

# LIGHTBULB CREDIT LTD

ACT Conference Update  
Why your ratings matter?



# WHAT DO TRADE CREDIT RATING AGENCIES DO?

- Having a “whole market” view
  - Experian
  - Creditsafe
  - Equifax
  - Graydon
  - Dun & Bradstreet
- Companies House data
- Payment behaviour data from suppliers

# THE DATA IN THE REPORTS

Overview of a what's in your company's reports:

- Credit rating
- Recommended credit limit
- The trajectory of these ratings and credit limits
- The volume of credit searches run on the company in the last 3, 6 and 9 months
- Days beyond terms – how they are viewed in paying their suppliers to terms
- The amount of invoices that are being assessed for their payment adherence
- SIC code – what sector they are classed as working in, can be wrong!
- Director details
- Group related entities

## WHY THIS CAN HELP YOU?

Improving these ratings helps your company with many factors

- Funding events, (Invoice Finance, RCF's, etc):
- Better access to trade credit
- Balance sheet improvements
- Access to trade credit insurance
- Enhanced reputation
- Ability to tender and contract where hurdle rates are used



# A WORKED EXAMPLE

Company Name	Company No
XYZ Limited	0XXXXXX0
Next accounts made up to:	31/12/2019
Due by:	30/09/2020

	Creditsafe	Experian	Graydon	Equifax
<b>Current main rating / score</b>	<b>41/100</b>	<b>100/100</b>	<b>4B</b>	<b>47/100</b>
Max in last 12 months	67/100	100/100	4A	Not Available
Min in last 12 months	20/100	100/100	4B	Not Available
<b>Maximum credit limit recommended</b>	<b>£50,000</b>	<b>£150,000</b>	<b>£187,500</b>	<b>£40,000</b>
Max in last 12 months	£78,000	£180,000	£286,250	Not Available
Min in last 12 months	£0	£150,000	£187,500	Not Available
<b>Enquiries</b>				
in the last 3 months	56	15	10	33
in the last 6 months	122	33	15	52
in the last 9 months	154	48	16	54
<b>Payment Experiences</b>				
in the last 3 months	55	14	18	No Data
in the last 6 months	109	28	35	No Data
in the last 9 months	164	48	53	No Data
<b>Days beyond terms</b>				
in the last 3 months	26	6	2	No Data
in the last 6 months	No Data	3	1	No Data
in the last 9 months	No Data	2	0	No Data
<b>Stated industry average</b>	<b>8</b>	<b>15</b>	<b>17</b>	<b>No Data</b>

# INNOVATION IN THIS PROCESS

- We gather data on the following in our pre-approved templates:
  - Financial data
    - P&L data for companies that file exempt accounts
    - Balance Sheet and budget
  - Finances explained YTD & budget
  - Business and market overview
  - Ownership and funding
  - Directorship changes
- The publicly viewable data does not change – only the rating and limits due to our NDA's with the rating agencies



# WHAT'S THE IMPACT OF IMPROVING YOUR RATINGS?

SIC Code description	Rating Agency 1				Rating Agency 2			
	Limit Prior to Review	Limit after LB Credit Review	Rating Prior to Review	Rating after LB Credit Review	Limit Prior to Review	Limit after LB Credit Review	Rating Prior to Review	Rating After LB Credit Review
Distribution Company	£820,000	£2,100,000	80/100	93/100	£1,250,000	£2,100,000	58/100	78/100
Head Office Operations	£260,000	£1,400,000	45/100	86/100	£0	£120,000	10/100	81/100
Grounds Maintenance Company	£210,000	£670,000	60/100	97/100	£50,000	£150,000	22/100	46/100
Distribution Company	£300,000	£630,000	84/100	100/100	£0	£50,000	19/100	39/100
Retail DIY Store	£0	£300,000	13/100	76/100	£0	£18,500	14/100	59/100
Wholesale Company	£3,000	£90,000	26/100	60/100	£0	£11,500	29/100	37/100
IT Related Activities	£21,000	£96,000	15/100	68/100	£0	£11,500	29/100	37/100
Online Retail	£0	£66,000	13/100	72/100	£10,000	£23,000	47/100	62/100
Engineering Supplies	£34,000	£84,000	76/100	92/100	£7,500	£20,000	58/100	46/100
Manufacturers and Distributors	£160,000	£210,000	88/100	100/100	£0	£83,000	Not Rated	61/100
Construction Company	£0	£41,000	9/100	45/100	£0	£21,500	17/100	47/100
Head Office Operations	£0	£495,000	Not Rated	73/100	£0	£50,000	8/100	33/100
Financial Intermediation	£0	£90,000	15/100	81/100	£0	£50,000	15/100	56/100
Wholesale Company	N/A	N/A	N/A	N/A	£0	£75,000	28/100	55/100
Shop Fitter	£9,500	£196,000	14/100	78/100	£0	£22,000	13/100	57/100
Grounds Maintenance Company	£4,000	£1,440,000	19/100	37/100	N/A	N/A	N/A	N/A
Sale of Licensed Goods	N/A	N/A	N/A	N/A	£430,000	£1,050,000	40/100	69/100

## IF YOU WANT ANY FURTHER DATA?

- The data collection usually take 2 -3 days and usually involve 2 – 4 hours of management time
- We can get a result within 1- 5 working days once the file is submitted to rating agencies (each one has a different SLA with us)
- We have a 100% success record
- If you have any questions then please do not hesitate in contacting:
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