



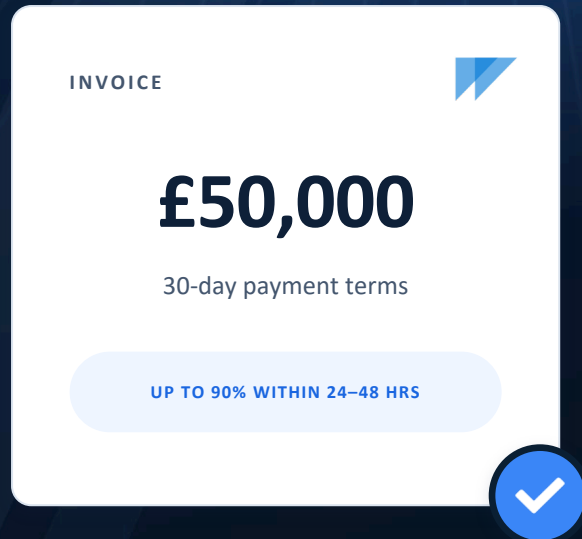
A PRACTICAL SESSION FOR
INDUSTRY NETWORK MEMBERS

Unlocking Cash Flow: Invoice Finance Explained

How invoice finance turns unpaid invoices into working capital,
and how to spot it, explain it and refer it with confidence.

Bjorn Laku · Director, Cashbook Finance

AFFILIATES PRESENTATION



What you'll take away

- 1 Explain what invoice finance is - in plain English
- 2 Recognise which businesses it suits, and which it doesn't
- 3 Compare it confidently with a bank loan
- 4 Spot the opportunity signals in everyday client conversations
- 5 Explain it to a business owner in thirty seconds



By the time we finish, you'll be able to explain this product to a client in thirty seconds flat.

- THE PROMISE OF THIS HOUR

The next hour, at a glance

- 01 The problem hiding in plain sight** Why B2B trade traps cash - and why growth makes it worse
- 02 What invoice finance actually is** The plain-English mechanics, the two flavours, and who we are
- 03 Who it fits - and who it doesn't** The checklist, the sectors, and six situations you'll recognise
- 04 Invoice finance vs the bank** The honest head-to-head, the limits, and a £50,000 worked example
- 05 Your toolkit for Monday morning** Triggers, opening questions and the 30-second explanation

Quick pulse check

 POLL 01

How familiar are you with invoice finance?

a

I could explain it confidently

b

I know roughly how it works

c

I've heard of it, but couldn't explain it

d

It's completely new to me

PART 1 OF 5

The problem hiding in plain sight

- ▶ Why almost every B2B client lends money to their customers
- ▶ The funding gap - structural, not a red flag
- ▶ Why growth makes it worse, not better



01

The cash flow problem every SME recognises

1

Win the work, deliver it well, raise the invoice...

Most B2B sales are on credit - 30, 60 or 90-day terms, and often paid late.

2

...then wait, while the costs keep leaving.

Wages, suppliers, rent and VAT all go out before the cash from the sale arrives.



Every unpaid invoice is a loan

- made by your client, to their customer, at 0% interest.

Your clients are already in the lending business - *just on the wrong side of it.*

Thirty days in the life of one invoice

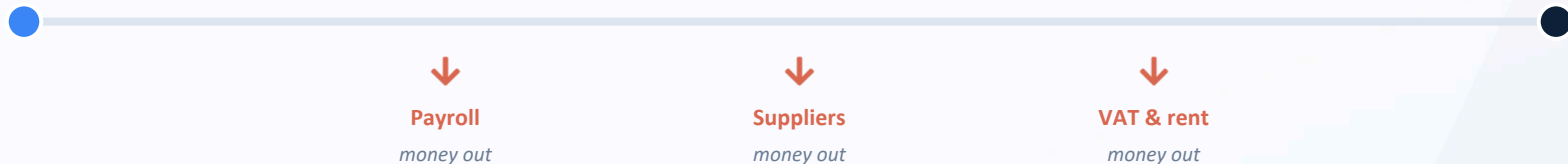
THE FUNDING GAP

DAY 0

Work delivered, invoice raised

DAY 30+

Cash finally arrives



Money out is certain and scheduled. *Money in is late and optional - or at least it feels that way.*



What's the longest payment terms you've seen a client put up with?

