SAMPLE RESULTS · WORKED EXAMPLE

Funding Readiness Quiz

How ready does Brightwater look to a lender, and what should it fix before it applies?

MEET BRIGHTWATER FABRICATIONS

A fictional sheet-metal fabricator that sells to other businesses on 30–60 day terms. It's profitable and busy, and the owner wants to grow. We use it in our Levers for Growth guide and as the example in every Castle FD tool.

Annual sales	£4,000,000
Gross margin	40%
Overheads	£1,200,000
Operating profit	£400,000
Debtor / stock / creditor days	60 / 45 / 40
Cash in the bank	£250,000

What Brightwater answered

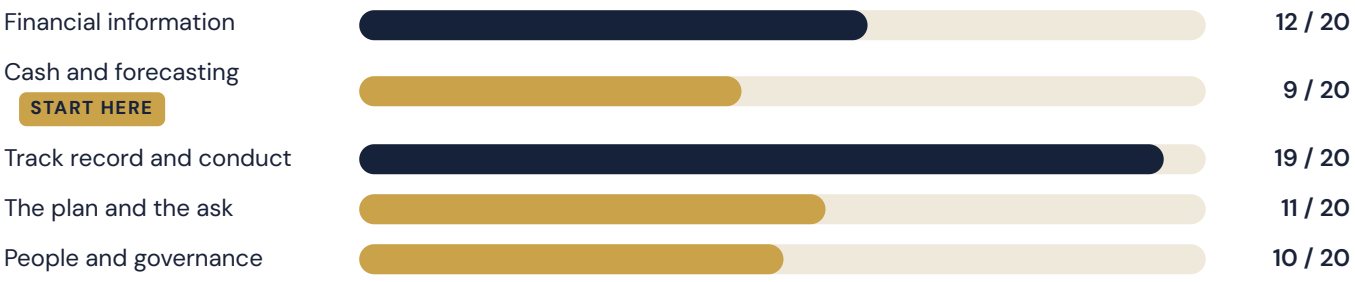
Part 1, its situation: money for growth (people, markets, marketing), £150k to £1m needed, trading for more than five years, profitable with cash flow that would cover repayments, sells to businesses on credit terms, no tax arrears.
Part 2, its readiness: 20 statements across the five areas lenders check, each scored 0 to 5.

61 / 100
"Nearly there." Close the gaps first; you'll get better terms.

19 / 20
track record and conduct, its strongest area

9 / 20
cash and forecasting, where a lender will push hardest

How each area scored



Any area below 12 out of 20 is where a lender will push hardest.

Brightwater Fabrications is a fictional business. Figures are illustrative and were produced by the free tool from the answers shown. Not financial advice: individual circumstances vary. Lender criteria vary and change. Castle FD is not a lender or credit broker.

Funding likely to fit

Term loan. Repaid from trading cash flow over a fixed term. (Funding Handbook p. 11)

Government-backed loan. The Growth Guarantee Scheme can help viable businesses outside a lender's normal criteria. (Funding Handbook p. 22)

From the decision tree in the UK SME Funding Handbook, based on Brightwater's answers. A starting point for the conversation, not a recommendation.

Fix these first

1. Build a 13-week rolling cash forecast and update it weekly. (scored 1)
2. Prepare a three-year integrated forecast with a downside case. (scored 2)
3. Hold a monthly management meeting with a standard board pack. (scored 2)
4. Have someone with senior finance experience lead the lender conversations. (scored 2)
5. Show the repayment story year by year, with debt service cover. (scored 2)

What the scores mean

Score	Rating	What to do
80–100	Funding ready	Approach lenders with confidence and compare terms.
60–79	**Nearly there**	**Close the gaps first; you'll get better terms. Brightwater: 61**
40–59	Prepare before you apply	Allow two to three months.
Under 40	Foundations first	Start with accounts and forecasts.

What Brightwater did next

Before approaching its bank, it built a 13-week cash forecast and a three-year forecast with a downside case, and started a monthly management meeting with a standard board pack. Six weeks later it re-took the quiz and scored 74.

TRY IT ON YOUR OWN NUMBERS

Take the Funding Readiness Quiz

castlefd.com/funding-readiness

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