



# INVOICE FINANCE: PROGRESS CLAIMS

Hermes has a number of innovative capital solutions to help your client stay afloat and in control in times of turbulence. Does your client have an urgent funding requirement, and the right assets to support the funding? Sometimes the “right assets” means a debtors ledger of progress claims for a small business in the construction, civil engineering or mining services business. A Hermes Progress Claim Finance Facility tailored for progress claims ensures that contractors and project-based businesses can access cash flow tied up in staged invoices, keeping projects moving without delays.

# INVOICE FINANCE PROGRESS CLAIMS



Progress Claims Invoice Finance provides businesses with access to capital by funding invoices raised under progress claim structures. This allows contractors to maintain steady cash flow even when payments are received in stages over a project's lifecycle.

## Who is it for?

- Sub-contracting businesses that have a bright future, but with a credit history and historical financials that don't tell the full story.
- Cash flow challenged SMEs that operate on a progress claim billing structure.
- Contractors and subcontractors in construction, engineering, and other project-based industries.
- Businesses needing cash flow to negotiate with the ATO, impatient creditors, obstructive banks – or simply to win new projects to grow.

## How it Works

- Submit progress claim invoices to Hermes Capital for funding.
- Receive up to 70% of the claim value is paid with Hermes' unique approach within 24-48 hours.
- You receive the balance less retentions and a small fee after your customer pays.
- Draw up to 70% of your outstanding invoices up to 90 days at settlement!

## Why Choose This Solution?

- Ensures steady cash flow – funding available as progress claims are raised helping you keep your subcontractors, suppliers and workers up to date.
- Supports ongoing projects – helps businesses take on multiple contracts without cash flow stress.
- Flexible limits – financing scales with the size of projects and claims.

## Security & Collateral

- Secured against approved progress claims.
- Other collateral requirements subject to the client's circumstances – available on discussion.

## Typical Use Cases

- Paying out the ATO – in full or as part of a repayment plan.
- Covering supplier payments while waiting for customer payments – keep within terms to ensure supply and the support of your subbies as you grow.
- Funding business expansion or taking on larger contracts.
- Managing large contracts that require upfront investment in resources and other mobilisation costs.
- Ensuring uninterrupted project completion by bridging cash flow gaps.

## A Stand-Alone Solution, or in Combination?

- As a stand-alone solution: Ideal for businesses that rely on progress claim payments and need continuous access to cash.
- In combination with other products:
  - Combine a Hermes Progress Claim Finance Facility with a Hermes TermPlus facility to refinance the bank or ATO, or to buy equipment for new projects and to grow the business to leave your cash flow strong.
  - Combine a Hermes Progress Claim Finance Facility with a Hermes Tradeline when you need to pay suppliers ahead of being able to make progress claims your customers.

## WHY HERMES?

**No rigid banking criteria:** alternative lending with flexible structures.

**Quick approvals:** funding often available within 24-48 hours.

**Broker-focused partnerships:** tailored solutions that support brokers and their clients.

**Specialists in financing progress claims:** we understand the complexities of progress claims.

**Commercial approach to credit:** As a managed fund with a unique capital structure of its own, Hermes is not constrained in the way banks and other credit providers are, allowing a pragmatic approach to structuring and approving credit facilities.

**Speed and flexibility:** with a lean management structure made up of experts with years of experience, funding solutions can be tailored to your needs, and a term sheet provided within 24 hours.

## HOW TO APPLY?

1. Submit an enquiry online or speak to a Hermes Capital specialist.
2. Provide project details and progress claim invoices.
3. Get approved and receive funding in as little as 24-48 hours.

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To illustrate our approach, we've included a brief case study below.



[youtu.be/W3hwyosbkQ4](https://youtu.be/W3hwyosbkQ4)

## Case Study: Civil Contractor Overcomes Bad Debts and ATO Pressure to Tender with Confidence

A Queensland-based civil contracting business turning over \$15M was hit hard when two major developer clients went under, leaving the business with bad debts and a cash flow crunch. The pressure showed up in their financials, and with a mounting ATO debt, they couldn't secure equipment finance from traditional sources.

The nature of their work, progress claims and a concentrated debtor ledger ruled them out with most financiers.

Their long-time finance broker stepped in, recognising that clearing ATO arrears was the key to unlocking future funding. He approached Hermes. Hermes structured a \$2M progress claims facility, enabling the client to:

- Pay down over half of the ATO debt
- Secure an ATO arrangement for the balance
- Establish a working capital base to support new projects

Hermes also accommodated the client's largest debtor, who made up 50% of the ledger, something most lenders wouldn't entertain.


Thanks to the broker's preparation and deep knowledge of the business, the deal was approved and settled in just 9 working days.


With funding in place, the business now has a clear tax portal and the confidence to tender for and execute new projects, knowing they have the capital and equipment to deliver.

## CONTACT HERMES

 [hermescapital.com.au](https://hermescapital.com.au)

 [admin@hermescapital.com.au](mailto:admin@hermescapital.com.au)

 (02) 9690 0611

 Level 1, 167 Botany Road,  
Waterloo NSW 2017