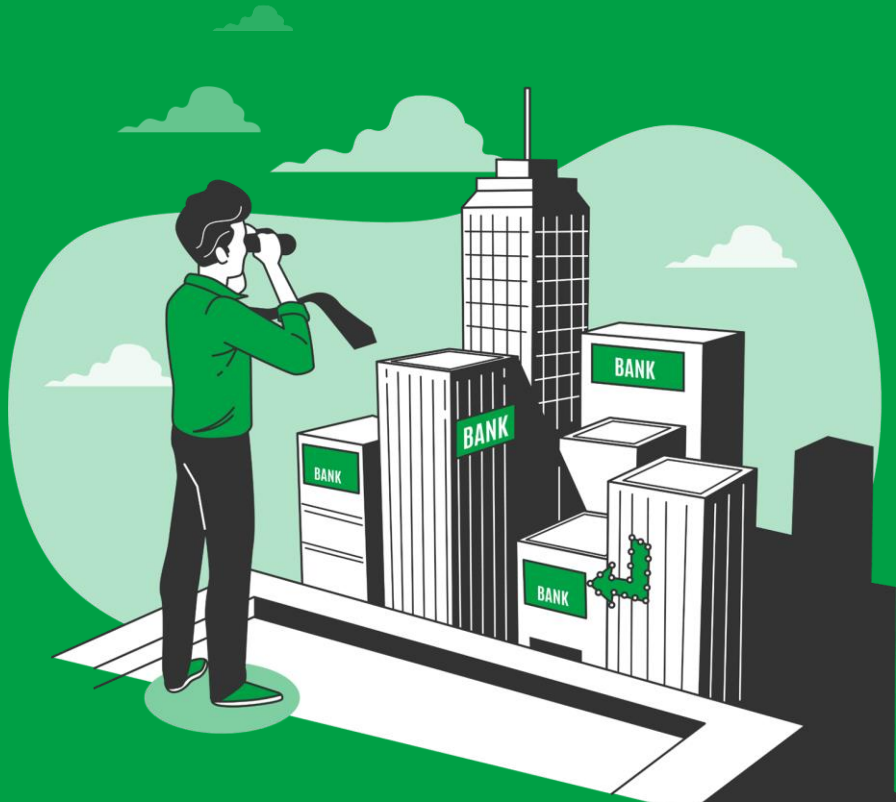
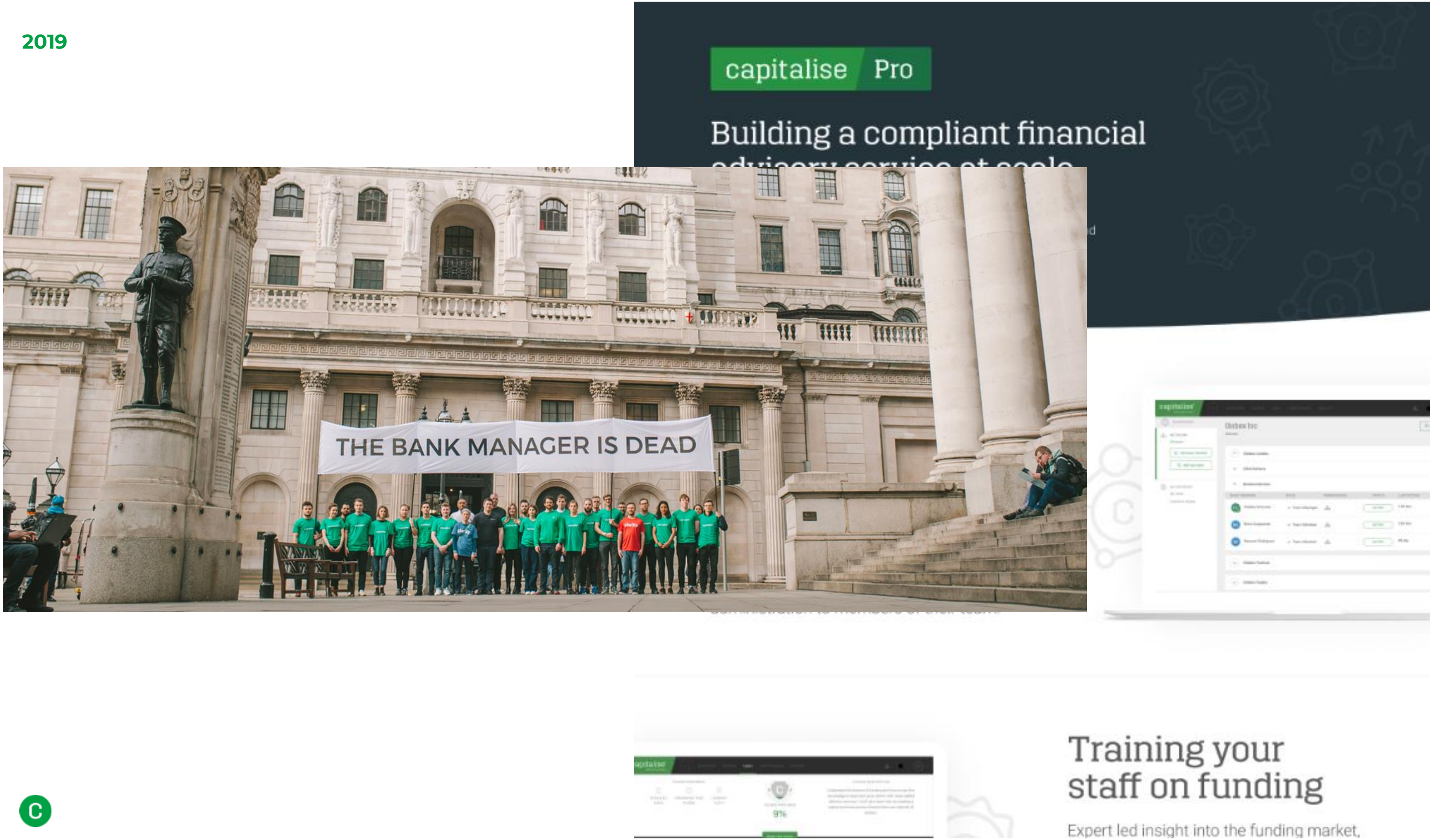
capitalise®

Macro to micro



PAUL SURTEES
CEO and Co-founder,
Capitalise

2019


capitalise Pro
Building a compliant financial
THE BANK MANAGER IS DEAD
Training your staff on funding
Expert led insight into the funding market,

CONQUERING THE CRISIS

#LeaveNoBusinessBehind

The accountancy community has come together to call on all businesses to start planning for survival. Join ACCA, AVN, Accountex, AccountingWeb, Clarity, The Corporate Finance Network and Capitalise in the campaign to make sure that we #LeaveNoBusinessBehind.

2021


NEWS

Home | Coronavirus | Climate | UK | World | Business | Politics | Tech | Science | Health | Family & Educatior

Business | Your Money | Market Data | Companies | Economy | Global Car Industry | Business of Sport

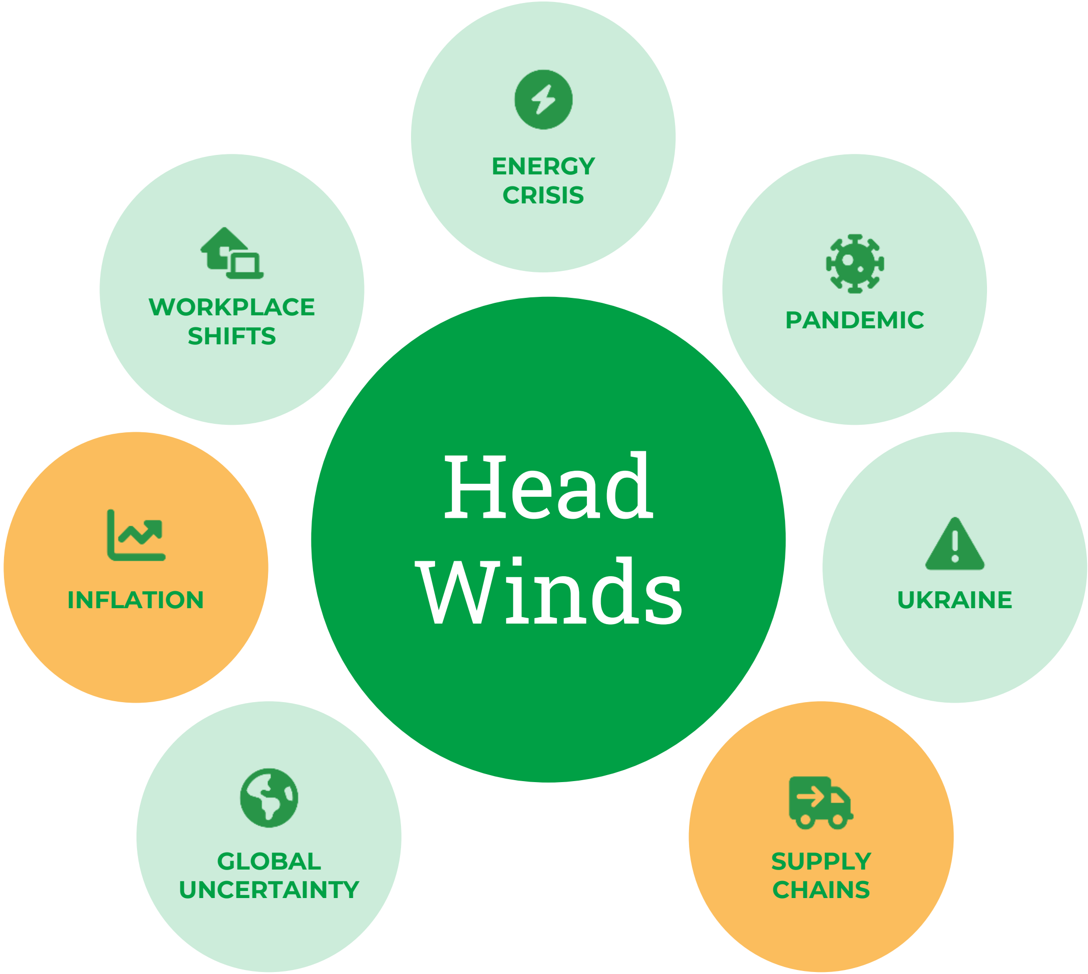
Inflation: UK prices soar at fastest rate for almost ten years

