The Professional Partner Funding Guide

Working with Partners to Fund
UK Business Growth

PINNACLE
Business Finance

About us

Pinnacle Business Finance is a UK-based commercial finance brokerage working with SME business owners across the country. We help source a wide range of funding options to support growth, acquisitions and day-to-day business needs.

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Business Loans

Unsecured Business Loans

What is it?

An unsecured business loan provides funding without collateral. Lenders assess financial performance and may request a personal guarantee.

Why choose an unsecured loan?

- Fast access to funds
- Ideal for strong credit profiles
- Suitable for smaller loan amounts
- No assets at risk

Best for businesses needing quick, flexible funding without offering security.

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Secured Business Loans

A secured business loan can be accessed by business owners who can offer security such as property, equipment or any other tangible asset. Rates are typically lower and terms are longer, up to 10 years.

Key Features

- Backed by business or personal assets
- Lower rates compared to unsecured loans
- Higher loan amounts available
- Longer repayment terms
- Suitable for larger or asset-backed funding needs

Best for businesses with valuable assets seeking lower-cost, higher-value finance.

Tax Loans

A short-term funding solution to spread the cost of Corporation Tax, Self-Assessment, or VAT bills.

Why businesses use it:

- Fast decisions
- Simple application (no projections)
- No PGs under £150k
- Unsecured—won't impact other credit lines
- Fixed fee spread over the term

Corporation Tax & Self-Assessment

- 6, 10, or 12-month terms
- HMRC paid directly
- Reimbursements possible with proof of payment

VAT Loans

- 3-month repayment
- VAT paid to HMRC directly

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Commercial Property Finance

Commercial Mortgages

What is it?

A commercial mortgage is essentially a secured business loan used to buy or refinance commercial property. If the business fails, the lender can take ownership of the property to settle the debt.

Why choose it?

- Helps businesses secure the property they operate from
- Useful for companies that are expanding
- Allows you to own rather than rent, which can be costly and a weaker investment
- Pinnacle handles the legwork through existing lender relationships and negotiation experience

Key Features

- Most lenders require at least a 30% deposit.
- Lenders assess affordability, so accounts must be up to date
- You become the landlord, and maintenance & repairs are your responsibility
- Consider suitability now and for the future, as fast-growing businesses may outgrow premises
- Commercial mortgages typically run over 25-30 years

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Bridging Loans

Bridging loans provide short-term property finance, helping bridge the gap between buying and selling while longer-term funding is arranged. Ideal where speed is essential, such as auction purchases or time-sensitive commercial opportunities.

At Pinnacle Business Finance, we help clients access fast bridging finance through specialist lenders and extensive experience in short-term property funding.

Who are Bridging Loans for?

Commonly used by:

- Business owners or investors needing to complete quickly
- Property developers funding short-term acquisitions
- Buyers awaiting sale proceeds from another property

Typical use: purchasing, renovating, then selling or refinancing before disposal of an existing asset.

Key Features

- Minimum loan size: £50,000
- Short-term finance for temporary funding needs
- Fast completion vs traditional commercial mortgages
- Flexible structures aligned to your exit strategy

Development Finance

Development property finance can be accessed by property developers and investors to help fund the construction, refurbishment, or redevelopment of properties. Unlike standard mortgages for buying residential homes, development finance is specifically designed to cover the costs associated with turning a plot of land or an existing property into a completed, sellable, or rentable property.

This type of finance is particularly important in the UK property market, where demand for residential and commercial properties is high, and development projects can require substantial upfront investment before any returns are received.

Who Uses Development Property Finance?

- Property developers - Building new homes, apartments, or commercial properties.
- Buy-to-sell investors - Renovating properties to sell at a profit.
- Property flippers - Purchasing, refurbishing, and quickly reselling properties.
- Commercial developers - Redeveloping offices, retail spaces, or mixed-use properties

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Asset Finance

What is Asset Finance?

Getting the tools for the job. Asset finance allows businesses to either obtain assets to support expansion or release money from assets already held within the company. This enables growth without tying up large amounts of capital.

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Asset Refinance

Asset refinance allows a business to release funds from equipment it already owns, providing capital that can be used in other areas of the business.

Under this arrangement, a funder purchases the asset and provides a payment to the business. The asset is then leased back, allowing the business to continue using the equipment as normal. At the end of the term, the business owns the asset.

Asset refinance enables businesses to make use of assets they already hold, without needing to take on additional finance or disrupt day-to-day operations.

Hire Purchase

Higher Purchase allows businesses to acquire essential equipment or vehicles without paying the full cost upfront. The business makes fixed monthly repayments over an agreed term, and ownership of the asset transfers to the business at the end of the agreement once all payments are made.

