

Small firms Loan Guarantee

dti

SMALL FIRMS LOAN GUARANTEE

A guarantee from government helping small firms lacking security to access loans from banks and other lenders

FUNDING PROGRAMME



The DTI drives our ambition of 'prosperity for all' by working to create the best environment for business success in the UK.

We help the British people and companies become more productive by promoting enterprise, innovation and creativity. We champion UK business at home and abroad. We invest heavily in world-class science and technology. We protect the rights of working people and consumers. And we stand up for fair and open markets in Britain, Europe and the world.

- Successful business
- Fair markets
- Science and innovation

Contents

Summary of the Small Firms Loan Guarantee	3
What is the scheme?	3
What kinds of business can apply?	3
What kind of loan is guaranteed?	3
What can the loan be used for?	4
How can I apply?	4
What is the Small Firms Loan Guarantee?	5
Who can get a Small Firms Loan Guarantee?	6
Eligible businesses	6
Eligible activity	6
Size of business	6
Similar ownership and control	6
Previous borrowing and maximum loan amounts	7
What can the loan be used for?	8
When SFLG loans cannot be used	8
European State Aid restrictions: what are they?	9
What can I borrow?	10
Loan size	10
Length of loan	10
Terms and conditions	10
Capital repayment holidays	11
Interest rates	11
Arrangement fee	11
How can I apply?	12
The business plan	12
Preparing your business plan	12
Available security	14
What is the guarantee process?	15
The main arrangement	15
The Small Loans Arrangement	15
What the guarantee covers	15

What happens after the loan is approved?	16
Loan payments	16
Changes to the loan	16
The premium	16
Monitoring	17
What happens if I cannot repay the loan?	18
Complaints procedure	19
Frequently asked questions	20
Contact points	22
General information about business finance	23
Appendix A – Activities where there are exclusions and restrictions	24
Appendix B – Approved lenders	27

Summary of the Small Firms Loan Guarantee

What is the scheme?

- A UK-wide, Government-backed scheme (see page 5).
- Administered through the Small Business Service (see page 5).
- Provides guarantees on loans to small firms with viable business proposals.
- Guarantees 75 per cent of the loan.
- Only guarantees loans to businesses that are unable to obtain conventional finance because of a lack of security (see page 14).

What kind of loan is guaranteed?

- Minimum – £5,000.
- Maximum – £250,000 for established businesses trading for two years or more.
- £100,000 for all other businesses (see page 10).
- Medium-term lending: 2–10 years (see page 10).

- Allows staged payments and capital repayment holidays (see page 11).
- Includes a Small Loans Arrangement, which offers simplified application procedures for loans up to £30,000 from some lenders (see page 15).
- The business pays the Government a premium of 2 per cent per year on the outstanding loan amount (see page 16).

What kinds of business can apply?

- Available to both new and existing businesses.
- Businesses
Sole traders
Partnerships
Limited companies
(see page 6).
- Activities
Many business activities are eligible, but there are exclusions (see Appendix A).
- Size
Overall maximum of 200 employees (see page 6)
Turnover £5 million pa maximum for manufacturers
Turnover £3 million pa maximum for all other eligible sectors.

What can the loan be used for?

Most business purposes are eligible, except buying shares, buying out members of a partnership, replacing existing borrowing, and finance solely for export purposes (see page 8).

How can I apply?

Businesses apply directly to one of the approved lenders. Lenders are responsible for all commercial decisions. See Appendix B for a list of current lenders.

What is the Small Firms Loan Guarantee?

The Small Firms Loan Guarantee (SFLG) makes it possible for small businesses with a workable business proposal, but lacking security, to borrow money from approved lenders.

Some small businesses with viable business proposals may have difficulty in getting conventional loans because they cannot offer sufficient assets as security against the loan. The Government, through the SFLG, helps by providing a guarantee to the lender.

The SFLG is a joint venture between the DTI and approved lenders.

It is administered by the Small Business Service (SBS), an agency of the DTI. The loans are provided by the approved lenders who make **all** the commercial decisions about borrowing. We (the SBS) cannot intervene in the commercial process.

A list of approved lenders is given in Appendix B.

The SFLG:

- **does not provide loans** – only guarantees loans from approved lenders. It cannot be used if a business is able to obtain a normal commercial loan;
- provides guarantees to approved lenders for loans of between £5,000 and £100,000 for start-up and young businesses (businesses that have been trading for less than two years at the time of application);
- provides guarantees to approved lenders for loans of between £5,000 and £250,000 for older businesses trading continuously for two years or more at the time of application; and
- leaves the commercial decision about lending to the lender.

Who can get a Small Firms Loan Guarantee?

You may be able to get a loan, guaranteed under the SFLG, if:

- you run (or are about to start) an eligible business;
- the proposed business activity is eligible; and
- the loan will be used for eligible purposes.

Eligible businesses

To be eligible, your business must:

- be involved in a commercial activity;
- be a sole trader, partnership, franchise, co-operative or limited company, either trading or prepared to start trading in the near future;
- in the lender's opinion have a viable business proposal; and
- be able to repay the loan.