Profitable on paper, cash-poor in reality



Profit ≠ cash. Profit is recorded when you invoice; cash arrives when the customer pays. The two can be months apart.



Growth eats cash first. Every new sale on credit consumes cash up front - materials, wages - and returns it later.

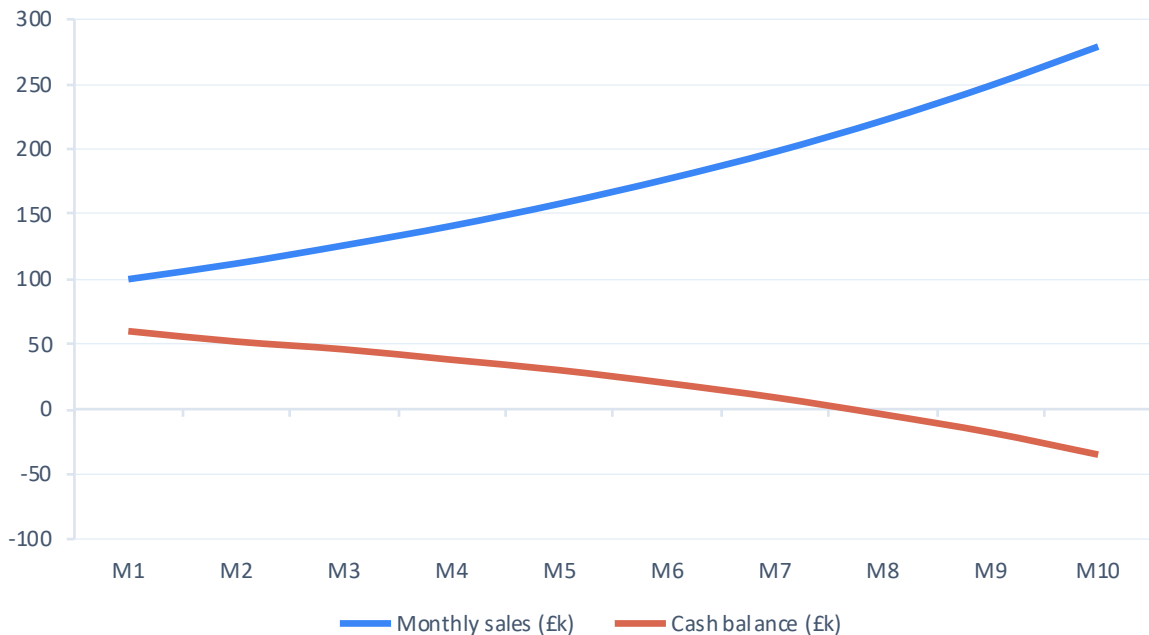


So success tightens the squeeze. The faster a business grows, the more cash gets trapped in unpaid invoices.

“Overtrading” - healthy businesses failing for lack of cash, not lack of orders. It has a name because it happens so often.

What growth does to the bank balance

ILLUSTRATIVE - A GROWING B2B BUSINESS ON 30-DAY TERMS



The gap grows with success.

Sales climb - but every new order locks more cash into the ledger.

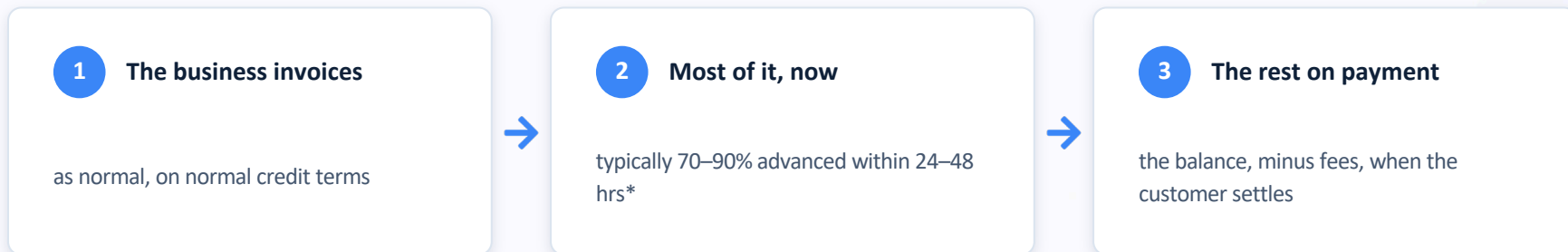
The natural answer is a funding line that grows with sales - which is exactly what comes next.