Key Features

- Fixed monthly repayments for easier budgeting
- No large upfront capital outlay
- Ownership of the asset at the end of the term
- Suitable for vehicles, machinery, and equipment
- Preserves working capital for day-to-day operations
- Best for businesses looking to purchase assets outright over time while maintaining cash flow and financial stability.

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Invoice Finance

Turn your outstanding invoices into cash

Get up to 90% of your invoice value within 24 hours - without waiting for clients to pay.

Invoice Finance is a flexible funding solution designed to help businesses improve cash flow, manage day-to-day expenses, and grow with confidence. Rather than waiting 30, 60, or even 90 days for customers to pay, you can access the cash tied up in your invoices almost immediately.

This enables businesses to pay suppliers, cover wages, invest in new opportunities, and reduce the stress caused by late payments.

How it works

1. Issue your Invoice

Invoice your customer as normal once work is complete.

2. Get Paid Fast

Receive 80-90% of the invoice value, typically within 24 hours.

3. Balance Released

Once your client pays, you receive the remaining balance, minus a small fee.

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The Cost of Late Payments

- 40% of UK businesses waste up to 208 hours per year chasing late payments
- 12% of companies hire additional staff just to manage unpaid invoices

The Solution

Invoice Finance allows you to unlock cash tied up in unpaid invoices, providing immediate working capital and improved financial stability.

Key Features

- **Fast access to cash** - Release up to 90% of invoice value within 24 hours
- **Flexible funding** - Finance grows as your turnover increases
- **No fixed repayments** - Funding is repaid when your customer pays
- **Confidential options available** - Your customers need not be aware
- **Credit control support** - Optional full or partial management of sales ledger
- **Improves cash flow predictability** - Easier planning and reduced pressure
- **Suitable across industries** - Including construction, haulage, manufacturing, and services

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Business Aquisitions

What Pinnacle Does

- Supports businesses in raising finance to acquire another business
- Reviews due diligence already conducted by the buyer
- Assesses the Information Memorandum, annual accounts, and management information
- Prepares an initial funding proposal indicating how much finance could be raised

Information Required for an Acquisition

- Information Memorandum prepared by the selling broker
- Annual accounts
- Management information
- Evidence of financial performance

These documents help build a clear picture of the business being acquired.

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Financial Metrics Used in Acquisition Finance

Turnover

A key determinant of how much funding can be raised

Profitability

Indicates whether the business can afford to service the borrowing

Cash Flow

Essential post-acquisition

Ensures the business can remain cash-flow positive

Allows for changes, investment, and growth after acquisition

EBITDA (Earnings Before Interest, Tax, Depreciation & Amortisation)

Used to assess underlying profitability

Adjusts for accounting entries such as depreciation and amortisation

Provides an indication of how much funding may be available

Commonly used by finance companies as a headline figure

Should not be relied on in isolation

Debt Financing for Business Acquisitions

Most acquisitions involve some form of business funding

Business loans are commonly used

Can allow for:

An initial payment to the vendor

Deferred payments where applicable

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Specialist Business Funding

Merchant Cash Advance

What is a Merchant Cash Advance?

- A Merchant Cash Advance (MCA) is short-term funding for businesses that take card payments. It provides a lump sum, often linked to monthly turnover, with funds typically released within 2-3 days.
- Repayments are taken as a fixed percentage of card sales, rising and falling with performance, and are usually repaid within up to 12 months.

Is a Merchant Cash Advance right for your Business?

Commonly used by hospitality and retail businesses with seasonal or fluctuating cashflow.

Benefits

- Flexible repayments linked to card sales
- No fixed monthly payments
- Eases cash-flow pressure in quieter periods

Key Considerations

- Short-term finance only
- Can be costly if used repeatedly
- Lower sales may extend repayment time

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REVOLVING CREDIT FACILITIES

What is it?

A Revolving Credit Facility (RCF) is a flexible form of business funding that allows a business to draw down funds as needed up to an agreed limit, repay them, and then reuse the facility again.

How It Works

Once approved, funds can be drawn, repaid, and redrawn multiple times within the agreed limit. Interest is typically charged only on the amount used, not the full facility.

Flexibility

Revolving Credit Facilities provide ongoing access to capital, making them suitable for managing short-term funding gaps, working capital, or unexpected costs without needing to reapply each time.

Who It Suits

Often used by businesses with:

- Ongoing working capital needs
- Fluctuating cash flow
- Seasonal income patterns

Key Considerations

Facilities are reviewed based on business performance and affordability. Limits, pricing, and terms vary depending on the lender and the business's financial position.

How Pinnacle Helps

Pinnacle Business Finance assesses your requirements and goes to market to secure the most appropriate Revolving Credit Facility for your business.

The Pinnacle team are here to support clients, collaborating to understand their needs and provide the right funding solutions

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