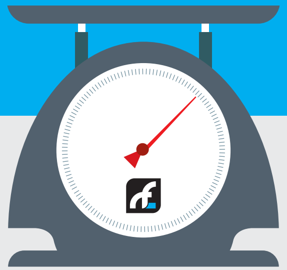

Weighing up your finance options when investing in new Business Assets

REALITY FINANCE

OPTION 1 — Use Your Existing Capital

- ✔ Your Asset is owned by the company and seen as an asset on the balance sheet.
- ✘ Why invest cash resources in a rapidly depreciating asset when you can pay for its use over its economic life?
- ✘ Using up cash resource could mean increased dependency on an overdraft along with additional interest and annual facility fees.

OPTION 2 — Get a Bank Loan

- ✔ Due to the number of Banks out there you can shop around for the loan terms that best suit you and compare rates from lender to lender to make the deal as **sweet as possible.**
- ✘ You will need to invest the time comparing business loans and finding the right product for your needs.
- ✘ Often requires strong credit which not every business has.

OPTION 3 — Asset Finance

- ✔ Finance anything from 1k upwards with flexible payment periods of up to 5 years.
- ✔ Opens additional lines of credit: asset finance compliments cash resource that you already have as well as other bank facility's such as overdrafts and loans.
- ✔ Include maintenance, delivery and installation costs in the agreement.
- ✔ Upgrade, make additions or settle the finance agreement at any point.
- ✔ Make seasonal payments. Where appropriate payments can be matched to your cashflow cycle.
- ✔ Most equipment asset finance is secured on the equipment being funded unlike overdrafts or loans which may need additional security such as charges over assets, book debts, property or guarantees.
- ✔ Certainty of repayment: the vast majority of asset finance agreements are fixed in terms of interest rates.

www.realityfinance.com

Data Sources:
smallbusiness.chron.com/advantages-disadvantages-borrowing-money-bank-61049.html
experian.com/small-business/business-credit-factors.

What ever the **Asset**, you need to **weigh up your options...**