What invoice finance actually is

- ▶ The plain-English definition - and the jargon, translated
- ▶ How a facility works, from set-up to the revolving cash cycle
- ▶ The two main flavours, the useful variations - and who we are

What invoice finance is

A funding facility that releases most of the value of unpaid invoices - **usually within 24–48 hours of raising them.**



It converts a sale into cash at the point of invoice - not the point of payment.

What it is NOT: not a lump-sum loan, and not new long-term debt. The business is bringing forward money it has already earned.

**Illustrative market range. Cashbook Finance advances up to 90% upfront.*

Three terms, in plain English

DEBTOR BOOK

The pile of invoices your customers haven't paid yet.

It's the asset this whole product is built on.

ADVANCE RATE

The percentage of each invoice released up front.

The rest follows when the customer pays.

FUNDER

The invoice finance provider.

Banks, independents and specialists all play here.

House rule for client conversations: say the plain-English version first, the technical term second.

How it works - getting set up

STEPS 1-3 OF 6

1 Set-up

The funder reviews the business, its customers and its ledger; agrees the advance rate, limits and pricing.

Once · typically days to a week



2 Trade as normal

Deliver goods or services and raise invoices exactly as before - nothing changes day to day.

Every day, as usual



3 Notify the funder

Invoices upload or sync across - often automatically from cloud accounting software.

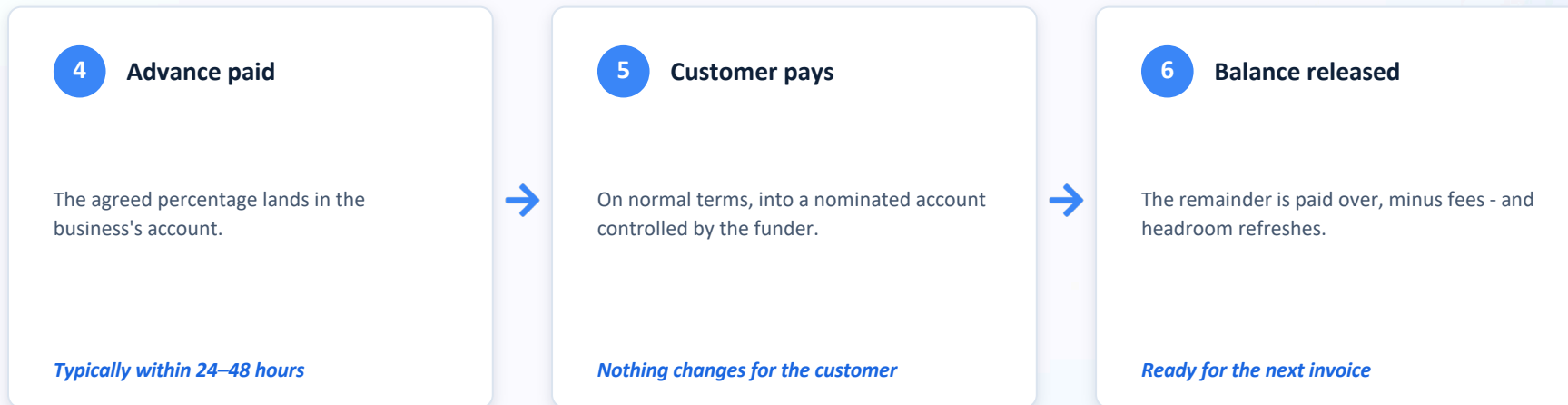
Seconds per invoice

Day-to-day admin, in full: raise invoice → upload → draw funds. The funder does the heavy lifting at set-up - not the client.



How it works - the cash cycle

STEPS 4–6 OF 6



...and the cycle repeats with every new invoice - a revolving facility, not a one-off transaction.

The quiet superpower of step 5: repayment comes from the customer's payment - not from the business finding cash for monthly repayments. The facility is self-liquidating.

