



Northwest

REGIONAL DEVELOPMENT AGENCY

FINANCIAL SUPPORT FOR YOUR BUSINESS



Looking for
Finance to grow
your business?

We can help.



**Solutions
for Business**

Funded by
government



INVESTING IN
englandsnorthwest

EUROPEAN REGIONAL DEVELOPMENT FUND

FINANCIAL SUPPORT FOR YOUR BUSINESS

If you're looking to improve or grow your business, finding the right type of finance is vital. The Northwest Regional Development Agency (NWDA) offers a range of flexible financial support, including loans, grants and equity finance for businesses unable to access support from commercial banks and investors.

Our support helps the region's entrepreneurs and small and medium-sized businesses (SMEs) access the most appropriate form of finance to support their particular business plans. This booklet explains the specific support we provide and signposts others, all of which can be accessed through Business Link Northwest. This is an NWDA service which provides businesses with an impartial gateway to all public and private sector business advice and support across the region.

SUPPORT AT A GLANCE

Access To Finance

Free, independent and confidential guidance to help you understand the different ways of financing your business. Also includes support in developing the skills needed to become investment-ready to assist you in securing funding.

Small Loans for Business

To help individuals, small business owners and social enterprises start-up and expand.

Enterprise Finance Guarantee (EFG)

Government guaranteed commercial loans to help viable businesses obtain new bank loans for working capital, growth and development.

Grant For Business Investment

To support businesses undertaking major investment projects which will increase the region's productivity, skills and employment.

Grant for Research and Development

To assist entrepreneurs and SMEs to fund the research and development required to get new products and processes to market.

Grant for Improving Your Resource Efficiency

To help businesses undertaking an investment project which will reduce CO² emissions.

Venture Capital and Loan Funding

Loan, equity and mezzanine funding to support business growth for SMEs.

Northwest Business Angels

Access to a network of private equity investors who invest in new or expanding businesses.

ACCESS TO FINANCE

What is it?

The Access to Finance service offers free, confidential and impartial financial advice to support you in understanding the different ways of financing your business. It is provided by Business Link Northwest.

Specialist assistance is provided to improve investment readiness to help secure the funding your business needs. This includes business and financial planning, pitch preparation and presentation skills.

The service enables your business to understand the range of different financial support available from both the public and private sectors, which is best for your business, and the requirements of each. It also helps you develop a detailed funding proposition and equips you with the necessary skills to present it effectively.

Who is it for?

The service is available to businesses with complex finance needs seeking advice on how to finance the company.

How to access

To take advantage of the Access to Finance service you'll need to demonstrate a clear and detailed summary of your business, its financial performance to date and future forecast.

In return, the Access to Finance advisors will make sure you're aware of all the options open to you, and help ensure that you and your business are as prepared as possible to meet prospective lenders and investors.

▶ Checklist

- Are you unsure of what financial support is available?
- Could you benefit from advice on how to take your business to the next level?
- Do you need help making your business more attractive to lenders or investors?

CASE STUDY

We had a significant reduction in our overdraft facility but with help from the Access to Finance team we secured the working capital needed to service the company and continue trading. The service is excellent. You wouldn't be talking to them if you didn't have some financial problems and they know that. They work around you, and deliver solutions quickly, which is what you need because if you're a company that hasn't got finance, you've got a real problem. Without their help we wouldn't be trading.

Adam Aindow, Director
Qualité Kitchens, Manchester

To access any of these products and services and confirm your eligibility contact:

