

# Posh Pasties

Which source of finance should The Posh Pasty Company Ltd use to purchase its new mobile pasty van?

You have 40 minutes to find and solve the problem. Your team will need to deliver a five-minute presentation, explaining the reason(s) behind your decision.

<p>'Ltd' means private limited company.</p>	<table border="1"> <thead> <tr> <th>Item</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>1 Pasty Day</td> <td>£2,000</td> </tr> <tr> <td>1 pasty</td> <td>£4</td> </tr> </tbody> </table>	Item	Value	1 Pasty Day	£2,000	1 pasty	£4	<p>The Posh Pasty Company Ltd is owned by James and Holly Strawbridge.</p>	<p>The company is considering using retained profit, venture capital, bank loans and overdrafts as sources of finance.</p>
Item	Value								
1 Pasty Day	£2,000								
1 pasty	£4								
<p>Pasty Days are also used as a marketing method for the company.</p>	<p>Holly Strawbridge owns 40% of the shares in The Posh Pasty Company Ltd.</p>	<p>In 2016 The Posh Pasty Company Ltd had profits of £12,000.</p>	<p>Equity is another name for shares.</p>						
<p>In 2016 The Posh Pasty Company Ltd wants to purchase a new mobile pasty van.</p>	<p>A mobile pasty van converted from a Volkswagen camper van costs £15,000.</p>	<p>The Posh Pasty Company Ltd wants to purchase a mobile pasty van in 2016.</p>	<p>The Posh Pasty Company Ltd is expanding rapidly.</p>						
<p>The Posh Pasty Company Ltd is also willing to consider crowdfunding.</p>	<table border="1"> <thead> <tr> <th>Crowdfunding site</th> <th>Offer</th> </tr> </thead> <tbody> <tr> <td><a href="http://www.crowdfunder.co.uk">www.crowdfunder.co.uk</a></td> <td>4 Pasty Days and 2,000 pasties</td> </tr> <tr> <td><a href="http://www.fundingcircle.co.uk">www.fundingcircle.co.uk</a></td> <td>5% of the company's</td> </tr> </tbody> </table>	Crowdfunding site	Offer	<a href="http://www.crowdfunder.co.uk">www.crowdfunder.co.uk</a>	4 Pasty Days and 2,000 pasties	<a href="http://www.fundingcircle.co.uk">www.fundingcircle.co.uk</a>	5% of the company's	<p>In 2016, the company was valued at £200,000.</p>	<p>In 2016 The Posh Pasty Company Ltd paid out £10,000 in dividends.</p>
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<p>The bank loan would be held for five years. After five years the company will repay the £15,000.</p>	<p>Cash flow within The Posh Pasty Company Ltd is poor.</p>	<p>James Strawbridge owns 60% of the shares in The Posh Pasty Company Ltd.</p>	<p>A Pasty Day is an event where The Posh Pasty Company Ltd's mobile pasty van arrives at a location and gives away free pasties.</p>						
			<p>A venture capitalist would be willing to invest £20,000 in return for 10% of the company's equity.</p>						