Commercial activity means any activity carried out with the object and intention of making a profit.

Eligible activity

Your business must be involved in an eligible business activity.

Most activities are included but there are some restrictions.

Details of those business sectors where there are restrictions are in Appendix A.

Size of business

The upper limit for small firms is 200 employees.

Turnover in the 12 months before the date of the loan application is also taken into account when deciding whether a business is eligible for an SFLG.

The maximum turnover is:

- £5 million for manufacturers; and
- £3 million for all other eligible business sectors.

Similar ownership and control

The SFLG is designed for small firms. A group of companies or businesses controlled or owned by the same people (or a broadly similar group of people) count for the purposes of the SFLG as one firm. The 200 employees limit and the turnover limits are for **all** the companies added together.

Previous borrowing and maximum loan amounts

There are maximum permitted loan amounts for SFLGs. See page 10 for details. If your business has already borrowed money under an SFLG, the further amount you can borrow with an SFLG is limited. The size of the loan available will be based on making sure that your total borrowing does not go over the limit.

If you have previously been involved with a business that has received an SFLG loan, you must declare this to the lender. Previous involvement of individuals includes all directors of a business and shareholders with 20 per cent or more shareholding (10 per cent up to September 1996).

If your previous business failed, you will not automatically be refused a loan. However, not declaring a previous loan can result in current and future applications being rejected.

What can the loan be used for?

All loans guaranteed by an SFLG must be for business development: financing a project, starting up trading, expanding an existing business or improving efficiency.

Loans can pay for research and development work, but only within businesses that carry out a commercial activity. Your business must also satisfy the lender's commercial appraisal and be able to demonstrate that the loan can be repaid.

When SFLG loans cannot be used

You cannot use an SFLG loan to buy a company's shares, to buy out members of a partnership, to replace an existing loan or overdraft facility, to finance interest payments, or for exporting.

The loan must be spent only on developing the business that applied. You cannot use it to support a sister company, or another company in the same group.

Buying shares

Transfer of shares in a business does not in itself add anything to the productivity of a business, therefore share transactions cannot be considered.

If your SFLG loan is part of a wider financial package, you will be able to buy shares with other funding in the package, but not with this loan.

Buying out members in a partnership

'Buying out' does not in itself put any more money into the business. It simply transfers ownership. This is the case whether the buyer is an existing partner or someone from outside the business. 'Buying out' would in effect be underwriting an individual's personal stake in the business. It is therefore outside the objective of the SFLG.

Financing interest payments

You cannot use an SFLG loan to finance interest payments (or capital repayments) on another loan. This would be a form of refinancing.

Export

Direct aid for exporting (ie aid solely for exporting, or which reduces the cost of exporting or allows a business to sell products overseas more cheaply than it would otherwise have been able to do) is not eligible.

General assistance to a business, which happens to export a portion of its products, is eligible.

Buying an existing business

You cannot use an SFLG loan to buy an interest in a business, either by buying shares or by buying out a partner. You can, however, buy the assets of a business, or a substantial part of a business. In some cases, buying the assets may amount to buying a business as a going concern.

European State Aid restrictions: what are they?

European Community (EC) rules govern the State Aid that individual member states may give to businesses. The SFLG is given by the Government and counts as State Aid.

The SFLG operates under the part of EC State Aid rules known as *de minimis*, which allows member states to give small amounts of aid to businesses without notifying the European Commission in Brussels. Under *de minimis*, the maximum amount of aid that can be given to any single business is 100,000 euros (€100,000) in any three-year period. Providers of the aid must check that any new aid does not take a business over this limit.

If your business has received any State Aid in the past three years it could be *de minimis* aid, notified aid or a mixture of both. The Small Business Service (SBS) will need to check how much, if any, of this is *de minimis* and whether or not it will affect the SFLG loan you are applying for. The value of any aid given under SFLG is less than the actual amount of the loan. The aid value is calculated according to a formula, which takes into account a number of factors. On its own, a maximum SFLG loan of £250,000 is below the *de minimis* limit, but your eligibility for an SFLG may be affected by any previous *de minimis* aid.

When applying for a loan under the SFLG, you will be asked to complete and sign a State Aid Form listing any other loans, awards or grants that your business has received in the last three years. Not all of these will be *de minimis* aid, but all must be included. The SBS will check which loans and grants – including any previous and current SFLG applications – are *de minimis* and will decide if you are within the set limits.

When a loan is guaranteed, you will receive a letter from the SBS advising you of what amount of *de minimis* aid it represents. This information may help in the future if you apply for any more aid covered by EC State Aid regulations.

What can I borrow?

Loan size

Businesses may borrow between £5,000 and £250,000 on a loan guaranteed by an SFLG. Guarantees can only be made on multiples of £500.

If your business has been trading for less than two years when you apply, the maximum you can borrow is £100,000.

If your business has been trading successfully for two years or more when you apply, you may be able to apply for a loan up to the maximum amount of £250,000. Lenders will need to see proof that you have been trading successfully for at least two years.