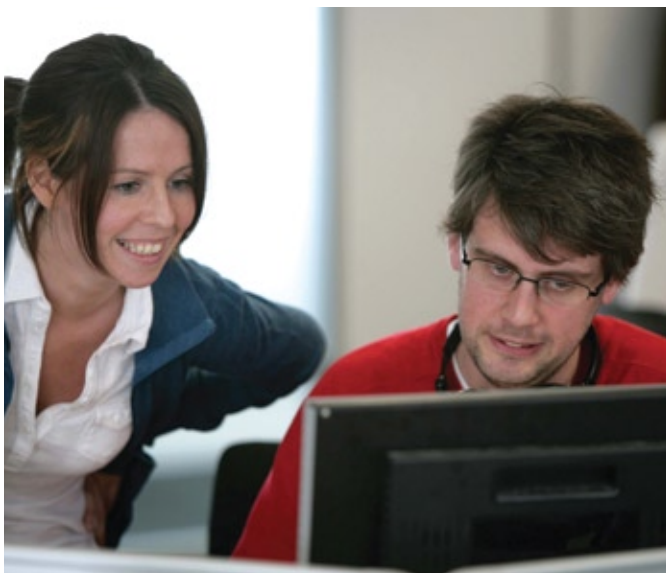


Business Link Northwest

0845 00 66 888

businesslink.gov.uk/northwest

SMALL LOANS FOR BUSINESS



What is it?

Small Loans for Business provide assistance to new and growing businesses, charities and social enterprises in the Northwest. It provides small loans ranging from £3,000 to £50,000 for start up and business expansion. Loans are made for an agreed period of time, usually between three and five years and, as with any loan, you'll be charged interest on the amount borrowed.

Who is it for?

Small Loans for Business are designed to help anyone who is looking to start a new business or expand an established one. You must have a viable business plan and have been unable to secure finance from commercial sources.

How to access

To apply for a Small Loan for Business you'll need to have a strong business plan and demonstrate the commitment to turn your ideas into reality to create jobs in the region. Your application will be judged on its business merits, the chances of success, growth potential and any jobs likely to be created.

▶ Checklist

- Are you or your business based in the Northwest?
- Do you wish to start up a new small business or grow an existing one?
- Have you been turned down for a bank loan or overdraft?
- Do you have a viable business plan?

CASE STUDY

It was really straightforward to apply for a Small Loan for Business. My contact was very helpful and easy to communicate with and the whole process went very smoothly. The loan has helped us to invest in expanding the company. We've got big plans over the next few years and the loan will definitely help us to achieve them.

Nicki Bates, Owner
Nicki B Children's Clothing, Carlisle

ENTERPRISE FINANCE GUARANTEE (EFG)

What is it?

Enterprise Finance Guarantee (EFG) helps small businesses to obtain new bank loans to fund their growth ambitions. It enables businesses to secure loans of between £1,000 and £1,000,000 through the government guarantee with loan terms ranging from 3 months to 10 years.

The guarantee can be used to refinance existing deals where the loan is at risk, or to convert an overdraft into a loan in order to free up some capacity to meet day-to-day working capital requirements.

Who is it for?

EFG is for businesses that are finding it difficult to obtain finance as a result of stricter bank lending criteria and the reduction in the amount of credit available. It is available for businesses with a turnover of up to £25million and is specifically targeted at viable businesses who lack the security required by lenders.

Businesses in the agriculture, coal and steel sectors may not be eligible and there are also exclusions relating to the financing of individual export orders.



How to access

For an initial appraisal for whether your business may be eligible for EFG, contact Business Link Northwest.

When applying for EFG, you'll need to provide all the information required by one of the participating lending institutions (including high street banks). The commercial lending practices of each lender will vary including their requirements on personal guarantees and other security, but will typically include current business plan, details of what the loan is for and a list of the business's other investments and financial commitments.

Other information may include past trading figures, financial projections and details of any other publicly funded support the business has received over the past three years.

Note: All lending decisions will be at the discretion of the bank supplying the loan.

▶ Checklist

- Are you a small business with a turnover less than £25million?
- Do you need more working capital to develop your business?
- Have you got a strong business plan and a clear idea of why you need the loan?

To access any of these products and services and confirm your eligibility contact:



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businesslink.gov.uk/northwest

GRANT FOR BUSINESS INVESTMENT

What is it?

Grant for Business Investment (GBI) provides financial assistance for specific business investment projects that will boost productivity, skills and employment in the Northwest.

Support usually takes the form of a discretionary grant, which may be repayable. The minimum you can apply for is £10,000 so depending on where your business is located you will need to be investing in the region of £100,000. The maximum level of grant ranges from 10% to 45% of the total project cost, depending on the location and size of the business or project.

