
South West Cleantech Co-investment Fund

Finance for Business, supporting the development of a sustainable low carbon economy in the South West of England

The Fund can provide **business loans to match new share capital** being issued to investors in eligible companies (subject to certain parameters). Loans from the Fund will bear interest at a minimum of 8% which will roll up during the term of the loan and together with the capital, be repayable at maturity of the loan (which can be up to 5 years).

To apply you should be trading as an **SME based in the South West of England** (or about to locate there) and meet certain characteristics of **Cleantech** companies (a company which is receiving support under the European funded Environmental iNet programme will automatically meet the Fund's definition of "Cleantech").

Applicant companies should either be an existing business which is expanding or a start-up which has genuine growth potential.

The Fund will consider both an applicant company's eligibility to fit with the Fund's purposes and the relative strength of its business case when deciding whether to provide a loan alongside a pre-approved equity investor (known as a 'Keystone Investor').

Loans will be made alongside an investor (known as a 'Keystone Investor'). Anyone can be a Keystone Investor, including an existing director or shareholder who is investing new money into the Company.

Loans can be used for asset purchases, research and development, or the financing of future working capital requirements, however not to substitute existing credit facilities nor finance enhanced dividend or other remuneration schemes for owner managers.

In assessing applications, consideration will be given to factors such as the Cleantech opportunity, trading performance and potential, the skills of the people involved in the business, company size and geographic location, nature of business activity, experience and track record, marketing ability etc. An initial assessment of your business plan will be undertaken and if we think that you are eligible and we like your business plan, you will be invited to meet our loan approvals team.

If this goes well, a site visit will be undertaken so as to better understand the business and the market opportunity.

Successful applicants will be issued with a formal offer letter detailing full terms and conditions, as well as any appropriate security or other documentation. Identification and verification checks will be undertaken in order to comply with current legislation, along with any other due diligence checks considered necessary by the Fund.

Post investment, the Fund will stay in touch with clients to monitor the success of the project, and will require periodic information on financial, employment and environmental performance to be provided regularly.

Main Lending Terms

Amount	Min: £50,000 Max: £250,000
Term	A maximum of 5 years
Interest	Fixed for three years then, at the interest review date, fixed for a further 2 years , determined by the EU reference rate plus a margin based on the risk rating of the Company, but set at a minimum of 8%. Interest will be calculated on a daily basis and compounded annually, payable in full on maturity.
Keystone Investor	The Fund provides loans on a £ for £ matching basis where a Keystone Investor invests in shares in the company.
Repayment	In one tranche by bullet repayment covering capital and all accrued interest. Early repayment will be permitted at any time.
Security	Debenture security will be required. This may be subordinated to existing third party commercial lenders. Other security may be considered or required.
Fee	Arrangement fee of 1% Annual monitoring fee 1%
Legal and administration costs	Costs relating to documenting the loan and taking of any security will be payable by the Company whether or not the loan is drawn.



For further information please call or email:

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