

Credit Rating Guide



Limited companies

RATING	£ Financial Strength	OVERALL RISK LEVEL			
		A (Excellent) £ '000s	B (Good) £ '000s	C (Fair) £ '000s	D (Poor) £ '000s
1	£50m plus	1000	750	300	125
2	£20m-49m	400	250	150	75
3	£6m-19m	200	100	70	40
4	£1m-5m	100	70	40	20
5	£500k-999k	70	50	30	15
6	£250k-499k	40	30	20	10
7	£100k-249k	20	15	10	5
8	£50k-99k	10	7.5	5	2.5
9	£25k-49k	5	3.75	2.5	1.25
10	£1-24k	2.5	1.75	1.25	0.75
0	Less than £1 - this does not necessarily imply that the subject is not creditworthy. In this instance closer inspection of the company, its parentage etc. is recommended. A credit risk assessment on a specific amount is always available in a level 4 investigated report.				
A	Agent (files non-trading accounts at Companies Registry).				
N	Used for newly incorporated companies where accounts are not yet due to be filed and where no negative information exists. Monthly credit guide up to £50,000.				
NIL	Used for companies who have not filed accounts in the last 2 years, for dormant companies or for newly incorporated companies with negative information.				
X	Financial embarrassment or closure - credit is not recommended.				
S	Special Rating. Monthly credit guide up to £1,000,000. This applies to companies of good credit standing (Low to Normal risk) who, for one reason or another, do not fit into the above structure.				
SN	Special Rating. Monthly credit guide up to £10,000. This applies to creditworthy companies (Normal to Above Normal risk) who, for one reason or another, do not fit into the above structure.				
P	Parental Link. This rating only applies to strategically important establishments that are part of larger creditworthy organisations. Depending on the financial status of the parent, monthly credit guide could be either £50,000 or £500,000.				

N.B. Financial Strength Rating is based on Shareholders Funds + Working Capital. The above values reflect typical average limits. Monthly credit guide may vary depending on risk. Overall Credit Grading i.e. A,B,C,D, takes into consideration behavioural and recent financial performance. Some differences may occur in the recommended monthly credit guide and the figures shown in the above table. This is because the monthly credit guide cannot exceed one tenth of the sales figure.

Non-incorporated (i.e. Firms but also includes incorporated companies in the Channel Islands and Isle of Man)

FINANCIAL STRENGTH INDICATOR	OVERALL RISK LEVEL			
	A (Excellent) £ '000s	B (Good) £ '000s	C (Fair) £ '000s	D (Poor) £ '000s
F1	75	50	37.5	5
F2	50	37.5	25	3.75
F3	25	18.75	12.5	2.5
F4	10	7.5	5	0
F5	5	3.75	2.5	0
NIL	Used for newly established firms, modest opening credit advised up to a maximum of £2,000.			

N.B. Financial strength indicator is based on number of employees and age of establishment.

The above figures give an indication of recommended monthly credit and should not be construed as maximum credit limits, which can only be established by the supplier.

www.graydon.co.uk

GRAYDON
credit risk intelligence

Graydon UK Limited, Hygeia Building, 66 College Road, Harrow, Middlesex HA1 1BE

Tel +44 (0)20 8515 1400 Fax +44 (0)20 8515 1499 email mail@graydon.co.uk