



Business Broker Project
www.businessbrokerproject.co.uk
Tel 01782 213 929
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Business Funding Report

The Business Broker Project is a free service to businesses, community organisations and business support organisations based in or interested in relocating to North Staffordshire.

Free Service - A Business Broker is available to meet with business owners at anytime, to request an appointment please call Tel 01782 213 929.

NB. This document is designed to be used electronically and has text which is underlined / highlighted in blue which indicates it has a website hyperlink embedded, to access more information just click on the appropriate text.

The Business Brokers, managed by the North Staffordshire Chamber of Commerce, funded via Business Link / Advantage West Midlands.

Business Broker Project
Commerce House
Festival Park
Stoke On Trent
ST1 5BE



Real help with finance now

Managing a business can be challenging enough at the best of times but, in this difficult climate, finding business finance and getting practical advice is critical.

Government help

The government has launched a package of financial measures that will help viable businesses with temporary cashflow difficulties. These supplement existing government help already available.

[Use our new interactive tool to find out if one of these schemes is suitable for you.](#)

Government guaranteed lending

The government has launched a package of financial measures that will help enable banks to continue or resume lending to viable businesses with temporary cashflow difficulties.

Be prepared to research all possible options, and to negotiate with the lender, to get the best deal for your business. Since these are commercial products, participating lenders will determine individual borrowing eligibility.

Government guaranteed lending through the new **Enterprise Finance Guarantee (EFG)** is open to businesses with an annual **turnover of up to £25million** who are currently not easily able to access the finance they need. This will enable businesses to secure loans of **between £1,000 and £1million**. Note: all lending decisions will be at the discretion of the bank supplying the loan.

[Find out more information about the new Enterprise Finance Guarantee](#) - Opens in a new window.

Enterprise Finance Guarantee: List of Lenders

Airdrie Savings Bank	NatWest
Bank of Ireland (NI only)	NEL Fund Managers
Bank of Scotland	Northern Bank (NI only)
Barclays	The Royal Bank of Scotland
Business Enterprise Fund	State Securities
Business Finance Solutions	South West Investment Group
Clydesdale Bank	Triodos Bank
The Co-operative Bank	UK Steel Enterprises
DSL Business Finance	Ulster Bank (NI Only)
GLE oneLondon	Whiteaway Laidlaw Bank
HSBC	Yorkshire Bank
Lloyds TSB	

Working Capital Scheme (WCS) - government is also making available to banks guarantees of up to £10 billion, which will support bank lending of up to £20 billion. The purpose of this facility is to release capital which banks can redeploy in order to increase all types of lending above their current plans to businesses with a turnover of less than £500m.

Equity finance: capital investment

Equity funding is a way of raising share capital from external investors in return for handing over a share of the business. This may take many forms, including a share of future profits. The two main providers of equity finance for private investors are venture capitalists - also known as private equity firms - and business angels.

The government has launched a £75 million **Capital for Enterprise fund (CFE)** with £50 million of government funding which will allow companies to fund business development by selling debt in exchange for an equity stake in their business. The fund will provide equity and quasi-equity of between £250,000 and £2million for companies with turnover of up to 50 million euros, who have viable business models and growth potential in need of long term capital.

Businesses who would like to explore whether the fund might benefit them should call the Capital for Enterprise Fund Helpline on Tel 0845 4533780.

[Find more information on the Capital for Enterprise fund on the Capital for Enterprise Ltd website](#) - Opens in a new window.

[Find out more about the benefits and drawbacks of equity finance.](#)

Since 2006, the government has established a multi-million pound equity finance scheme, **Enterprise Capital Funds (ECFs)**, to enable funding, of up to £2 million, for businesses that require investment that falls within the 'equity gap' – more than business angels can supply and less than venture capitalists would consider.

[Find out more information about ECFs on the Department for Business Enterprise and Regulatory Reform \(BERR\) website](#) - Opens in a new window.

Regional Loan Transition Fund (England only)

This is a £25 million initiative to help businesses at a regional level up to the end of June 2009. These funds are administered by Regional Development Agencies (RDAs) and provide loans in cases where all commercial lending options have been exhausted.

