

Asset Finance – optimising your cash flow

If you are buying capital goods for your business, using asset finance could be an effective way to spread the cost of assets over their economic life, helping to maximise your cash flow. In certain circumstances, you can use existing business assets to generate additional working capital for your business through re-financing.

Key features

- Facilitates the purchase of your key business assets
- It can spread the cost of an asset over its economic life
- Re-financing of your existing assets can be considered
- Assets financed must be Durable; Identifiable; Moveable; Saleable
- Assets financed must be tangible e.g. plant, equipment, commercial vehicles, cars.

Key benefits

- Asset finance can preserve your other lines of credit
- Spreads repayments over a period to assist your cash flow
- Hire purchase and leasing options can provide you with tax benefits
- Refinancing of existing assets can boost your cash flow by releasing cash

MAIN PRODUCT OFFERINGS

Asset finance includes hire purchase and finance leasing options to fund the purchase of business assets, typically plant and machinery, yellow goods, commercial vehicles and trailers, or cars and vans.

Assets being acquired may be new or used. In the event that they have been pre-owned, Metro Bank Asset and Invoice Finance will usually seek an independent expert valuation in order to determine the amount that will be advanced. "Soft" assets such as telecoms equipment or computers will only be considered for Metro Bank customers.

You are able to enjoy the immediate use of the assets purchased, whilst spreading the cost of purchase over their useful lifecycle. You will only be required to make an initial payment of the agreed deposit (typically 10% on new equipment) from cash flow instead of the full asset cost. The remaining purchase may be spread over a term of up to 7 years, depending upon the nature of asset and its useful life cycle.

Where you already own plant and machinery which is unencumbered, it may be possible to generate additional working capital via a "sale and lease back" transaction. Using this structure, you may be able to raise a maximum of 75% of the asset value, generating valuable additional cash flow.

Please refer to our Metro Bank Asset Guide to establish our funding criteria

WHAT DOES IT COST?

- Documentation fee (typically the greater of £250 or 0.50% of the contract value)
- Interest charged at an agreed fixed rate which is added to the principal at the start of the agreement. This rate will vary depending upon market conditions and the specific nature of the asset being acquired and you will pay a fixed monthly instalment for the term of the contract.

NEED MORE INFORMATION?

If asset finance is of interest to you, please contact us on **0800 083 8835** or email **BDTeam@Metrobank.plc.uk**

For more information, please visit our web site at: www.metrobankonline.co.uk/business/borrowing/

OPEN 7 DAYS

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