By Daniel Thomas
Business reporter, BBC News

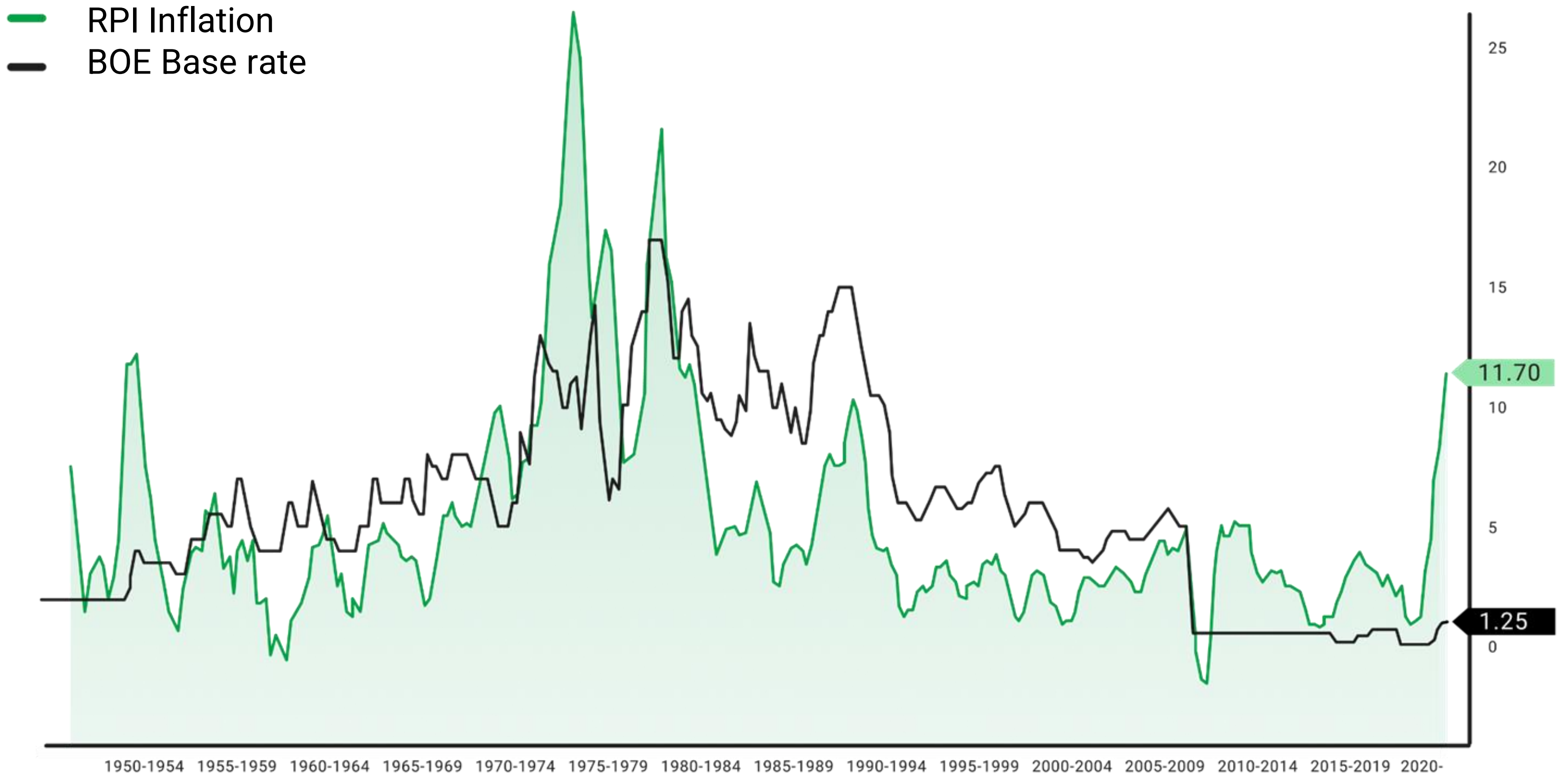
3 hours ago | Comments

GETTY IMAGES

2022 Q1

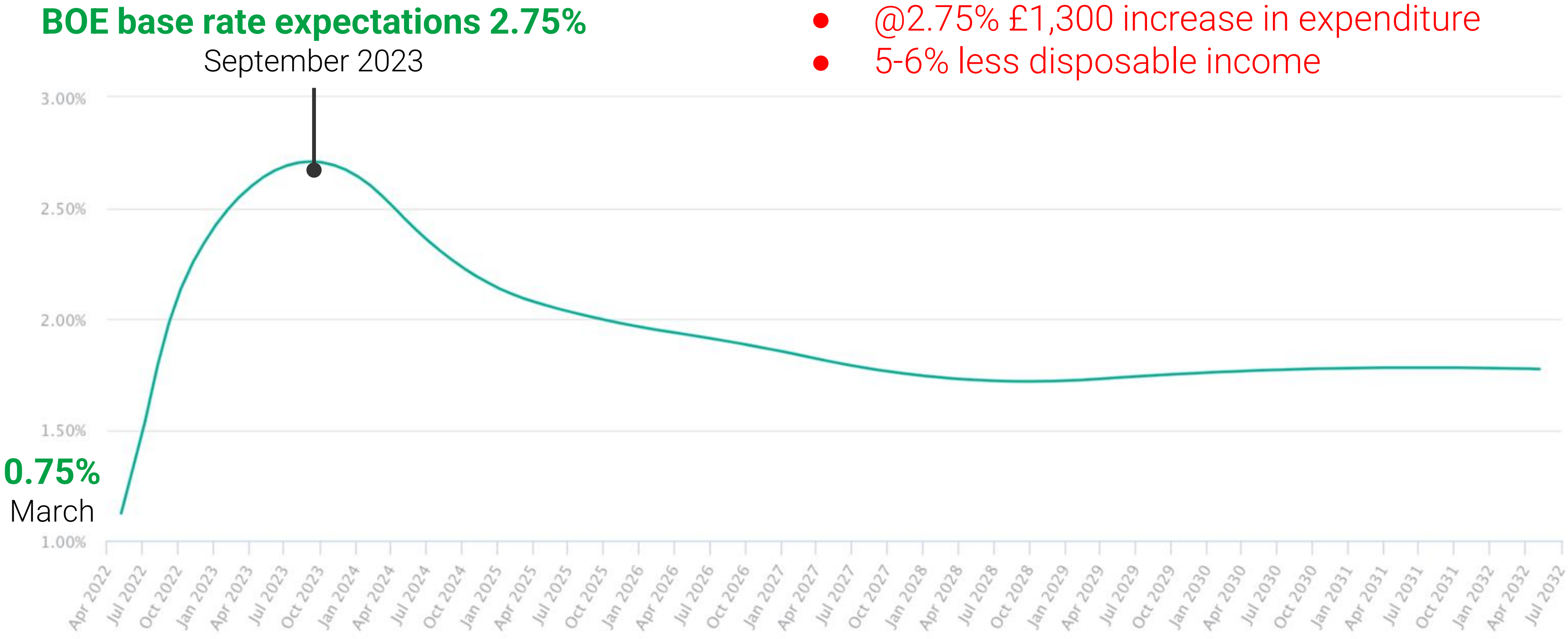

Head Winds
ENERGY CRISIS
PANDEMIC
UKRAINE
SUPPLY CHAINS
GLOBAL UNCERTAINTY
INFLATION
WORKPLACE SHIFTS

2022 Q1


RPI Inflation
BOE Base rate
25
20
15
11.70
10
5
1.25
0
1950-1954
1955-1959
1960-1964
1965-1969
1970-1974
1975-1979
1980-1984
1985-1989
1990-1994
1995-1999
2000-2004
2005-2009
2010-2014
2015-2019
2020-