- [Get more information about regional loans and support at England's Regional Development Agencies website](#) - Opens in a new window

- [Search our Grants and Support directory](#)
Other sources of funding and support



Website portals

j4bGrants

Find out about European grants, UK Government grants and other sources of funding for your business. Register for free and [search now](#).



For voluntary and community sector funding please visit the new [j4bCommunity site](#).

The site is currently operated by [j4b plc](#) and is overseen by a unique partnership incorporating [Business Link West Midlands](#), [Advantage West Midlands](#), [The West Midlands e-Portal](#) and the [Small Business Service](#). For advice or support please contact Business Link West Midlands on 0845 113 1234.

Advantage West Midlands – Website

westmidlandsfinance.com

helping west midlands businesses find and access different types of funding to develop and grow

www.westmidlandsfinance.com

This site is continually updating and is able to provide information and advice with regard to all of the Access to Finance initiatives available in the West Midlands. Our site is aimed at both small businesses and business advisors across the region.

Typical funds highlighted within the West Midlands Finance Website

Business link

FAQ – Ask Business Link – Access to Finance

[How do I find the right type of finance?](#)

Go to www.westmidlandsfinance.com or contact Business Link West Midlands on

0845 113 1234 or look at www.businesslinkwm.co.uk.



Advantage West Midlands

<http://www.advantagewm.co.uk/what-we-do%5Chelping-business/finance-for-business.aspx>

Ensuring businesses have access to appropriate finance is key to an enterprising region. Entrepreneurs need finance to start new businesses and existing businesses need it to realise opportunities for growth.

Accordingly, Advantage West Midlands has drawn together a [Regional Finance Forum](#) and [Access to Finance Framework](#) with the aim of ensuring that innovation, entrepreneurship and business growth are not adversely affected due to a viable business being unable to access appropriate finance.

Advantage West Midlands' role in enabling access to finance involves identifying market failure and gaps in the supply of finance and working with the private sector to explore the most appropriate ways for these to be filled.

This has led to the provision of a range of grants, loans and venture capital that provide businesses with funding, as follows;

Equity based finance

- [Mercia Technology Seed Fund](http://www.merciafund.co.uk) - www.merciafund.co.uk
- [Advantage Creative Fund](http://www.advantagecreativefund.co.uk) - www.advantagecreativefund.co.uk
- [Advantage Early Growth Fund](http://www.aegf.co.uk) - www.aegf.co.uk
- [Advantage Growth Fund](http://www.midven.com) - www.midven.com
- [Advantage Enterprise & Innovation Fund](http://www.catapult-vm.co.uk) - www.catapult-vm.co.uk

Investment Readiness

In addition, via the West Midlands Business Link, we support initiatives that increase businesses' awareness of different types of finance and what finance providers expect of businesses, effectively helping make them 'investment ready'. Further information can be obtained by contacting the Business Link on 0845 113 1234 or by following this link to Business Link.

The most comprehensive source of information about all types of finance for business in the West Midlands is via the finance portal: www.westmidlandsfinance.com This contains more than 500 different sources of public and private sector funding, including a number of funds supported by Advantage West Midlands.

- All financial support offered through Advantage West Midlands is provided in accordance with [State Aid rules](#).
- **Connect Midlands**

Connect Midlands is a not-for-profit network, that supports technology and high growth companies to gain investment through [training and mentoring](#), investment [showcasing](#),

and networking between businesses, investors and the professional services community in the Midlands.

Business Angel networks

- [Advantage Business Angels](http://www.advantagebusinessangels.com) - www.advantagebusinessangels.com
- [Beer and Partners](http://www.beerandpartners.com) - www.beerandpartners.com
- [Minerva Business Angel Network](http://www.minerva.uk.net) - www.minerva.uk.net
- [Central England Business Angel Network](http://www.centralenglandbusinessangels.com) - www.centralenglandbusinessangels.com

Other sources of equity

- [Investbx](http://www.investbx.com)

Loans

- [Community Development Finance Institutions \(CDFIs\)](http://www.fair-finance.net) - www.fair-finance.net
- [Arrow Fund](http://www.arrowfund.co.uk) - www.arrowfund.co.uk
- [Advantage Transition Bridge Fund](http://www.advantagem.co.uk/news-media-events/news/2008/11/loan-fund-for-business-announced-at-west-midlands-economic-summit.aspx) –
<http://www.advantagem.co.uk/news-media-events/news/2008/11/loan-fund-for-business-announced-at-west-midlands-economic-summit.aspx>

Enterprise Finance Guarantee

In the current climate, businesses are finding it increasingly hard to access the finance they need, particularly working capital. This is not because the business has suddenly transformed from a success to a failure; but because the current economic conditions has made a significant impact on the availability of capital as the banks change their approach to risk and tighten lending conditions. Under the Enterprise Finance Guarantee, the Government will guarantee lending to viable businesses to ensure that they can get the working capital and investment that they need.

