

NDA North Highland Regeneration Fund

Scheme Rules

- * Loans of between £5000 and £50,000 will be available
- * Interest rates for the Scheme will be reviewed on 1st April and 1st October each year. The rate will be set at the prevailing Bank of England base rate plus 1% . This rate will remain in force until the next review.
- * For each new loan the interest to be applied will be that prevailing on the date of the legal offer of the loan. This rate will remain fixed for the entire period of the loan.
- * Interest will be calculated on a reducing balance method.
- * Repayments will be made monthly by direct debit.
- * All loans must be repaid within 60 months, including any agreed repayment holidays.
- * A repayment holiday, capital only, of up to six months is available if applicants can demonstrate the necessity.
- * The total of all public funding for the project must not exceed 50% of the project total.
- * Early repayment of the loan is allowed with a one month period of notice required. Interest on early repayment will only be calculated to the date of early repayment
- * A negotiable arrangement fee of up to 2.5% of the total loan value, is payable on completion of the loan. The fund also reserves the right to charge an annual monitoring fee of 1% of the outstanding balance at year end.

Eligibility

- * Loans are made on the basis of unsecured low rate loans. As such they are not available to private individuals. All applicants must have an appropriate commercial vehicle to which funding can be delivered.
- * The purpose of the loan must be the creation of jobs within the Dounreay 'travel to work' area as defined by the Board of the fund.
- * Applications may be considered from companies wishing to move to the area, but all projects must take place in the area including all job creation.
- * Business sectors excluded from the scheme include:
 - Primary Agriculture
 - Business to consumer retail operations
 - Financial and Professional Service businesses
- * The scheme is open to Small to medium sized enterprises which have less than 250 employees and an annual turnover not exceeding €50 million. (or balance sheet not exceeding €43million)
- * The scheme is open to limited companies and limited liability partnerships, subject to the conditions above.
- * All applicants must be 18 years or older.

Other

- * No expenditure incurred prior to the date of submission will be eligible for assistance under any circumstances.
- * Loans are not available towards operating costs. Capital expenditure and in some cases under special circumstances working capital support .
- * Loans will not normally be available to purchase property, these should be normally the subject of normal borrowing.
- * The key criteria against which funding awards will be made are as follows:-

A clear gap exists in the available funding or cost of the available funding
A demonstration that all other funding avenues have been exhausted or used elsewhere.

Viability of the business

Potential growth in terms of employee numbers.

Environmental awareness and action

Good practice in equal opportunities

e-commerce awareness

- * Credit references will be used to determine the financial standing of the business and the individuals concerned. Recourse may be had to credit reference agencies for this purpose.
- * Loans will be payable by BACS transfer and all offers must be taken up within three months of the offer letter. Loans will only be disbursed upon presentation of invoices or pro-formas for the purchase of the equipment or services which are the object of the application.
- * Disposal of the business or relocation outside of the assisted area will mean that any applicant is liable to repay in full any outstanding balances immediately.
- * No second loans may be applied for until the first has been fully repaid.
- * Applicant details will be confidential, but the Fund reserves the right to publish details of any loan award made.

* All applicants accept that as part of the loan support, businesses accept an ongoing relationship with the NDA North Highland Regeneration Fund. This entails regular submission of financial data and will also include regular visits to the business premises for the purposes of monitoring and assistance during the progress of the project and the business. The first stage will usually take place at the three month stage following receipt of the loan.

* Audits may be required by the Fund or any of the funding agencies involved. Businesses accepting loan assistance are deemed to have agreed to meet the requirements of any audit including where necessary visits to the business premises for which appropriate prior notice would be given.

Key Information Requirements

- * Brief description and history of the business
- * Description of products , services, applications, significant product advantages, current technology used, and proposed future developments.
- * Analysis and description of markets, type, size, share, and marketing strategy to retain existing customers and obtain new ones.
- * Resources available – Background and skills of key personnel, details of employees, operations, equipment and premises.
- * Description of project for which funding is sought and the reasons for the project.
- * For New Businesses
 - o An analysis showing strong evidence of a business market. This can be done in a variety of ways e.g. receipts from customers and letters from potential customers.
 - o Identification of financial management skills and/or arrangements
- * Financial Information
 - o Existing Businesses – (up to £15000)
 - Two years historic accounts to the latest year end
 - Management accounts from the latest year end to the date of application
 - Two years Cash Flow forecasts demonstrating the effect of the project in question
 - o Existing Businesses – (£15001 to £50000)

- Three years historic accounts to the latest year end
 - Management accounts from the latest year end to the date of application
 - Three years financial projections from the last month covered by the management accounts , Cash Flow, Profit and Loss Accounts and Balance Sheets.
- New Businesses
 - Two years projected Cash Flow forecasts
 - Two years profit and Loss forecasts
 - Two years forecast Balance Sheets
 - If there is a short trading history then management accounts up to the date of application should be included.
- * Applicants may also be requested for further details covering marketing, technical information, products, and any supporting literature published by the applicant business or relied upon in support of its application.