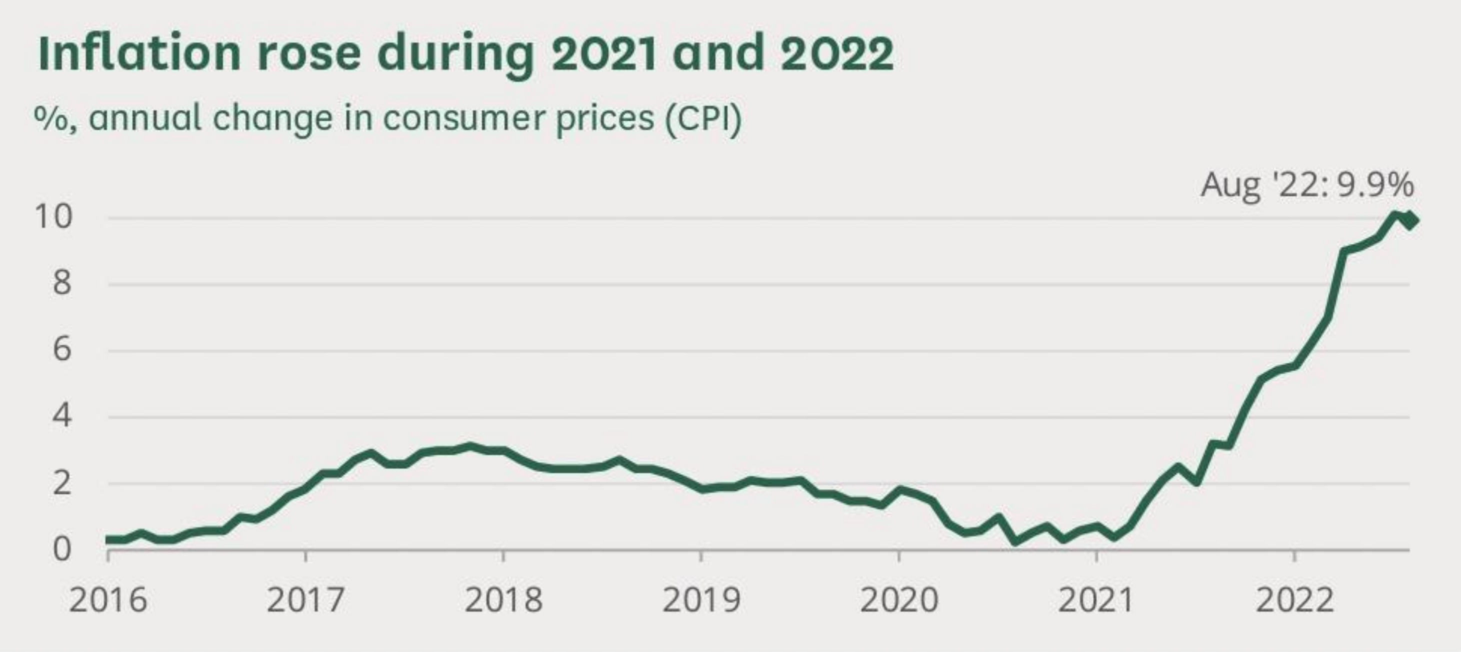
Bank base rate - market expectations

- Average Mortgage £130-150k
- @2.75% £1,300 increase in expenditure
- 5-6% less disposable income



2022 Q1

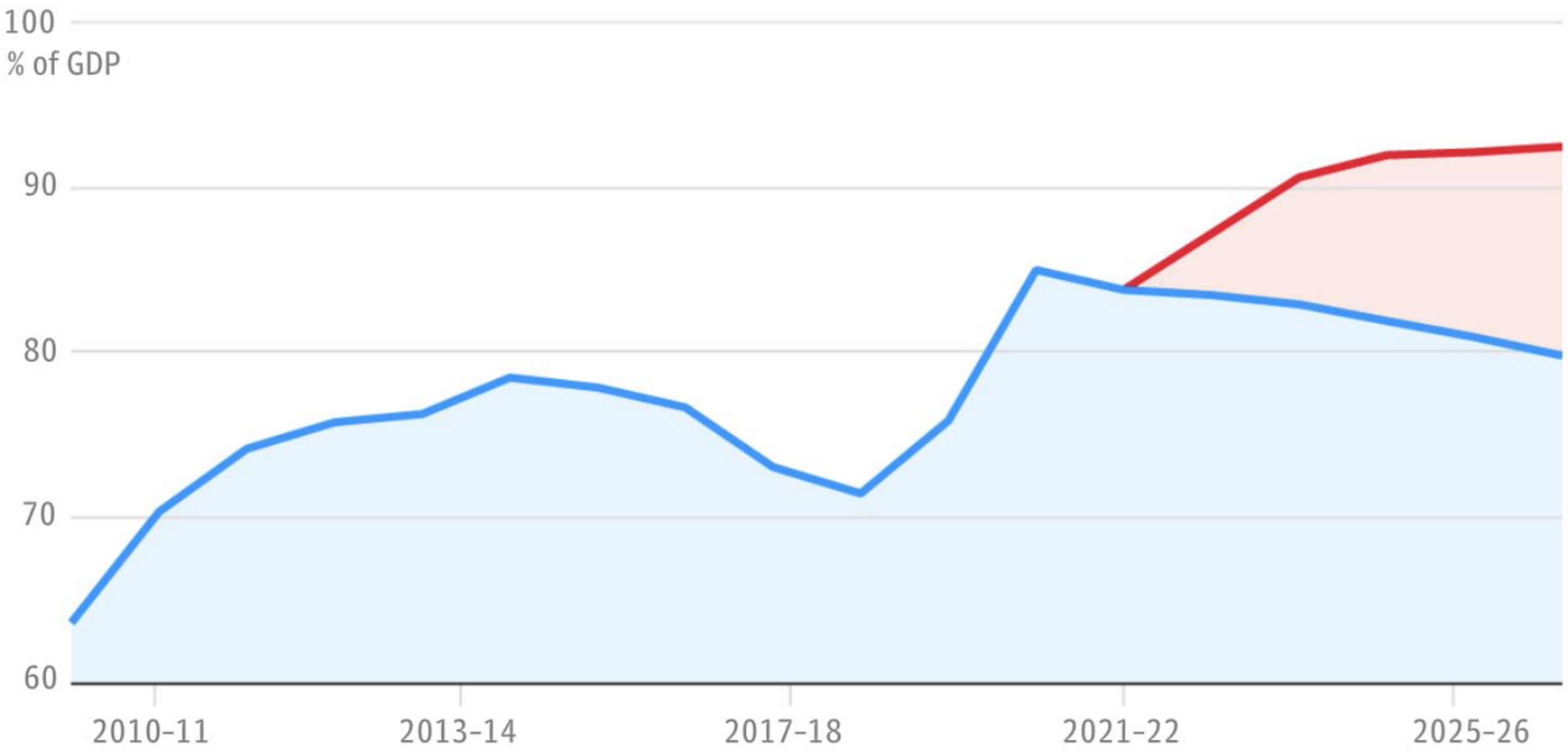
Huge GBP/USD moves



Source: ONS, CPI annual inflation rate, series D7G7 [14 September 2022 update]

THE ‘MINI-BUDGET”