This £1.3bn scheme will support bank lending, of 3 months to 10 year maturity, to UK businesses with a turnover of up to £25 million who are currently not easily able to access the finance they need. It will enable them to secure loans of between £1,000 and £1 million through the Government guarantee and is available up to 31 March 2010.

The guarantee can be used to support new loans, refinance existing loans, or to convert part or all of an existing overdraft into a loan to release capacity to meet working capital requirements.

Enterprise Finance Guarantee: List of Lenders

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Bank of Scotland	Northern Bank (NI only)
Barclays	The Royal Bank of Scotland
Business Enterprise Fund	State Securities
Business Finance Solutions	South West Investment Group
Clydesdale Bank	Triodos Bank
The Co-operative Bank	UK Steel Enterprises
DSL Business Finance	Ulster Bank (NI Only)
GLE oneLondon	Whiteaway Laidlaw Bank
HSBC	Yorkshire Bank
Lloyds TSB	

Web link:-

<http://www.berr.gov.uk/whatwedo/enterprise/enterprisesmes/info-business-owners/access-to-finance/sflg/page37607.html>

It will become available from many other lenders shortly.

Delivery of the Enterprise Finance Guarantee, including the decision on whether or not it is appropriate to use it in connection with any specific lending transaction, is fully delegated to the participating lenders. There is no automatic entitlement to receive a guaranteed loan and nor is there any pre-qualification process for it.

For an initial appraisal on whether your business may be eligible for the Enterprise Finance Guarantee go to the Real Help Help with Finance web page hosted on [Business Link www.businesslink.gov.uk/realhelp/finance](http://www.businesslink.gov.uk/realhelp/finance) where you can also complete an assessment which you can then take to your bank.

What has happened to SFLG

The Small Firms Loan Guarantee is suspended. The type of lending previously provided under SFLG – to businesses that lack collateral and/or track record – will still be available under the new scheme. Government will be bringing forward proposals for a scheme post March 2010 later this year.

How is EFG different to SFLG?

In short it offers more help to more businesses – EFG provides loans up to £1 million compared to an upper limit of £250,000 for SFLG and supports businesses with a turnover of up to £25 million compared to £5.6 million under SFLG. Additionally ECF loans can be used to convert an overdraft into a loan. EFG is available to viable businesses that in normal circumstances would be able to secure lending from banks but who cannot secure bank lending in the current times.

Local to North Staffordshire – unsecured Loan funds

- Company: North Staffordshire Risk Capital Fund
Contact: Arthur Bailey
Job Title: Chief Executive
Business Address: Commerce House, Festival Park, Stoke-on-Trent, ST1 5BE
Business: 01782 266408
Mobile: 07721 977532
E-mail: info@nsrcf.co.uk
Web Page: <http://www.nsrcf.co.uk>
- Company: Michelin Development Ltd
Contact: David Smith
Job Title: Business Development Manager
Business Address: Campbell Road, ST4 4EY
United Kingdom
Mobile: 07968307570
E-mail: dave.smith@uk.michelin.com
Web Page: <http://www.michelindevelopment.co.uk>
- Company: UK Steel Enterprise
Contact: Allan Wood
Business Address: Uk Steel Enterprise Limited
The Innovation Centre
217 Portobello Centre
Sheffield
S1, 4DP

Business: 0114 2700933
Mobile: 07764 362928
Business Fax: 0114 2242222
E-mail: Allan@uksteelenterprise.co.uk

Web Page: <http://www.uksteelenterprise.co.uk>

Grants

- **Proof of Concept**

Web Link http://www.warwicksciencepark.co.uk/support_services/AdvantageproofofconceptsFund.htm

The Advantage Proof of Concept Grant Fund is backed by Advantage West Midlands and the European Regional Development Fund and is designed to support innovation and product development in the West Midlands. It provides grants of up to £30k representing up to 75% of total project costs to move proof of concept ventures toward commercial viability.