Who is it for?

GBI is available to SMEs across the Northwest and larger companies in fully assisted areas. Businesses must be considering major investment projects in the region, but be unable to secure the financial backing.

The grants can be used to launch a new business; modernise, expand or reorganise your existing business; upgrade by introducing innovative new technology or processes; or to take a new product, service or process from the development stage to production.

Businesses that operate in the region's six priority sectors are more likely to be considered for GBI. The sectors are: advanced manufacturing; biomedical; digital and creative industries; business and professional services; energy and environmental technologies; and food and drink.

How to access

You will need to complete an online application form and provide supporting information, such as a current business plan, details of what the grant is for and a list of the business's other investments and financial commitments.

Your application will need to demonstrate that the project has a proven need for financial support; creates new or safeguards existing jobs, and that most of the finance for the project is derived from private sources, such as banks or company funds.

▶ Checklist

- Can you demonstrate a strong case that your project can't proceed without a grant?
- Does your project involve capital investment on fixed productive assets?
- Will your project create new jobs or safeguard existing ones?



CASE STUDY

Much of the UK's textile industry has now moved offshore where costs are lower. We've survived by investing a lot in design development and providing a really competitive service for our customers. In 20 years time the market will be in digital printing. The NWDA's Grant for Business Investment will help us move the business forward into the next era.

**Barry Forrester, Managing Director
Standfast and Barracks, Lancaster**

GRANT FOR RESEARCH AND DEVELOPMENT

What is it?

Grant for Research and Development (GRAND) provides the funding to help entrepreneurs and business owners fund the research and development required to get new products and processes to market.

There are 5 types of support available ranging from £20,000 to £500,000. These include:

- Proof of Market - helps to investigate the commercial potential of an idea
- Micro - helps to develop simple low cost prototypes
- Research - helps to assess the technological and commercial feasibility of an idea
- Development - helps develop pre-production prototypes of a new product or process
- Exceptional - helps with research or development of a new technology strategically important to a sector.

Grants range from 35% to 60% of the research and development costs.

The different types of funding are not mutually exclusive, they offer a funding ladder of support and risk-sharing to take your technology from the drawing board to the market.

Who is it for?

Any individual or small-to-medium-sized business in the Northwest can apply. Grant for Research and Development is designed specifically to support innovative projects that have a solid commercial potential.

How to access

You will need to complete an online application form and provide supporting information, such as a current business plan, full project costings and why the grant is required.

Checklist

- Are you developing an innovative product or process that has commercial potential?
- Can you demonstrate the commercial potential of the product or process?
- Does the project contain an unidentified technical risk or element of scientific uncertainty that needs to be overcome by undertaking research and development?

CASE STUDY

Our whole business is a result of a successful Grant for Research and Development. Without it, we would not have made the invention and would not have had the wherewithal to develop the initial thinking. Let no-one doubt the value to very small businesses of small-scale grants, like this.

**John Dower, Managing Director
Marine Systems Technology, Cheshire**

To access any of these products and services and confirm your eligibility contact:



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GRANT FOR IMPROVING YOUR RESOURCE EFFICIENCY



What is it?

Grant for Improving Your Resource Efficiency provides support for businesses undertaking capital investment projects which will contribute to reducing CO² emissions and generate wider environmental benefits in the region. They are discretionary and usually take the form of a grant.

The maximum level of support available is 50% of the total project cost up to a maximum of €200,000.

Who is it for?

Any individual or small-to-medium-sized business in the Northwest can apply for Grant for Improving Your Resource Efficiency. Business must have been unable to access funding through the Carbon Trust interest free loans scheme. Support is not restricted to specific sectors but if your project is in one of the region's key industry sectors it will be more likely to be supported.

How to access

You will need to complete an online application form and provide supporting information, such as a current business plan, full project costings and why grant is required.

▶ Checklist

- Does your project demonstrate significant energy savings?
- Does the project involve a minimum capital spend of £20,000?
- Can you demonstrate a strong case that the project can't proceed without a grant?
- Does your project involve capital investment on fixed assets?

