

Revolving Credit Facility

OVERVIEW

A revolving credit facility (RCF) is a committed, flexible credit line you can draw on, repay, and redraw as your needs evolve — without fixed drawdown schedules. Unlike a term loan, an RCF gives you permanent access to capital up to an agreed limit for the duration of the facility. It is one of the most versatile forms of corporate finance and a natural, more robust successor to a bank overdraft.

HOW IT WORKS

01

Facility committed

The lender commits to making funds available up to a set limit for an agreed term — typically one to five years.

02

Draw when needed

You draw funds as and when required. Interest is charged only on the amount drawn, not the full facility.

03

Repay when cash allows

Repayments are flexible — you repay when cash flow allows, and funds return to availability. Timescales depend on the lender and the deal.

04

Redraw at any time

Repaid amounts are available to redraw. The facility revolves continuously throughout its term. Timescales depend on the lender and the deal.

05

Covenants tested quarterly

The facility is subject to financial covenants — typically leverage and interest cover — tested quarterly.

IS IT RIGHT FOR YOUR BUSINESS?

- Profitable businesses with predictable cash flows needing flexible access to capital
- Businesses with seasonal or cyclical working capital requirements
- Companies looking to replace or supplement an overdraft with a committed facility
- Businesses with near-term acquisition or investment plans requiring standby liquidity

INDICATIVE TERMS

Interest rate	2–5% margin over SONIA on drawn amounts
Commitment fee	30–50% of margin on undrawn amounts
Arrangement fee	0.5–2% of facility size
Term	12 months to 5 years
Facility size	From £250k with mainstream lenders

Ready to explore Revolving Credit Facility?

We'll structure the right revolving facility for your business and identify the most competitive lender. No obligation.

hello@okufinancial.com

+44 (0) 203 838 0250
okufinancial.com