

CBILS: Frequently Asked Questions

Growth Lending FAQs

Which documents does Growth Lending need in support of a CBILS application?

For all applications, we require the following: 1) past three months' bank statements; 2) last full filed financial accounts; 3) management accounts dated within the past six months (P&L and balance sheet); 4) P&L/cashflow forecast for the coming 12/18 months; and 5) December 2019 management accounts/statutory accounts.

How long does it take from application to funding?

We will look to turn things around in less than two weeks, but due to the nature of the larger facilities, it is likely to take closer to four weeks for term loan applications. Our application handlers will contact you if we require any further documents or any assistance in answering queries during the underwriting process.

Do you charge onboarding fees?

We will charge an onboarding fee of between 0.5% and 2% of the facility/loan size.

Can a CBILS facility be used to refinance a BBILS loan?

A business may have a facility under either the Bounce Back Loans Scheme (BBILS) or CBILS, but not both. However, we are able to refinance outstanding loans under BBILS with our CBILS facilities.

What is the minimum trading history of the firm?

We require companies to have filed their first year's financial accounts.

Which countries are Growth Lending able to support?

Growth Lending will be supporting businesses registered in England and Wales.

How recent is the management information that you require?

We require management information from within the past six months, along with figures from December 2019.

Does Growth Lending require a debenture?

Growth Lending requires an all assets debenture for all three facilities. We will aim to be the primary chargeholder. If the company already has an outstanding charge against the assets of the business, we will look to enter into a deed of priority with the incumbent lender or allow the business to pay down that facility in full.

If I have been rejected by my bank, should I apply to Growth Lending?

Yes. We specialise in working with businesses that fall outside banks' lending criteria.

Can I have multiple CBILS (e.g. a CBILS invoice financing facility and a CBILS loan facility)?

Yes: a business may apply for both a loan and an invoice discounting facility under CBILS. The limit calculation remains the same (i.e. if you qualify to borrow £1m, the combined limit remains £1m).

How do I know if I am eligible for CBILS?

The main eligibility criteria are as follows: 1) you have a limited company or a partnership registered in the UK; 2) your company was not considered a "business in difficulty" as of 31 December 2019, as per the British Business Bank's definition; 3) your business has been adversely affected by Covid-19; 4) your business's turnover was less than £45m in 2019 and you have fewer than 250 full-time employees; 5) your business must generate more than 50% of turnover from normal trading activities.

Can existing Growth Lending customers apply for a CBILS facility with Growth Lending?

Yes: we can look to refinance the facilities of businesses that have an existing facility with Growth Lending. They must meet the CBILS lending criteria.

Do we require a cash flow forecast?

We strongly advise you to put together a forecast to support your application. This will enable us to analyse the impact of Covid-19 on your firm and how you plan to use the capital.

Are loss-making businesses eligible for CBILS funding through Growth Lending?

We do not automatically reject loss-making businesses. If a company is loss-making, we will analyse the strength of its balance sheet.

Which sectors is Growth Lending unable to support?

In addition to the sectors that are

ineligible for CBILS (a list can be found on the British Business Bank's website), we will not be supporting firms in the construction sector.

Does Growth Lending require personal guarantees?

We will not be taking any personal guarantees as standard. We may take limited personal guarantees in some exceptional circumstances for facilities over £250,000.

What KYC documents are required?

We require a copy of each executive director's passport and proof of address for directors, dated within the past three months.

Product FAQs

Invoice Discounting

Growth Lending's CBILS invoice discounting facility explained

Our CBILS invoice discounting facility releases funds tied up in your sales ledger, boosting your working capital position. It is a full ledger facility.

What is the fee structure?

There are two ongoing fees for our invoice discounting facility: a service fee, which is charged against the assigned turnover (this is likely to be between 0.5% and 1%), and a discount rate, which is charged against the outstanding balance of the facility (this will be between 4% and 8%). The three-year APR of the facility to the borrower will be up to 9%.

How long does it take from application to funding?

We will look to turn things around in less than two weeks. Our application handlers will get in touch if we require any further documents or assistance in answering queries.

Is this a full ledger facility?

This is a full ledger invoice discounting facility. However, we are able to exclude certain debtors, depending on circumstances.

Does the facility include export debtors?

We are able to include export debts within the facility, but we have restrictions on certain countries.

Revolving Credit Facility

Growth Lending's CBILS revolving credit facility (RCF) explained

Our CBILS invoice discounting facility releases funds tied up in your sales ledger, boosting your working capital position. It is a full ledger facility.

Is the RCF a fixed amount or is it a set percentage of aged receivables/stock?

We take into account the average level of each company's AR and stock levels, along with other unencumbered assets, when reaching the facility limit.

Our facility terms range from 24 to 36 months, although you are able to terminate the agreement with no termination fees within the first 12 months.

What is the termination fee?

You are able to terminate the facility at no cost within the first 12 months. Thereafter, there is a small termination fee.

What is the fee structure?

An interest rate on drawn funds of 6% to 14% p.a.,

What is the term of the facility?

depending on the size/risk of the facility. There are supplementary charges, which include a registration fee of up to 2.5% of the facility size and a 1% annual facility fee. The government covers all fees for the first 12 months.

Term Loan

Growth Lending's CBILS term loan explained

Our CBILS term loans are designed to provide an extended funding runway and capital to achieve next-level growth.

Are clients able to terminate their loans early?

During the first 12 months, clients are able to repay loans with no penalty, whenever they wish. Thereafter, there is a small repayment fee.

What is the fee structure?

We have an interest rate on drawn funds of 6% to 14% p.a., depending on the size/risk of the facility. There are supplementary charges, which include a registration fee of 0.5% to 2.5%. All fees within the first 12 months are covered by the government.

What is the minimum loan size?

Our minimum loan size is £750,000 and the maximum loan size is £5m.

How is the facility size determined?

It is the highest of: 1) twice the annual wage bill in 2019 or the last audited accounts available (including social charges and the cost of subcontractors/consultants); 2) 25% of total turnover in 2019; or 3) the liquidity needs of the company for the coming 18 months (its liquidity plan can include both working capital and investment costs). Internally, asset coverage will define our maximum limit.

What is the maximum amount we can lend to clients?

The maximum loan size under CBILS is £5m. The figure is likely to be the highest of 1) twice the annual wage bill in 2019 or the last audited accounts available (including social charges and the cost of subcontractors/consultants), 2) 25% of total turnover in 2019 or 3) the liquidity needs of the company for the coming 18 months (its liquidity plan can include both working capital and investment costs).

What is the amortisation profile of the loan?

Loans will amortise at 6% in year 1 and on a straight line amortisation thereafter.

Is the loan released in tranches?

The loan is available in up to four tranches. The first drawdown is available immediately and the rest from 18 months thereafter.

Get in Touch



E cbils@growth-lending.com

T +44 (0)20 3740 9710

W growth-lending.com/cbils