

FINANCIAL SUPPORT AVAILABLE TO BUSINESS (AT 10th DECEMBER 2009)

Scheme Title	Developed by / date announced	Type of Financing Support provided	What does it cover	How is Support provided?	What does it cost?	Eligible Businesses	Excluded Sectors	Period available	Who to contact / How to apply
<u>Enterprise Finance Guarantee Scheme</u>	BERR 14 January 2009	Guarantees of term loans (one to ten years) from Banks to SMEs	Government will provide 75% guarantee on individual loans made by participating banks to viable SMEs. Can be used to support new loans, refinance existing loans, or convert part or all of an existing overdraft into a loan to fund working capital	Small Firms Loan Guarantee was suspended and incorporated into EFG. Loans from participating banks of between £1000 and £1m available, repayable over a period of up to 10 years. Up to £1.3Bn of "new" bank lending will be guaranteed by the Government	In addition to regular principal and interest payments to the lender, and any arrangement fee which it may charge, a premium is payable to BERR, equivalent to 2% per annum on the outstanding loan balance, collected and assessed quarterly in advance. 25% discount on all premiums due that are successfully collected in 2009.	Available to small businesses with an annual turnover of up to £25m - SMEs and non SMEs who have viable business plans but are considered too high a risk to access commercial lending	Agriculture, Coal, financing of individual export orders.	14 January 2009 to 31 March 2011. Government will bring forward proposals in late 2009 for a new loan guarantee scheme commencing March 2010	Businesses should contact their local Bank. Participating lenders are: Northern Bank, Ulster Bank, Bank of Ireland First Trust HSBC, Barclays, Clydesdale Yorkshire Bank Lloyds TSB, RBS NatWest, The Royal Bank of Scotland, Co-Operative Bank Alliance & Leicester Commercial Bank.
<u>Capital for Enterprise Fund</u>	BERR 14 January 2009	Conversion of business debt to equity	£75m fund allowing companies to undertake business development by selling debt in exchange for an equity stake in the business. The fund provides equity and/or mezzanine finance of £250,000 - £2m for companies with viable business models & growth potential in need of long term capital.	The fund will invest in businesses through professional commercial fund managers (most likely two). Government is not investing in individual companies. The fund will offer equity or mezzanine investment aimed at releasing and sustaining business growth potential	No details currently available	Open to SMEs only with turnover of up to 50 million euros. Investment will be aimed at fundamentally sound businesses with existing cash flows and genuine growth potential, but which are currently constrained through being over-geared.	Synthetic fibres and yarns; Motor Vehicles; Shipbuilding; Steel; Coal; Transport; Agriculture; Fisheries	Fund Managers to start investing in Businesses from end January 2009. No end date has been specified by BERR	Businesses should contact the capital for Enterprise Helpline directly: 0845 459 9780

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Working Capital Scheme	BERR 14 January 2009	Working Capital Guarantees to banks	Government provides Bank Guarantees covering 50% of risk on new and existing working capital portfolios up to £20Bn total scheme There will be no further guarantees offered under this scheme.	50-50 risk shared between Government and Banks on short term working capital loans for businesses	Banks pay a premium to BERR, to be agreed when the portfolio of loans is offered. This premium may be passed on to Businesses that are part of the agreed portfolio.	This is not a business facing scheme - support is for the Bank's portfolio. Businesses within the portfolio must have annual turnover of less than £500m - SMEs & non SMEs	No Sector exceptions have been identified by BERR.	1 March 2009 to 31 March 2011. No guarantees will extend beyond this period	Participating lenders are: HSBC, Barclays, Lloyds TSB, RBS NatWest
Accelerated Support Fund (ASF)	Invest NI 09 December 2008	Grant support for projects against eligible vouched and approved expenditure	Projects supported must seek to address issues arising from current economic conditions and should reflect Invest NI's intervention principles.	Grant support up to £50K at a grant rate of 50% is available. Eligible expenditure: Salary costs of new and existing staff; Consultancy costs; Salary costs of trainers; External training costs; Travel and subsistence.	Supported Client businesses must have match funding available equal to 50% of eligible project cost	Established Invest NI Clients - SMEs and non SMEs.	Agriculture; Fishery and Aquaculture; Coal. Capital expenditure and MIS led projects are not eligible for ASF support, nor can ASF 'top up' support under existing schemes	September 2008 until further notice. ASF offers have a maximum period of 15 months in which a Client may claim support. Assistance should focus on a period of activity of up to 12 months.	Invest NI Clients should complete the ASF application form. Applications reviewed by Client Executives to ensure are complete & suitable for ASF support. Applicants are advised within 5 working days regarding eligibility, rejection or returned for completion.