- **Grants for Research and Development**

Web link - <http://www.advantagewm.co.uk/working-with-us/grants-for-research-and-development.aspx>

Grant for Research and Development aim to support research or development work on technologically innovative products or processes. This is achieved by encouraging businesses to carry out R&D activity that they might not otherwise undertake and by helping to lever in other private finance.

Individuals, start-ups or established businesses with an innovative proposal to either develop a pre-production prototype or to conduct research that moves a concept closer to commercial realisation.

- **Grant for Business Investment (GBI)**

Web Link - <http://www.advantagewm.co.uk/working-with-us/selective-finance-for-investment-in-england.aspx>

What is Grant for Business Investment (GBI)?

Formerly titled Selective Finance for Investment in England (SFIE), GBI is a form of financial assistance available to businesses located in Assisted Areas in England to support their expansion, modernisation, rationalisation and diversification of such businesses.

The amount of assistance which may be available from Advantage West Midlands ranges from £10,000 to £1,999,999. Applications for grants for £2 million and above are handled directly the Department for Business, Enterprise and Regulatory Reform (BERR).

- **The Rural Development Programme for England (RDPE)**

The Rural Development Programme for England (RDPE) is a funding scheme for land based businesses (farmers, growers, foresters, and primary processors), rural tourism organisations and other small rural businesses.

The RDPE aims to safeguard and enhance our countryside, to improve the competitiveness and sustainability of our rural businesses, and help communities to thrive.

Web Link - <http://www.advantagewm.co.uk/working-with-us/rdpe/default.aspx>

- **Re-Root – North Staffordshire’s Business Relocation Grant**

Contact: Helen Thomas
Company: Renew
Business: 01782 233 457
E-mail: helen.thomas@tw4.stoke.gov.uk

www.reroot.org.uk

- * Relocate and stay within the effected areas
- * Not for deposit of purchase of premises
- * Grants for things like professional fees, re-branding ...etc

Network Support – Financial

- www.finest.org.uk It's our aim to bring together the best professional services providers in North Staffordshire, in order to provide a first point of reference for any organisation needing access to specialist expertise. We're also keen to promote collaboration between our members to provide a unique blend of skills to meet every possible requirement.



Business Plans

Business Link has a vast array of templates and information on how to prepare a business plan, to access their online information follow this link:-

<http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073869162&r.lc=en&site=131&r.s=sl>

The business plan is probably the most important thing you will ever write for your business. Many businesses only ever write one business plan aiming to raise finance but in fact a business plan should be revised each year, used as a guide for the business strategy and a measure of current success. Bear in mind that 90% of failed businesses lack a business plan!

General advice

- Use concise, straightforward language, expressed in the third person.
- Make sure that you keep it relatively short - but cover the main points and the facts. If there is too much information, the investor is less likely to read it. On the other hand if it is too short then you will be required to supply more details.
- Each section of the plan should be able to stand alone and clearly define its objective.
- All facts must be supported by documentation or the original source. When appropriate, accompany facts by charts and graphs.
- Make sure that the documentation looks professional with a cover and contents page, contact details and pagination
- When writing the business plan, be honest, logical, consistent and realistic. Investors will see through you if you are not!
- Once you have finished the business plan to your satisfaction, do NOT pitch it directly to a financier. Show it to your friends and colleagues as well as an independent advisor to get their objective opinions. Your local Business Link and Enterprise Agencies have experienced advisors who can help you free of charge. Usually your accountant will also be able to assist you or point you in the direction of a consultant who can.

Not every point listed in this business plan may be appropriate to your business, so don't worry about including every sub-section. Use your judgement...

Executive summary

The executive summary describes the business, defines the key objectives and outlines funding requirements. This should be written last. Do not exceed two pages.

Business description:

- An outline of the business activity summarised in two or three sentences.
- A brief description of the company's products or service and its unique selling point.
- Succinct background details on the company, including annual sales figures and overall performance.
- One or two sentences summarising the core management team.