MINI - BUDGET BORROWING TO BALLOON



SOURCE: OBR, CAPITAL ECONOMICS

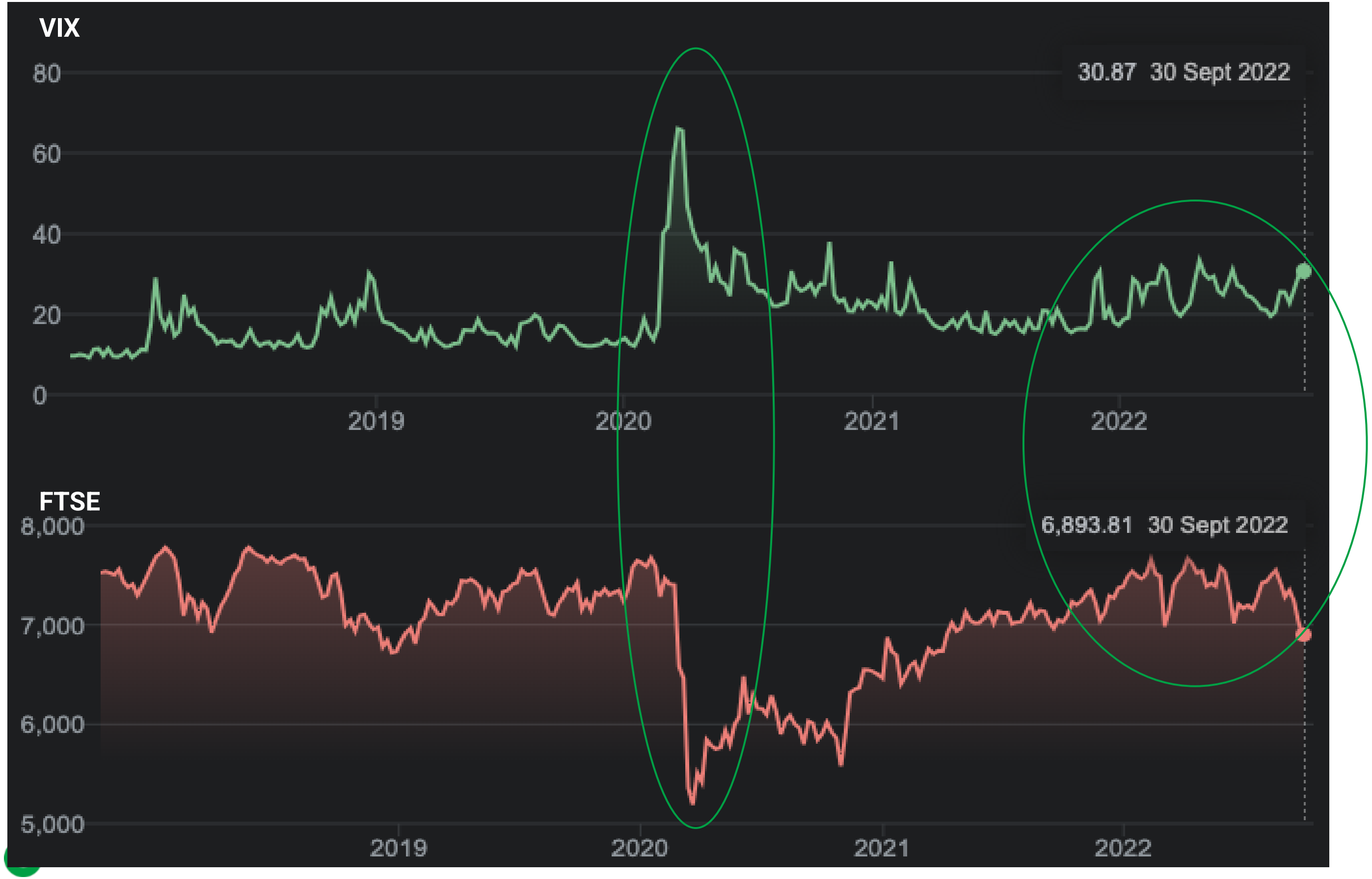
HM TREASURY

VS

VS

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

CLASH OF THE TITANS



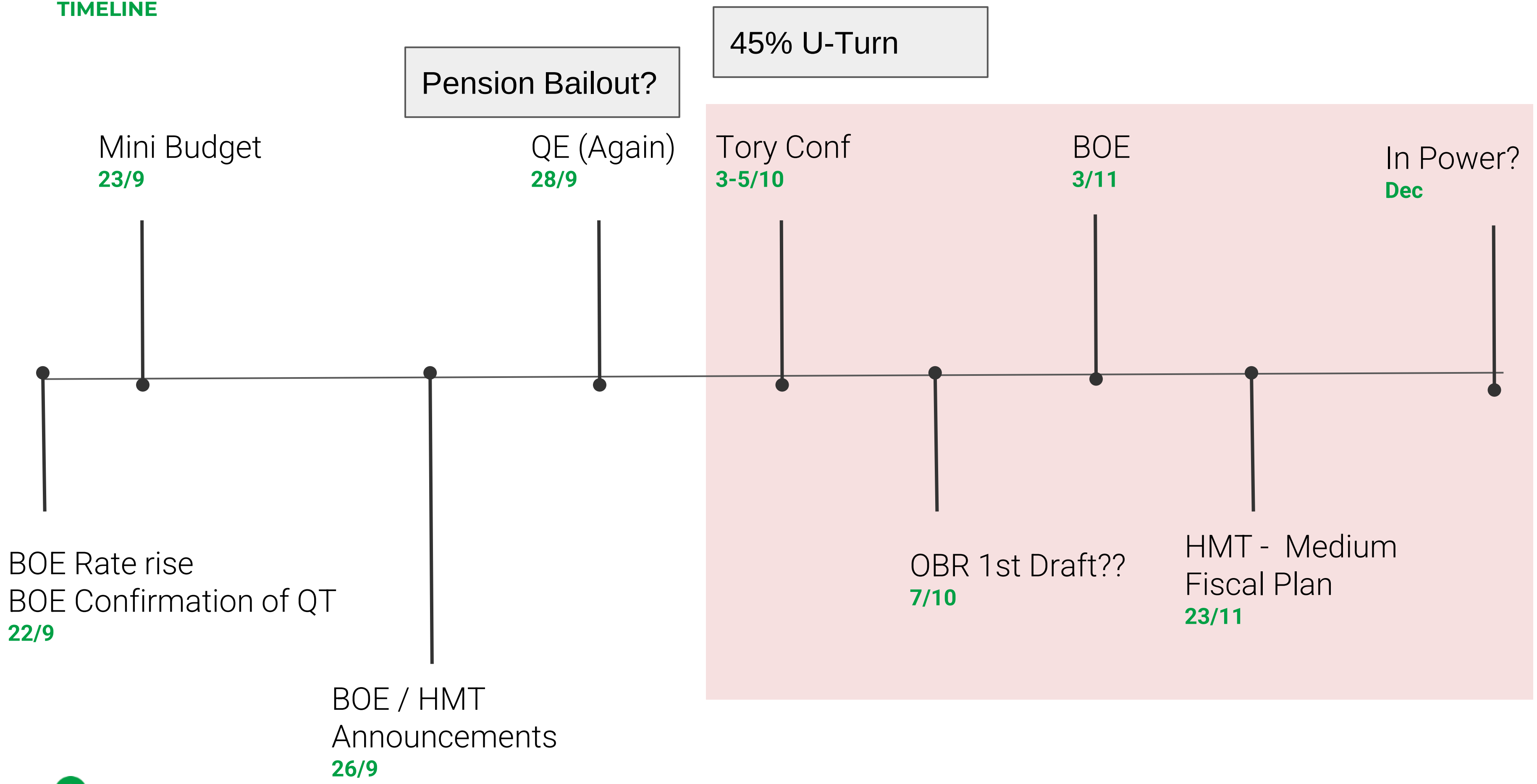
Fear

Fear Up - **Market Down**

Market

WHATEVER IT TAKES

TIMELINE


Pension Bailout?
45% U-Turn
BOE Rate rise
BOE Confirmation of QT
22/9
Mini Budget
23/9
BOE / HMT
Announcements
26/9
QE (Again)
28/9
Tory Conf
3-5/10
OBR 1st Draft??
7/10
BOE
3/11
HMT - Medium
Fiscal Plan
23/11
In Power?
Dec

Moody's threatens to downgrade UK credit rating after tax cuts

S&P puts UK credit rating on notice with 'negative outlook'

Agency cited 'additional risks' in lending to the country following Kwasi Kwarteng's mini-Budget