The two main flavours

	Factoring	Invoice discounting
Who chases payment	The funder runs credit control and collections	The business keeps its own credit control
Do customers know?	Yes - disclosed (Notice of Assignment)	Usually confidential
Typically suits	Smaller firms, or anyone outsourcing collections	Established firms with credit control in-house
What's bundled	Funding plus sales-ledger management	Funding only - the business keeps customer contact

One sentence to remember: *"Factoring is funding plus a collections service, and customers know. Discounting is funding only - and customers usually don't."*

Two variations worth knowing



Selective / single-invoice finance

Fund only the invoices you choose - one big contract, one slow payer - priced per use, with no whole-ledger commitment.

The low-commitment way in - an ideal first taste for cautious clients.



Bad debt protection

Adds cover if a customer becomes insolvent, for an extra fee. Standard facilities are “with recourse” - unpaid invoices eventually reverse.

Turns cash-flow acceleration into credit-risk cover as well.

Jargon check - “with recourse”: if the customer doesn't pay within an agreed period (commonly ~90–120 days past due), the advance on that invoice reverses.

Cashbook Finance, in brief

WHO WE ARE

UK-based, FCA-registered invoice finance and factoring lender, headquartered at Hay's Galleria, London SE1. FCA reg. 782472.

WHAT WE FUND

Facilities from £10k to £1m - invoice finance, invoice discounting, factoring and timesheet finance.

SPEED

Funding within 48 hours of case approval, advancing up to 90% of invoice value upfront.

WHO WE HELP

UK businesses invoicing other businesses on credit terms - typically £50k+ turnover and 6+ months trading.

SECTORS

Healthcare, recruitment, wholesale, manufacturing, exporters and construction, among others.

HOW WE WORK

Initial due diligence, contract exchange - then immediate funding.

Working with industry members



Referral route

Introduce a client by contacting either company director directly, by email or phone.



Support you get

You're kept informed of all client communication and invoicing, with marketing support available.



Remuneration

20% introducer commission, with clear payment terms, on every completed client referral.

Compliance note: members should confirm their requirements for introducing commercial finance - including commission disclosure - before using these materials with clients.

PART 3 OF 5

Who it fits and who it doesn't

- ▶ The five-point good-fit checklist
- ▶ The sectors where it thrives - and the honest exclusions
- ▶ Six client situations you'll recognise immediately



03

The good-fit checklist

- ✓ **Sells B2B on credit terms** - 14 to 120 days - the gap is the raw material
- ✓ **Invoices after delivery or completion** - funders fund completed, unconditional invoices
- ✓ **Creditworthy customers** - ideally a spread, not one dominant name
- ✓ **Clean paperwork** - order → delivery → invoice, easy to evidence
- ✓ **Growing, seasonal, or cash-tight despite profit** - the classic profiles

One screening question does most of the work: *“Do you invoice other businesses - and then wait to be paid?”*

Where it thrives - and where it doesn't

TYPICAL SECTORS

Recruitment

Healthcare

Haulage & logistics

Wholesale & distribution

Manufacturing

Exporters

Printing & packaging

Professional services

LESS LIKELY TO FIT

- B2C or cash businesses - no B2B invoices to fund
- Sale-or-return, or heavily conditional billing
- Milestone / stage billing without completed invoices
- Very small ledgers, where minimum fees bite

Construction: fundable, but specialist - applications for payment, retentions and contract terms need the right product.
Treat as “refer for specialist review”, never “no”.

Situations you'll recognise (1 of 2)



The growth business

Order book up 40% - but every new sale waits 60 days to become cash.

THE FIT

Funding that grows with the ledger, automatically.



The squeezed middle

Suppliers want paying in 30 days; customers pay in 75. The business funds the gap from its own pocket.

THE FIT

Releases the cash trapped between the two.



The big contract win

The dream contract doubles invoicing - but wages and materials are paid long before the cash lands.

THE FIT

The contract itself becomes the basis of the funding.

Three more on the next slide.



Situations you'll recognise (2 of 2)



The payroll-heavy sector

A recruiter pays temps every Friday while clients pay in 45 days. Cash out weekly, cash in monthly - forever.

THE FIT

Why recruitment is among the heaviest users.



The seasonal trader

Stock builds and invoicing surges in season; a fixed overdraft can't flex with it.

THE FIT

Funding rises with the ledger in season, falls back after.



Profitable but tight

Healthy margins, full order book - and a permanently nervous bank balance.