The objectives should lay out:

- what the business will do.
- how it will achieve this in the next twelve months.
- the targets for years two and three.

Funding requirements

- a brief summary of the amount required.
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The business

- Write a mission statement.
 - If the business is established, describe the company and its history to date, including a summary of its major accomplishments and information on its legal and capital structure.
 - Outline relevant experience the business has in its target market?
 - What actions has the business taken so far in this market?
 - How does its performance measure up to that of the competition?
 - What future activities does the company have planned?
 - Start-ups should highlight the name selected and the reasons for the choice.
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The product or service

- Explain your product or service in layman's terms
 - What are the advantages of your product or service and what is the unique selling point?
 - What are the disadvantages?
 - Can it develop over time to meet changing market requirements?
 - Where appropriate, give details on patent, copyright or statutory requirements.
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The market

- Start-up businesses often skim over this section but it should be thoroughly researched in order to present a valid business case.
 - Give details on any market research you carried out to support your market analysis.
 - Describe the target market and the market segment you will be selling your product or service to. Detail the key characteristics of the market segment. Identify market trends.
 - Analyse the competition. Identify the current competitors and potential future competitors. List the advantages and disadvantages of all the competitors and their products.
 - Position your business in relation to the competition using a SWOT (strengths, weaknesses, opportunities, threats) analysis and explain your competitive advantage.
-

Marketing strategy

- A well-thought out sales and marketing strategy can be the defining factor in a financing deal.
 - Define how your product or service meets the needs of your target market.
 - Estimate demand in the short and long term and your current and future market share.
 - Explain how the product will be positioned on the market in relation to the competition.
 - Detail the pricing policy.
 - Indicate how you expect to sell and distribute your product or service. List the methods and length of each sale.
 - Identify your first potential customers. This will be a mixture of customers that have already expressed an interest or placed orders and of other potential clients. This information of high importance to investors.
 - Define your promotional strategy.
 - Explain the longer term marketing strategy.
-

Operations

- State where the business will be located, listing the advantages and disadvantages of the site.
 - Detail the number of employees and the skill-set required.
 - Identify your suppliers and the trading terms offered.
 - Where appropriate, give information on the production facilities and current and future equipment requirements.
 - Describe the production process.
-

Management

Many investors list "a strong experienced management team" as one of their key investment criteria. They need to be reassured that the management team can run the business effectively.

- Describe the roles of the management team and detail their skill-set. You can append CVs for the key players - although punchy pen pictures will generally suffice.
 - Identify the strengths and weaknesses of the team and how you intend to overcome the weaknesses.
 - Demonstrate your commitment to the business by detailing time and money that you have already invested in the enterprise. Also indicate the salary and benefit package of the key management.
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Financial information

Small and micro businesses may only need to provide a sales forecast and a cash flow projection. Bigger firms should provide a full set of figures.

The forecasts should include:

- A sales forecast detailing sales by each month/quarter or year. Make sure that this is realistic as it forms the basis for all your other figures!
- Annual overheads.
- Cash-flow. You must demonstrate that the business will have access to enough cash to survive and, for start-ups, at which point cash flow becomes positive.
- Profit and loss summaries for the first three years trading. Also identify your break-even point and your gross profit margin.
- Bigger businesses will require projected balance sheets showing the financial state of your business at the beginning and end of each year, for three years.
- There is a lot of advice available if you are struggling to draw up these figures. Business Links and Enterprise Agencies will do it free of charge as do some banks. Accountants will help you for a fee.

Financial requirements

- Detail how much is required, the financing schedule and who will be providing the funding. Don't underestimate how much is required as you only have one shot! It should take into account business development for the next two to three years.
 - State what the finance will be used for e.g. equipment, working capital, product development.
 - Demonstrate how the business can afford or support the funding. List any assets that can be used as security.
 - Specify any grants or soft loans that have been obtained or applied for.
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Other issues that could be included

- Legal issues: health and safety, and insurance cover.
- Risk analysis.
- Appendices - only more complex plans need include appendices. This could be more detailed financial forecasts, full CVs of key members of the management team, market research data, product literature, technical specifications or client listings.

Source www.westmidlandsfinance.com