Fitch Revises the United Kingdom's Outlook to Negative; Affirms at 'AA-

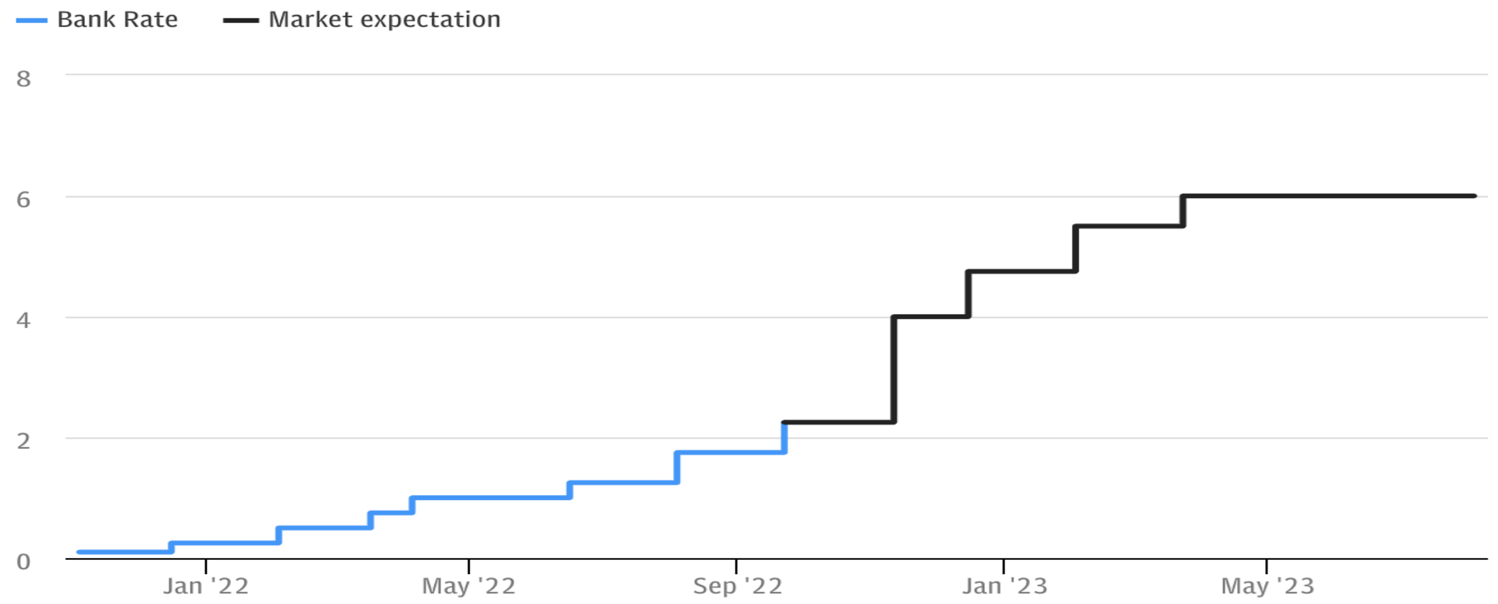
Bank base rate - market expectations

BOE BASE RATE - 2.25%
September 2023

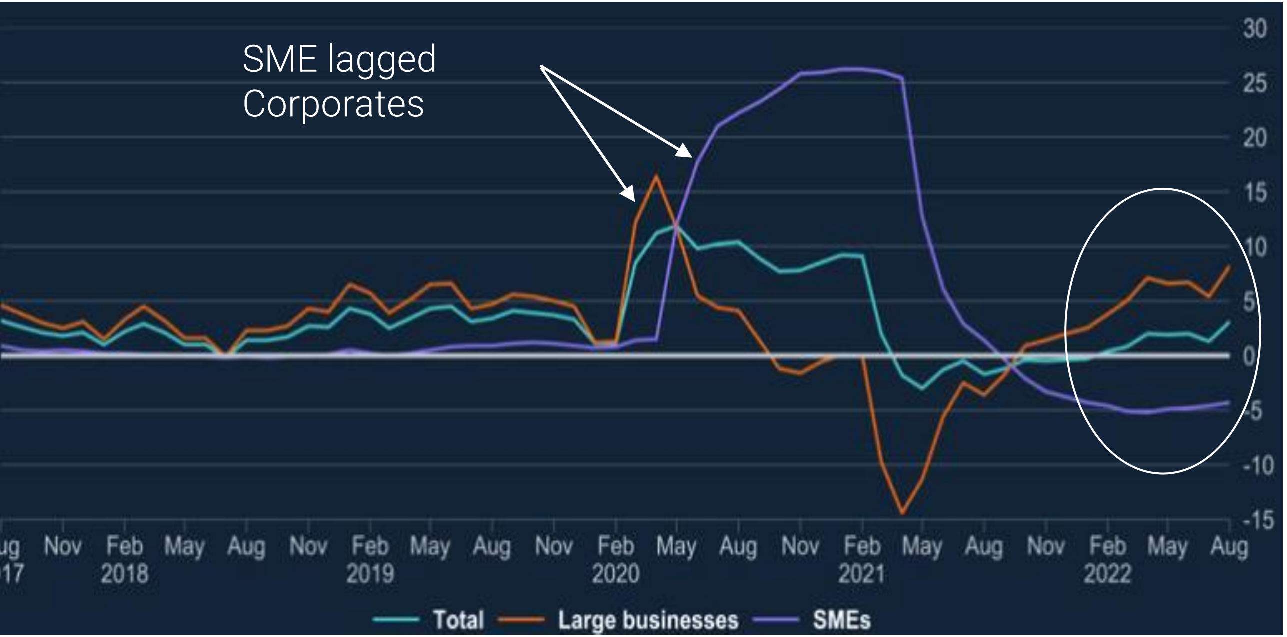
AVG. MORTGAGE
£130-150k

@6%
£7,875 increase in expenditure

30%
less disposable income



SOURCE: BLOOMBERG



Increase from July to August

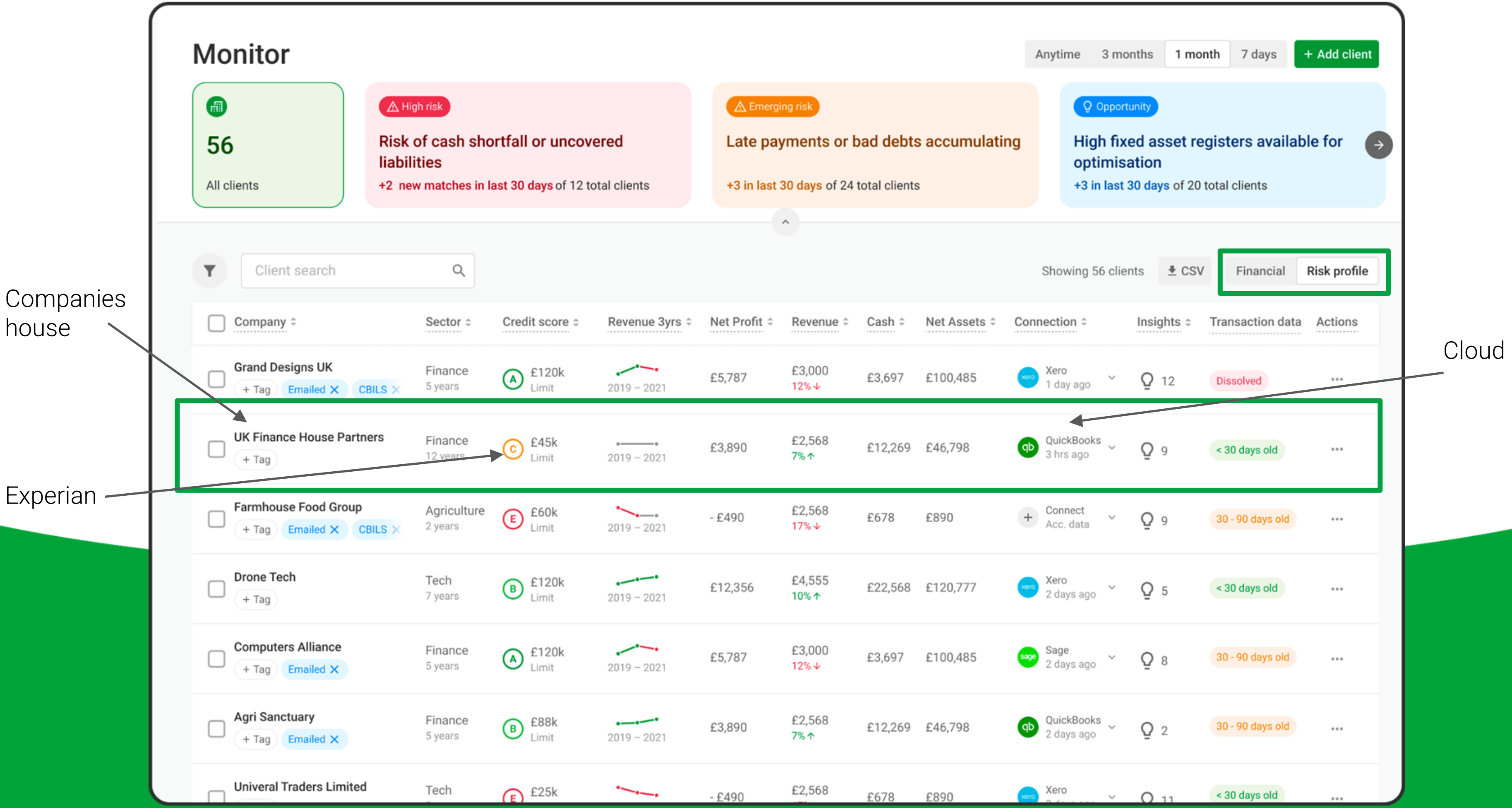
- Corporate borrowing 2.8 - 8.2%
- SME -5.1% to -4.8%

SUPPLY / DEMAND DYNAMIC

Landscape	Volatile	1 in 3 <6 mths	27% insolvencies	Lending Products
Funding	Funding Demand	45% Urgency	Stable arrears	Affordability Required
Credit	9% Credit Scores	Credit hurdle	6x more likely	

HOW CAN WE HELP?

