries

### 11.1 Profit and loss summary – last 12 months

12 months to 31 Oct 2025 (unaudited management accounts).

£	12 months to 31 Oct 2025
Revenue	3,100,000
Cost of sales	(1,995,000)
<b>Gross profit</b>	<b>1,105,000</b>
Gross margin %	35.6%
Staff costs	(540,000)
Occupancy & utilities	(125,000)
Other operating expenses	(90,000)
<b>EBITDA</b>	<b>350,000</b>
Depreciation & amortisation	(95,000)
<b>Operating profit (EBIT)</b>	<b>255,000</b>
Net finance costs	(82,000)
<b>Profit before tax</b>	<b>173,000</b>
Tax	(33,000)
<b>Profit after tax</b>	<b>140,000</b>

### 11.2 Balance sheet summary

As at 31 Oct 2025 (unaudited management accounts).

£	As at 31 Oct 2025
<b>Fixed assets (net)</b>	<b>620,000</b>
Stock	270,000
Trade debtors	445,000
Other debtors & prepayments	55,000
Cash at bank	250,000
<b>Total current assets</b>	<b>1,020,000</b>
Trade creditors	(225,000)
Other creditors & accruals	(130,000)
Current tax & other payables	(25,000)
Current portion of term debt	(95,000)
Bank overdraft	(95,000)
<b>Total current liabilities</b>	<b>(570,000)</b>
<b>Net current assets</b>	<b>450,000</b>
Term loan (non-current)	(315,000)
Hire purchase (non-current)	(72,000)
Directors' loans (subordinated)	(40,000)
<b>Net assets</b>	<b>643,000</b>
Share capital	100,000

Retained earnings	543,000
<b>Total equity</b>	<b>643,000</b>

### 11.3 Accounting basis and key assumptions

- **Accounting framework:** UK GAAP (FRS 102 Section 1A), historical cost convention.
- **Basis of preparation:** Unaudited management accounts prepared monthly, reviewed by Holland & Co. Chartered Accountants at least annually.
- **Revenue recognition:** In line with completed production and despatch of goods; no significant long-term contracts.
- **Forecast assumptions:** Flat volumes vs the last 12 months, modest price increases to offset inflation, no major step-change in headcount, and capex limited to maintenance plus one planned machine replacement of c.£75k in FY26.
- **Financing assumptions:** Existing bank facilities renewed on broadly similar terms with no additional structural debt raised in the forecast period.