THE FIT

Releases working capital without new term debt.

Keep your favourite in mind.

Which of these do you see most often?

Thinking about your current client base - which situation comes up the most?

1 The growth business

2 The squeezed middle

3 The big contract win

4 The payroll-heavy sector

5 The seasonal trader

6 Profitable but tight

Why this matters: *the most common answer in the room is usually the easiest first referral.*

If you only remember three things so far...

1

The gap is structural. Waiting 30–90 days to be paid is built into B2B trading - it isn't a sign of a badly run business.

2

It releases money already earned. An advance against invoices the business has already raised - not a lump-sum loan repaid from future cash flow.

3

Funding scales with sales. As invoicing grows, the available cash grows with it - automatically, with no fresh application.

Coming up: how it stacks up against the bank - including the honest drawbacks.

PART 4 OF 5

Invoice finance vs the bank

- ▶ Why businesses choose it - six advantages in two minutes
- ▶ The honest head-to-head with a term loan
- ▶ Misconceptions, limits - and the £50,000 worked example



04

Why businesses choose it



Speed

Cash within 24–48 hours of invoicing, once the facility is live.



Scales automatically

More sales, more headroom - no re-application as the business grows.



Self-liquidating

Customers' payments repay the advances - no monthly repayment drag.



Built on the debtor book

Often viable where there's no property to pledge.



Optional extras

Credit control (factoring) and bad debt protection, if wanted.



Discipline benefits

Sharper ledger visibility; customers credit-checked before terms.

The common thread: every advantage flows from the same design - funding follows the sales ledger, not property or projections.

Invoice finance vs a bank loan

	Invoice finance	Traditional bank term loan
Speed to cash	Facility live in days; then 24–48 hrs per invoice	Often weeks of underwriting before drawdown
Amount available	A % of the debtor book - grows with sales	Fixed lump sum based on historic accounts
Security	The invoices themselves, plus a book-debt charge	Often property or all-asset security, plus PGs
Repayment	Self-liquidating - customers' payments repay it	Fixed monthly capital and interest
Flexibility	Revolving - draw as needed against invoices	Drawn once; top-ups mean a new application
Link to growth	Rises automatically with invoicing	Static - growth requires renegotiation
Working capital	Releases cash from the asset that consumes it	Adds a fixed monthly outflow regardless of trading
Naturally suits	Trading and growing B2B businesses	One-off assets: kit, vehicles, property

Overdrafts sit between the two - flexible, but typically modest, repayable on demand, and increasingly hard to obtain at meaningful levels.

When each option wins

INVOICE FINANCE TENDS TO WIN WHEN

- ▶ The need is working capital tied to trading
- ▶ Sales are growing, seasonal or lumpy
- ▶ Tangible security is thin, but the ledger is strong
- ▶ Speed matters
- ▶ Fixed repayments would strain future cash flow

A TERM LOAN TENDS TO WIN WHEN

- ▶ The need is a one-off asset - kit, vehicles, property, an acquisition
- ▶ The business is consumer-facing or raises few invoices
- ▶ Long-term cost certainty is the priority
- ▶ Genuinely cheap secured debt is available

Often the answer is both - a term loan for the asset, invoice finance for the trading cycle.

Five misconceptions to retire

“*It's for struggling businesses.*”

→ **Growth finance.** Funders want healthy ledgers - fast-growing firms are the heaviest users.

“*It's just a loan.*”

→ **No lump sum, no monthly repayments.** Your sales create it; your customers' payments settle it.

“*Customers will always know.*”

→ **Discounting is confidential.** Disclosed factoring is routine - big customers process it daily.

“*It's too complicated.*”

→ **Raise invoice, upload, draw funds.** The funder does the heavy lifting at set-up, not the client.

“*It's only for big companies.*”

→ **Facilities run from single-invoice level upwards.** The way in can be as small as one invoice.

Where it doesn't work

- and why saying so builds trust



The cost

Service fee (a % of turnover) plus a discount charge on funds in use. Compare like-for-like, including credit-control value.



Invoice quality is everything

Only valid, unconditional invoices for completed work fund well. Staged billing needs specialist handling.



Debtor risk remains

With recourse, invoices unpaid after ~90–120 days reverse. Bad debt protection costs extra.