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Short Term Aid Scheme (STAS)	Invest NI. Announced 26 May 2009, available from 01 June 2009	Grant support for projects against eligible vouched and approved expenditure	Salary costs (gross + employers NIC) related to agreed key posts in eligible NI businesses. Travel and subsistence costs may also be eligible in some instances.	De-minimis type aid of up to 500,000 euro per business (approx £450,000 at current exchange rates). Maximum support allowable is net of existing de-minimis aid that a business has received in the period 1 January 2008 to 31 December 2010	Supported NI businesses must have funding available, based on company size, as follows: Small business 20% of eligible cost; Medium business 30% of eligible cost; Large business 40% of eligible cost.	Business must meet all the following criteria: (i) an SME or large firm in NI in Manufacturing or Tradable Services that was not in difficulty on 1 July 2008 but is in difficulty now; a "firm in difficulty" is as defined in the Buying Time regulation (ii) have, or the potential to have by 31 December 2010, the following: <ul style="list-style-type: none"> total sales of over £100,000 per annum; and sales outside Northern Ireland greater than 25% of turnover or greater than £250,000 per annum. 	Export aid or aid favouring domestic goods over imported goods; Fisheries; Agriculture	01 June 2009 to 31 December 2010	Invest NI clients should contact their Client Executive. Non Invest NI clients should contact the Invest NI Business Development Manager at their nearest Invest NI Regional Office. Application forms, guidance notes, FAQs and Scheme brochures can be accessed at www.investni.com/stas

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Trade Credit Insurance Top-up Scheme	BERR 22 April 2009	Eligible businesses will be able to purchase 'top-up' credit insurance cover.	The scheme is a transitional measure to provide real help to businesses whose credit insurance cover has been reduced by their provider. Up to £5 billion of support is available under the Government scheme, which is a short term measure to respond to the needs of businesses. It is targeted to cushion against the impact of a reduction in credit insurance cover, and to provide greater breathing space for businesses to respond effectively to increased risks in their supply chain.	<p>Risk shared between Government and the private sector i.e. supporting businesses but not taking excessive risks with taxpayers' money.</p> <p>Insurance can be bought to the value of the lower of the following amounts:</p> <ul style="list-style-type: none"> - the amount which restores the level of cover to the amount you had previously - the amount equal to the level of cover now offered under your credit insurance policy - £2 million <p>There is no minimum on the amount of top-up cover that you can buy. For example, if cover provided is reduced from £100k to £80k then you can buy top-up cover of £20k to restore cover to the original level of £100k. If cover is reduced from £100k to £30k then you can buy top-up cover of £30k, matching that of your underlying policy, giving you total cover of £60k.</p>	Top-up insurance is purchased as a six month policy at a price of one per cent of the value of the cover.	<p>Open to businesses of all sizes and in all sectors trading in the UK, with a trade credit insurance whole-turnover policy.</p> <p>Eligible businesses who have had their credit limit reduced can purchase top-up cover via their existing credit insurance provider, who will administer the scheme on Government's behalf.</p>	None. However the scheme does not cover businesses where cover has been completely withdrawn by the credit insurance provider.	Open to new applicants until 31 December 2009. Can be purchased in respect to reductions in cover that have occurred since 1 October 2008, with cover under the scheme back-dated to start from when the reduction took place. The duration of each policy written under the scheme is for a maximum of six months. Following a reduction in cover, businesses will have 28 days to apply to their credit insurance provider for the top-up scheme. At the start of the scheme they have until 31 May 2009 to apply in respect of any eligible reductions in cover that have happened since 1 April 2009;	<p>Trade credit insurance providers who are currently operating the government top-up scheme are:</p> <p>Atradius Credit Insurance N.V Coface S.A Euler Hermes UK PLC</p> <p>HCC International</p> <p>It is likely that other credit insurance providers will join the government top-up scheme in due course.</p>