MONITOR

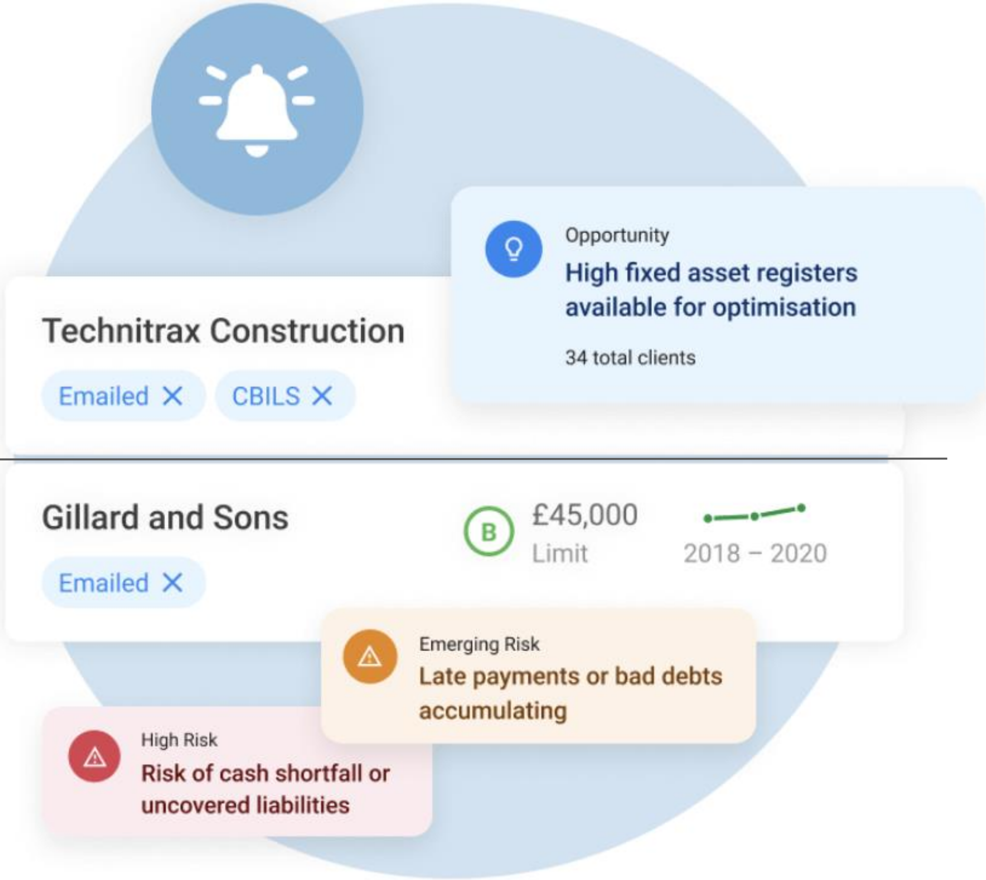


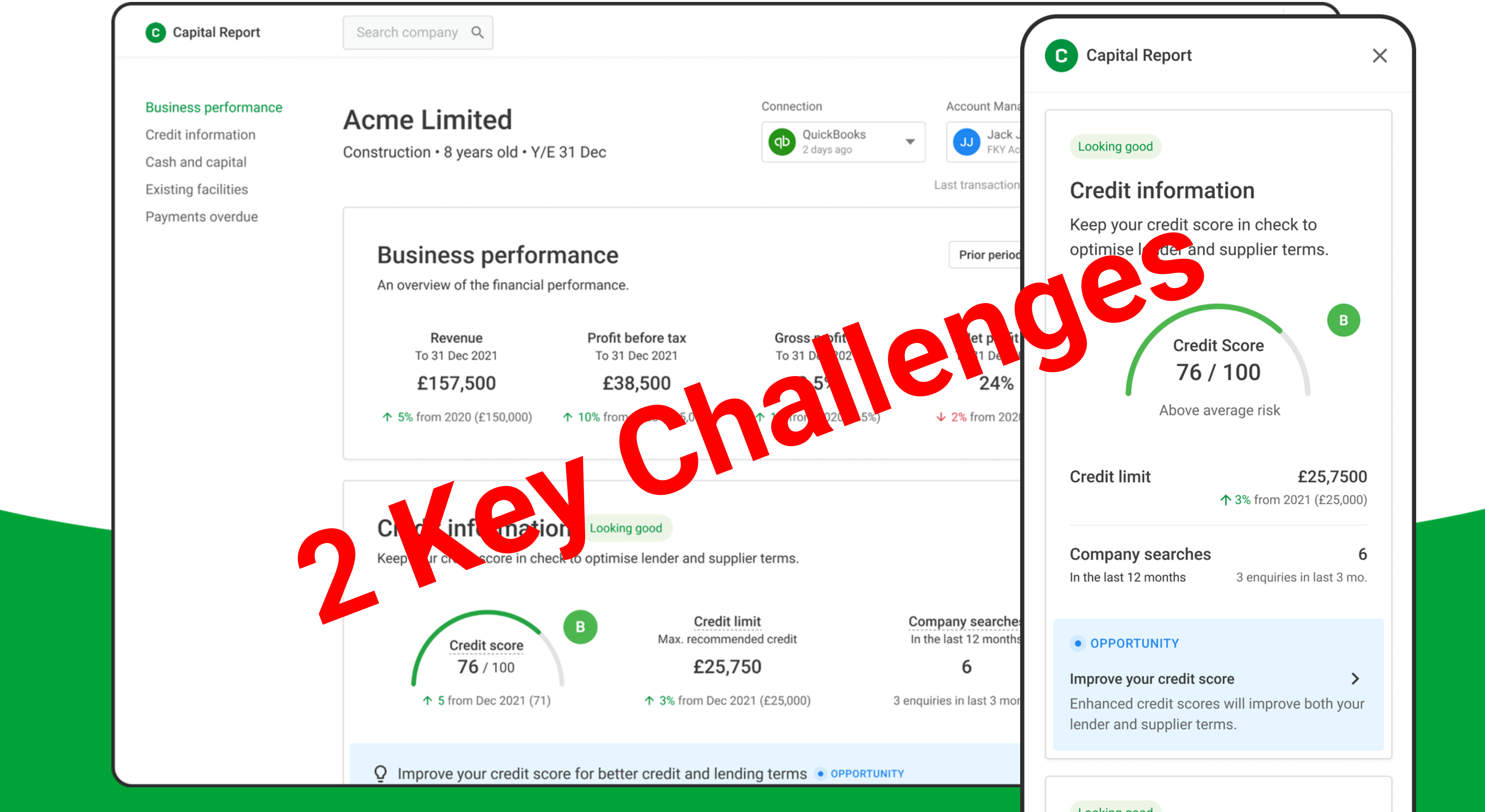
Companies house
Experian
Cloud
Monitor
Anytime
3 months
1 month
7 days
+ Add client
56
All clients
High risk
Risk of cash shortfall or uncovered liabilities
+2 new matches in last 30 days of 12 total clients
Emerging risk
Late payments or bad debts accumulating
+3 in last 30 days of 24 total clients
Opportunity
High fixed asset registers available for optimisation
+3 in last 30 days of 20 total clients
Client search
Showing 56 clients
CSV
Financial
Risk profile
Company
Sector
Credit score
Revenue 3yrs
Net Profit
Revenue
Cash
Net Assets
Connection
Insights
Transaction data
Actions
Grand Designs UK
+ Tag
Emailed
CBILS
Finance
5 years
£120k
Limit
2019 – 2021
£5,787
£3,000
12%
£3,697
£100,485
Xero
1 day ago
12
Dissolved
UK Finance House Partners
+ Tag
Finance
12 years
£45k
Limit
2019 – 2021
£3,890
£2,568
7%
£12,269
£46,798
QuickBooks
3 hrs ago
9
< 30 days old
Farmhouse Food Group
+ Tag
Emailed
CBILS
Agriculture
2 years
£60k
Limit
2019 – 2021
- £490
£2,568
17%
£678
£890
Connect
Acc. data
9
30 - 90 days old
Drone Tech
+ Tag
Tech
7 years
£120k
Limit
2019 – 2021
£12,356
£4,555
10%
£22,568
£120,777
Xero
2 days ago
5
< 30 days old
Computers Alliance
+ Tag
Emailed
Finance
5 years
£120k
Limit
2019 – 2021
£5,787
£3,000
12%
£3,697
£100,485
Sage
2 days ago
8
30 - 90 days old
Agri Sanctuary
+ Tag
Emailed
Finance
5 years
£88k
Limit
2019 – 2021
£3,890
£2,568
7%
£12,269
£46,798
QuickBooks
2 days ago
2
30 - 90 days old
Univeral Traders Limited
Tech
£25k
- £490
£2,568
£678
£890
Xero
11
< 30 days old