Concentration limits

Heavy reliance on a single customer can cap how much of the ledger is funded.



Commitments apply

Minimum fees, notice periods and audits; disclosed facilities are visible to customers.



Timing, not fundamentals

It fixes when cash arrives, not whether - it won't rescue poor margins or chronic bad debts.

Invoice finance is not suitable for every business. Suitability depends on the business model, invoice quality, debtor profile, contract terms, cost and funding requirements. Professional advice and provider-specific terms should always be reviewed.

Worked example: the £50,000 invoice

ALL FIGURES ILLUSTRATIVE

£40,000

ADVANCED IN 24–48 HOURS

80% of the invoice, drawn as soon as it's raised and uploaded.*

£8,800

BALANCE ON DAY 30

The remaining 20%, released when the customer pays - minus fees.

≈ £1,200

TOTAL COST · ≈ 2.4%

The all-in illustrative price of having £40,000 a month early.



The point: £40,000 arrives roughly 28 days earlier than waiting to be paid. The fee is the price of those 28 days.

**Illustrative pricing: 1% disbursement fee (£400) plus a discount charge at 2% a month on £40,000 for 30 days (≈ £800). Actual advance rates and pricing vary by business, sector, customers and facility type.*



PART 5 OF 5

Your toolkit for Monday morning

- ▶ Five trigger phrases to listen for
- ▶ Seven questions that open the conversation
- ▶ The 30-second explanation - ready to use, word for word



05

Listen for these five triggers

- “Can we extend the overdraft?”

→ Asking about - or leaning on - short-term borrowing.
- “We’ve just won a big contract”

→ Growth, or a major win that needs funding before it pays.
- “Payroll week is always tight”

→ Wages go out weekly; customer payments arrive monthly.
- “The bank said no - not enough security”

→ Declined on security grounds despite a strong order book.
- “We’re juggling the VAT and the suppliers”

→ Stretching creditors to bridge the gap.

You don't need to be a product expert. Your job is pattern recognition plus a warm introduction - we do the rest.

Seven questions that open the conversation

1 Do customers pay you on credit terms?

2 How long do you usually wait to get paid?

← BEST OPENER

3 Are unpaid invoices limiting growth?

4 Do you need cash for suppliers, wages or new work?

5 Are you relying on overdrafts or short-term borrowing?

6 Are sales growing faster than your available cash?

7 Have you ever turned down work because of cash flow?

← BEST OPENER

Rule of thumb: *two or more “yes” answers - that’s a conversation worth having.*

THE 30-SECOND EXPLANATION - YOURS TO KEEP



You know how you wait 30, 60, sometimes 90 days for customers to pay? Invoice finance releases that money early. When you raise an invoice, a funder advances you most of its value - typically within a day or two. When your customer pays, you receive the rest, minus a fee. It isn't a loan you repay out of future cash flow - your customers' payments settle it. And because it's based on your invoicing, the funding grows automatically as your sales grow.

"It turns your unpaid invoices into this-week cash - and it grows as you grow."

Five things to remember

- 1 **Cash-flow gaps are structural** - even profitable, well-run B2B firms have them.
- 2 **It releases cash already earned** - an advance against issued invoices, not new debt repaid from future cash flow.
- 3 **Funding scales with sales** - built for growth, seasonality and big contract wins.
- 4 **The fit is specific** - B2B, credit terms, clean invoices, decent debtors. Not B2C or heavily conditional billing.
- 5 **The opportunity is in conversations you're already having** - listen for the triggers.

Spot the cue, make the introduction - that's the whole job.

WHAT HAPPENS NEXT

Next steps

STEP 01

Book a 15-minute intro call

020 3239 0699
info@cashbookfinance.co.uk

STEP 02

Got a client in mind?

Send a short, no-obligation outline - a quick view on fit, nothing formal.

STEP 03

In your inbox today

This deck, the one-page client handout, and the introducer pack.

“Bring us one client conversation this month. That's the whole ask.”

WORKING WITH
INDUSTRY MEMBERS

20% introducer commission, with clear payment terms, on every completed client referral.

Q & A

Your questions

Drop us a message - anything we can't verify live,
we'll confirm in the follow-up email.

 020 3239 0699

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 cashbookfinance.co.uk

Contact

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