VENTURE CAPITAL & LOAN FUNDING



What is it?

Venture Capital and Loan Funding offers a combination of loan, equity and mezzanine finance to support business growth. Loans range from £50,000 to £250,000. Equity and mezzanine finance is up to £2million.

Who is it for?

All small and medium sized businesses based in the region with a viable business plan and growth potential who are seeking loan or equity finance to expand their operation are eligible to apply.

Equity finance is most likely to be suitable where:

- the nature of a project deters debt providers, such as banks
- the business will not have enough cash to pay loan interest because it is needed for core activities or funding growth positive cash generation
- there is an incentivised management team with a proven track record
- the business is operating in a growth market
- the business is generating strong margins and has a scaleable business model.

How to access

To apply for Venture Capital and Loan Funding you will need to complete an online application form and provide supporting information, such as a current business plan, details of what the funding is for and a list of the business's other investments and financial commitments.

Other information may include past trading figures, financial projections and details of any other publicly funded support the business has received over the past three years.

Checklist

- Are you prepared to give up a share in your business and some control?
- Does your business have a unique selling point that singles it out?
- Do you have the drive to grow the business?
- Does your management team have strong industry experience and knowledge?

To access any of these products and services and confirm your eligibility contact:



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businesslink.gov.uk/northwest

NORTHWEST BUSINESS ANGELS

What is it?

Northwest Business Angels puts businesses and entrepreneurs with the potential for growth in touch with a network of private investors looking for investment opportunities.

These angel investors are generally successful, experienced business people who want to invest some of their money in fast growing companies. In addition, they are often looking to share their knowledge, expertise and contacts, providing invaluable guidance and support to help the businesses achieve their long term potential.

The level of investment ranges from £10,000 to £500,000.

Who is it for?

The network is for Northwest businesses or entrepreneurs seeking investment in return for an equity stake in their enterprise.

To be eligible, your business must be able to demonstrate clear potential for long term success. If your businesses operates in a growing market that show the potential for fast expansion and have an experienced management team, you're more likely to succeed with gaining investment.

CASE STUDY

I'm from a clinical background where everything is very structured and this is a new area for me. In business things can be very uncertain, which is exciting and challenging, but it's great to have a business angel at the end of the phone to give me regular advice.

Helen Franks, Founder
Incorporated Medical Recruitment, Manchester

How to access

Once you've submitted your proposition online and agreed to the rules governing the network, a specialist advisor will evaluate your proposition.

Once approved, you will work with a Northwest Business Angels advisor to become 'investment ready' with support given to help you present your proposition at investor events, with the aim of attracting active interest from a business angel.

▶ Checklist

- Are you looking for between £10,000 to £500,000 to start up or expand your business?
- Are you prepared to offer an equity stake in your business in return for investment?
- Do you want to enhance your business' management knowledge and expertise?



OUR ROLE IN SUPPORTING BUSINESS

The Northwest Regional Development Agency works to build the competitiveness of our region's Businesses, Places and People – the vital ingredients of economic success.

We provide effective business support to help companies weather the economic downturn and emerge stronger. We support a number of programmes to offer practical support which help businesses:

To access finance:

The management grants, loans and equity finance described in this booklet.

In the last financial year the NWDA has provided £23million to help the region's businesses to start up, grow and expand.

To increase innovation and resource efficiency:

By providing specialist advice to help companies reduce their carbon footprint, develop and introduce innovative products and process and increase their profitability.

Since 2001 the NWDA has supported over 3,600 companies to identify cost savings of £75million through resource efficiency support.

To set up and grow:

By providing advice and support to help new and growing businesses start up and achieve their potential.

In the last financial year the Agency helped over 5,800 businesses to set-up.

To improve management skills:

By providing a range of support to improve workforce skills and grow leadership expertise.

In the last financial year the Agency supported 2,000 businesses to improve their leadership skills.

To trade Internationally:

By providing specific advice to help companies break into new international markets and increase sales.

In the last financial year Agency support helped Northwest companies increase their international trade by £52million.

To access any of these products and services and confirm your eligibility contact:



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