MONITOR

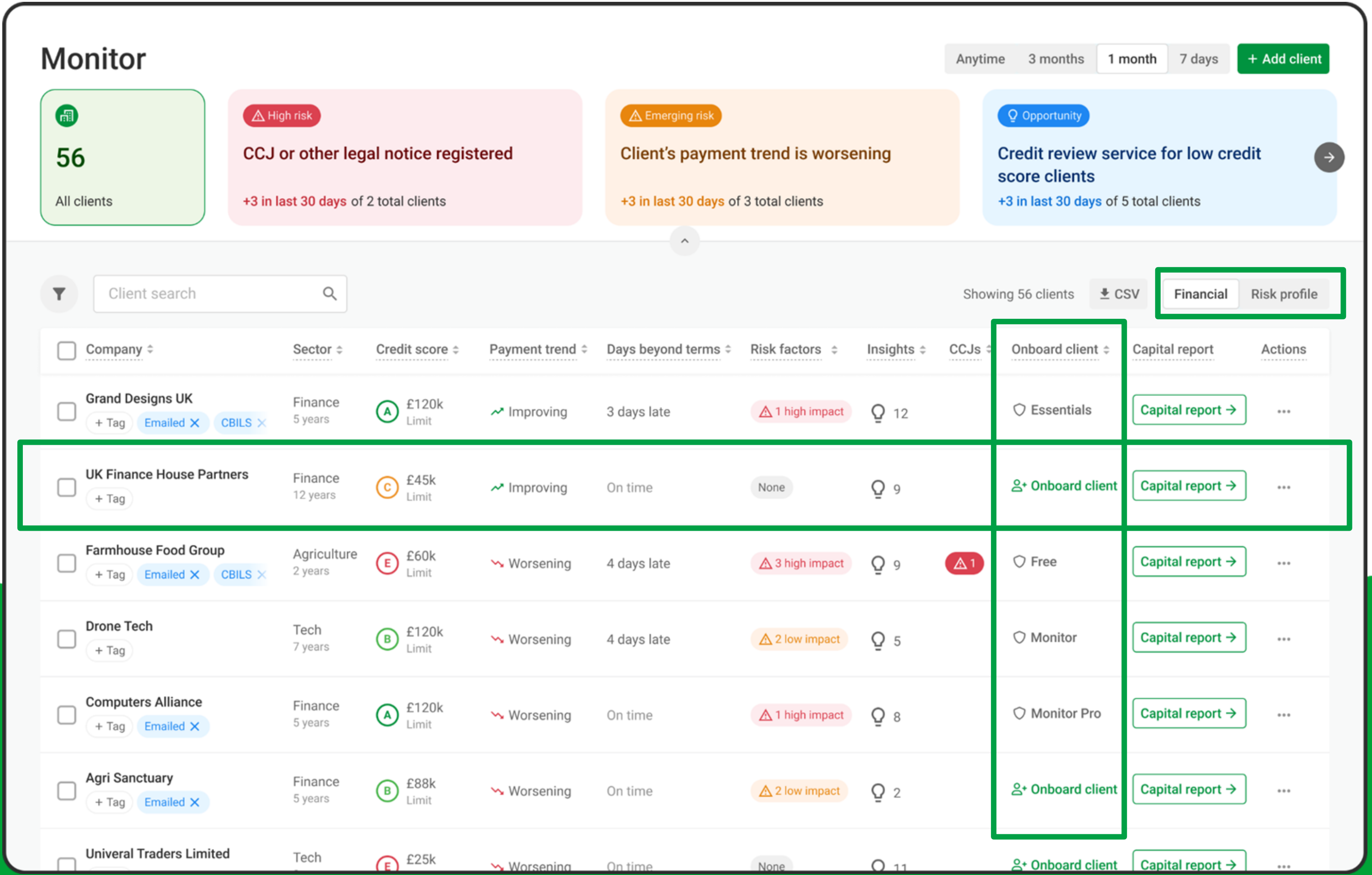
Opportunities

Risks




2 Key Challenges
Capital Report
Search company
Business performance
Credit information
Cash and capital
Existing facilities
Payments overdue
Acme Limited
Construction • 8 years old • Y/E 31 Dec
Connection
QuickBooks
2 days ago
Business performance
An overview of the financial performance.
Revenue
To 31 Dec 2021
£157,500
5% from 2020 (£150,000)
Profit before tax
To 31 Dec 2021
£38,500
24%
Looking good
Credit score
76 / 100
5 from Dec 2021 (71)
Credit limit
Max. recommended credit
£25,750
3% from Dec 2021 (£25,000)
6
Improve your credit score for better credit and lending terms
OPPORTUNITY
Capital Report
Looking good
Credit information
Keep your credit score in check to optimise lender and supplier terms.
B
Credit Score
76 / 100
Above average risk
Credit limit
£25,7500
3% from 2021 (£25,000)
Company searches
6
In the last 12 months
3 enquiries in last 3 mo.
OPPORTUNITY
Improve your credit score
Enhanced credit scores will improve both your lender and supplier terms.

MONITOR


Monitor
Anytime
3 months
1 month
7 days
+ Add client
56
All clients
High risk
CCJ or other legal notice registered
+3 in last 30 days of 2 total clients
Emerging risk
Client's payment trend is worsening
+3 in last 30 days of 3 total clients
Opportunity
Credit review service for low credit score clients
+3 in last 30 days of 5 total clients
Client search
Showing 56 clients
CSV
Financial
Risk profile
Company
Sector
Credit score
Payment trend
Days beyond terms
Risk factors
Insights
CCJs
Onboard client
Capital report
Actions
Grand Designs UK
+ Tag
Emailed
CBILS
Finance 5 years
A £120k Limit
Improving
3 days late
1 high impact
12
Essentials
Capital report
UK Finance House Partners
+ Tag
Finance 12 years
C £45k Limit
Improving
On time
None
9
Onboard client
Capital report
Farmhouse Food Group
+ Tag
Emailed
CBILS
Agriculture 2 years
E £60k Limit
Worsening
4 days late
3 high impact
9
1
Free
Capital report
Drone Tech
+ Tag
Tech 7 years
B £120k Limit
Worsening
4 days late
2 low impact
5
Monitor
Capital report
Computers Alliance
+ Tag
Emailed
Finance 5 years
A £120k Limit
Worsening
On time
1 high impact
8
Monitor Pro
Capital report
Agri Sanctuary
+ Tag
Emailed
Finance 5 years
B £88k Limit
Worsening
On time
2 low impact
2
Onboard client
Capital report
Univeral Traders Limited
Tech
E £25k
Worsening
On time
None
11
Onboard client
Capital report

POLL TIME

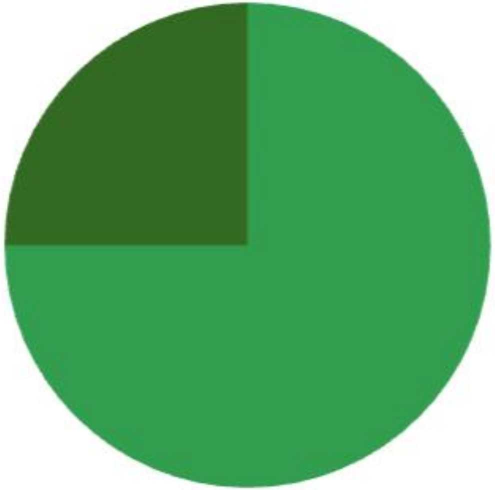
What % of your SME clients does your firm believe are "A" clients for which you offer a full advisory service?

Split Strategy

FD
High touch advisory

- 20% clients
- Portfolio Reviews
- Accountant manages
    - Funding
    - Credit Insights
    - Credit Review Service
    - Debt recovery