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European Investment Bank (EIB) Loan Fund	EU / EIB 16 December 2008	Term Bank loans to SMEs, funded by EIB	<p>EU wide, project based, lending to SMEs of EUR 15bn in 2009 & EUR 15bn in 2010. Credit lines granted to intermediary banks & financing institutions in the country in which the project is based. These institutions pass on the EIB funds to SME promoters. EIB loans for SMEs can support all types of investment or expenditure necessary to grow a small business:</p> <p>Tangible (e.g. purchase of plant); Intangible (e.g. R&D financing); Working Capital increase for SME expansion.</p>	<p>Through EIB Intermediated loans, designed to permit the financing of projects with a total investment cost of less than EUR 25 million. An EIB credit line may finance a maximum of 50% of the total cost of any project. A new product line will also be developed allowing risk sharing with banks.</p> <p>£4 billion of funds has been made available to the UK out of a €30 billion EU-wide fund. Ulster Bank and Bank of Ireland have each secured €100m loan facilities. Approximately £350m has been disbursed throughout the UK to date</p>	<p>The conditions of financing (interest rate, grace period, loan period etc) are determined by the respective EIB partner bank. Maturities typically range between 5 and 12 years. Lending decisions remain with the financial intermediaries.</p>	SMEs only	<p>Arms; Gambling; Tobacco, Animal Testing; Environmental impact that cannot be mitigated or offset; Morally or ethically controversial activities(e.g. human cloning); Pure Property Development; Purely Financial Transactions (e.g. Company takeovers)</p>	1 January 2009 to 31 December 2010	<p>Businesses should contact participating Banks or leasing companies.</p> <p>Barclays, Close Bros, HBOS and RBS have already accessed EIB funds.</p> <p>NI participants: Ulster Bank and Bank of Ireland</p>

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Business Payment Support Service (HMRC)	HMRC Scheme. Announced in 2008 Pre-Budget Report. Further expansion announced on 22 April 2009.	Offers help to businesses facing temporary financial difficulties to spread tax payments over a timetable they can afford. Service has been expanded to allow businesses expecting to make losses to offset those against tax bills due on profits for the previous year which they are unable to pay.	Corporation tax, VAT and payroll taxes including National Insurance Contributions	HMRC staff will review individual business circumstances and discuss temporary options tailored to the needs of the businesses e.g. making payments over a longer period of time.	HMRC will not charge additional late payment surcharges on payments included in the arrangement, although interest will continue to be payable on those taxes where it applies.	All	None	No end date set	HMRC Payment Support Line 0845 302 1435
Ulster Bank Regional Fund for SMEs¹	Ulster Bank NOTE: 05 February 2009 This is not a Government Scheme	In addition to providing debt finance, the new funds will offer businesses access to other options to help manage their capital and cashflow	£250 M locally administered fund to support SMEs across Northern Ireland in 2009. The fund forms part of a £3 billion SME package from RBS.	Unsecured small business loans up to £25k. Business loans which allow customers to postpone capital repayments. Enhanced invoice and inventory finance to enable customers to better manage their working capital. Releasing cash through financing assets already owned by the business. Short term trade finance.	No details currently available	N Ireland SME customers of Ulster Bank with annual turnover of less than £25M - both existing and new customers. Ulster Bank's normal criteria for business lending applies.	No Sector exceptions have been specified by Ulster bank from information so far provided.	5th February 2009 to end of 2009 - no sight of what is proposed beyond 2009 at this stage.	Interested Businesses should contact Ulster Bank directly through any NI Branch or Business Centre

¹ Alternative funding schemes are available from other banks