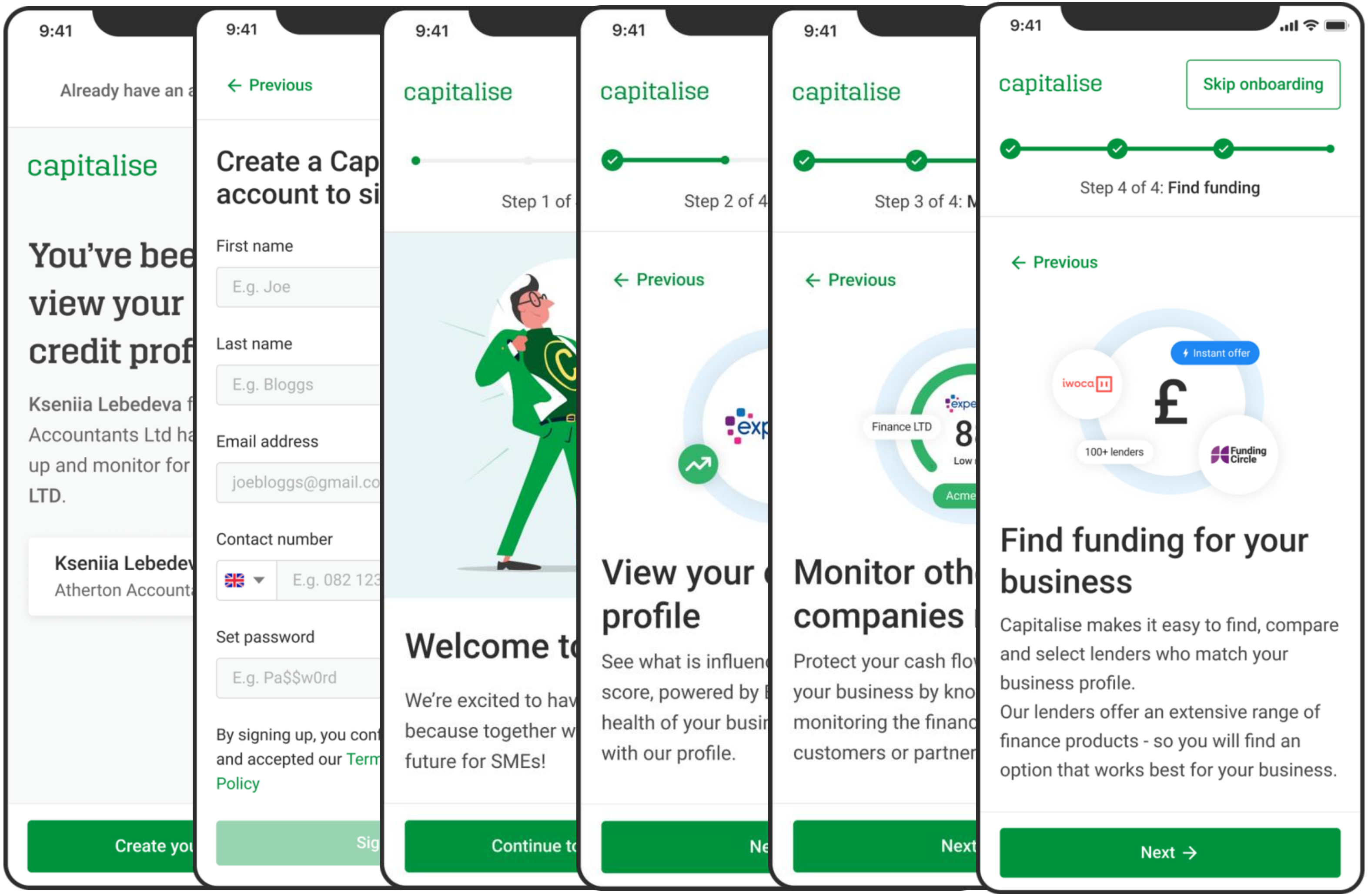
InHouse

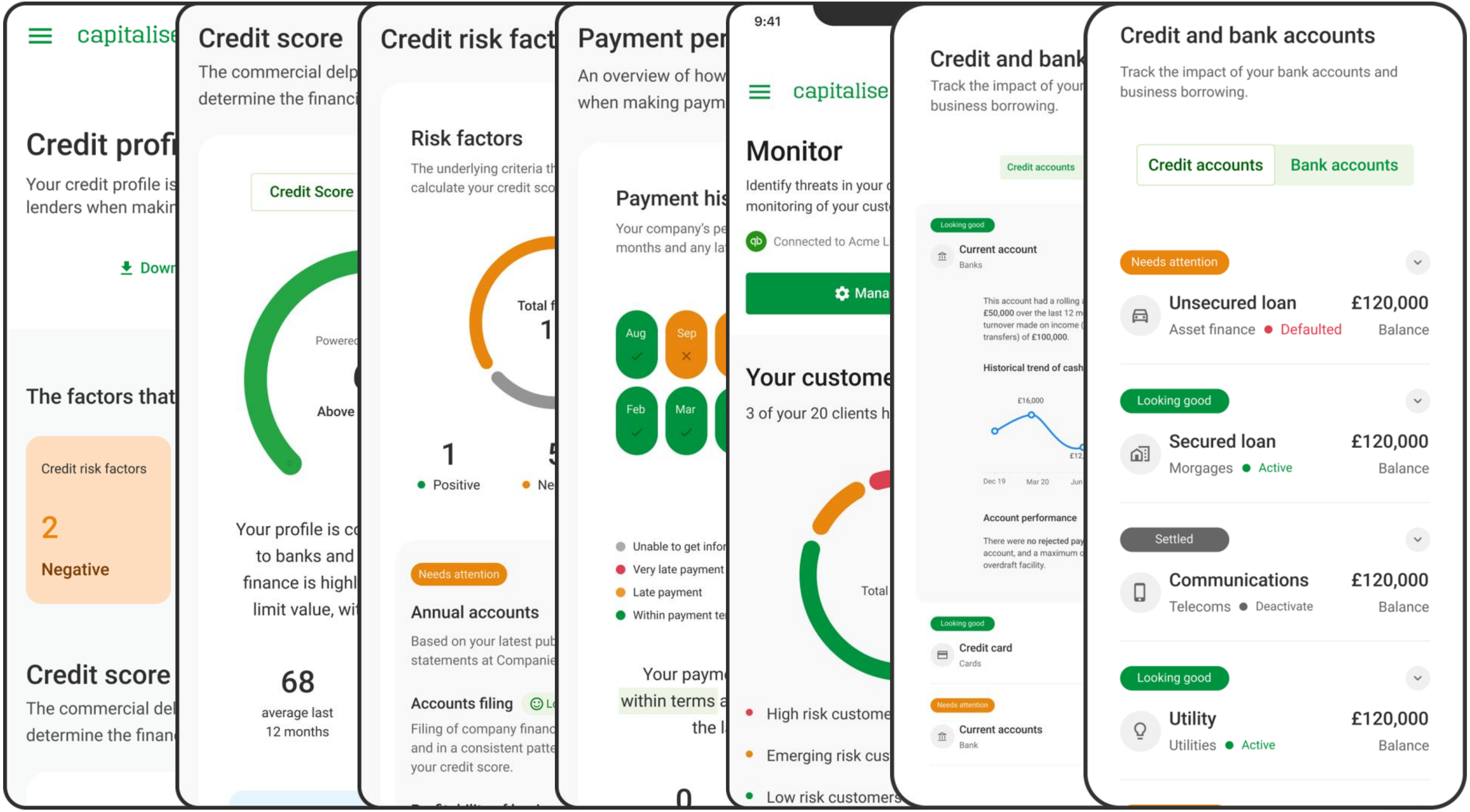


Compliance
Low Touch

- 80% clients
- Targeted onboarding
- Capitalise manage
    - Funding
    - Credit Insights
    - Credit Review Service
    - Debt Recovery

Outsource


9:41
Already have an a
capitalise
You've bee
view your
credit prof
Kseniia Lebedeva f
Accountants Ltd ha
up and monitor for
LTD.
Kseniia Lebedev
Atherton Account
Create yo
9:41
Previous
Create a Cap
account to si
First name
E.g. Joe
Last name
E.g. Bloggs
Email address
joebloggs@gmail.co
Contact number
E.g. 082 123
Set password
E.g. Pa$$w0rd
By signing up, you con
and accepted our Term
Policy
Sig
9:41
capitalise
Step 1 of
Welcome t
We're excited to hav
because together w
future for SMEs!
Continue t
9:41
capitalise
Step 2 of 4
Previous
View your
profile
See what is influen
score, powered by
health of your busi
with our profile.
Ne
9:41
capitalise
Step 3 of 4: M
Previous
Finance LTD
Low
Acme
Monitor oth
companies
Protect your cash flo
your business by kno
monitoring the financ
customers or partner
Next
9:41
capitalise
Skip onboarding
Step 4 of 4: Find funding
Previous
Instant offer
iwoca
£
100+ lenders
Funding Circle
Find funding for your business
Capitalise makes it easy to find, compare and select lenders who match your business profile.
Our lenders offer an extensive range of finance products - so you will find an option that works best for your business.
Next



capitalise
Credit profi
Your credit profile is
lenders when makin
Dowr
The factors that
Credit risk factors
2
Negative
Credit score
The commercial del
determine the finan
Credit score
The commercial delp
determine the financi
Credit Score
Powered
Above
Your profile is c
to banks and
finance is highl
limit value, wi
68
average last
12 months
Credit risk fact
Risk factors
The underlying criteria th
calculate your credit sco
Total f
1
Positive
Ne
Needs attention
Annual accounts
Based on your latest pub
statements at Companie
Accounts filing
Filing of company financ
and in a consistent patte
your credit score.
Payment per
An overview of how
when making paym
Payment his
Your company's pe
months and any la
Aug
Sep
Feb
Mar
Unable to get infor
Very late payment
Late payment
Within payment te
Your paym
within terms a
the l
0
9:41
capitalise
Monitor
Identify threats in your c
monitoring of your custo
Connected to Acme L
Mana
Your custome
3 of your 20 clients h
Total
High risk custome
Emerging risk cus
Low risk customers
Credit and bank
Track the impact of your
business borrowing.
Credit accounts
Looking good
Current account
Banks
This account had a rolling
£50,000 over the last 12 m
turnover made on income
transfers) of £100,000.
Historical trend of cash
£16,000
£12,
Dec 19
Mar 20
Jun
Account performance
There were no rejected pay
account, and a maximum
overdraft facility.
Looking good
Credit card
Cards
Needs attention
Current accounts
Bank
Credit and bank accounts
Track the impact of your bank accounts and
business borrowing.
Credit accounts
Bank accounts
Needs attention
Unsecured loan
£120,000
Asset finance
Defaulted
Balance
Looking good
Secured loan
£120,000
Morgages
Active
Balance
Settled
Communications
£120,000
Telecoms
Deactivate
Balance
Looking good
Utility
£120,000
Utilities
Active
Balance

FINAL THOUGHTS

Landscape	Volatile	1 in 3 <6 mths	27% insolvencies	Lending Products
Funding	Funding Demand	45% Urgency	Stable arrears	Affordability Required
Credit	9% Credit Scores	Credit hurdle	6x more likely	

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CEO and Co-founder,
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