As a business, or as an individual within a business, you may have more than one loan. Your loans must not add up to more than the maximum of £100,000 (£250,000 if your business has been trading for two years or more). If you, as an individual or as a business, have already been loaned the maximum amount, you will not be able to have any more loans guaranteed by an SFLG. This is true even if you have repaid all previous loans.

Loans guaranteed before April 1993 will not count towards the maximum. This 'no longer count' date will be updated

annually. (See page 7 for previous borrowing.)

The lender will count loans made to 'connected borrowers' when deciding whether you have already been loaned the maximum amount. Connected borrowers include associated companies: companies with common directorships and shareholdings. Shareholders with less than 20 per cent interest (or 10 per cent up to September 1996) in the business that received the loan are not included.

Length of loan

Guarantees are available for terms between two and ten years, including any capital repayment holiday.

Terms and conditions

It is important to understand the terms and conditions of the loan agreement and what those conditions mean.

The Loan Agreement is the contract between the lender and the borrower. We (the SBS) are not involved in this contract. Nor do we provide any of the loan. Details of the financial terms and conditions will vary from loan to loan. The lender and borrower negotiate these details.

Capital repayment holidays

A capital repayment holiday is a time, agreed between the lender and borrower, in which the borrower pays the interest and premium but does not have to make repayments to the loan. Under the **Small Loans Arrangement**, a capital repayment holiday can last for 6, 12 or 24 months. This must be agreed at the start of the loan. The Small Loans Arrangement covers loans of up to £30,000 by certain lenders (see page 15 for details).

For all other loans, up to 24 months capital repayment holiday is available in blocks of three months. This holiday can be taken at any time during the loan. The lender and borrower must agree the length and timing of any repayment holiday.

Interest rates

We (the SBS) do not fix interest rates. The lender decides what rate to apply. Their decision is based on their own assessment of the risks.

Arrangement fee

Lenders may charge an arrangement fee. Check with your lender.

How can I apply?

You should only apply to approved lenders (see Appendix B). You cannot apply directly for a loan guaranteed by an SFLG: in the first instance you should contact a lender to ask about conventional finance. You can only be considered for an SFLG if, in the lender's opinion, you do not have enough security for conventional lending.

Applicants must present the lender with a clear business plan and financial forecasts, both to test the business's viability and to identify finance requirements.

The business plan

You will need a business plan to find any kind of finance for your business.

Some small businesses underestimate just how important a carefully prepared business plan is. Without one, you cannot convince a potential lender that your business proposal is workable.

Preparing your business plan

You may be able to get help to draw up a business plan from your local Business Link (Business Connect in Wales, Small Business Gateways in Scotland, Business Information Source (Highlands Scotland) or Invest Northern Ireland (see page 22 for contact details)), Enterprise Agency or qualified accountants.

Many lenders have their own small firms advisory units. They also publish advice for small businesses, which may help you in planning and monitoring your business.

A lender would expect to see information on:

- **Management:** key personnel, their experience, knowledge of industry, age, education and training.
- **Product or service:** details of product or service on offer, stage of product development, any follow-up products or services.
- **Markets:** description of the market size, customers, competitors, sales estimates and expected market penetration. Sales forecasts should be supported by hard evidence and research wherever possible. Include an explanation of how your business will succeed in the market against competition.
- **The business:** when it started, results to date, borrowing history, existing commitments, and current bankers.
- **Objectives and strategy:** business objectives, timetable and assumptions, risk factors, longer-term plans.

- **Financial projections:** projections of at least one year's future performance together with supporting assumptions and evidence (order books, customer enquiries, etc). Projections should include a profit and loss account, monthly cash flow projections, balance sheets and a capital expenditure budget.
- **Finance required:** total funding required based on projections, application of those funds and repayment assumptions. Also the purpose of finance, detailing capital expenditure.
- **Security available:** what assets are available as security (personal assets as well as business assets). Also what assets have been used as security elsewhere.
- **Management information systems:** what accounting systems your business uses, evidence that you can produce regular management accounts.
- **Principal risks:** most likely areas of risk and ability to cope with these. What happens in the event of sickness or injury to key personnel?

In addition to a business plan, you must also convince the lender that you are personally committed to the business. Some lenders may ask you for a cash contribution, such as matching the loan pound for pound. But your commitment is not always measured in terms of finance. Lenders judge each case on individual merit.

Available security

Before suggesting an SFLG loan, lenders have to satisfy themselves that the only reason they will not offer you conventional finance is that your business does not offer enough security for a conventional loan.

Lenders should establish that all available personal and business assets have been used for conventional finance.

It is the lender's decision whether personal assets are available for use against conventional lending. If you are not prepared to allow all your available assets to be used to secure conventional lending, you will rule out the use of the SFLG.

You may be required to pledge business premises, machinery and other business possessions as security against a guaranteed loan. The lender will usually take a fixed or floating charge over such assets.

Assets taken by the lender in respect of guaranteed lending will always apply to the whole loan and not just the portion covered by the guarantee. Personal assets and guarantees may not be taken against guaranteed lending.

What is the guarantee process?

The main arrangement

Once the lender has accepted your SFLG loan application, they submit it to us (the SBS). We consider, check and – if appropriate – guarantee the loan. Our checking process will take up to five working days if the application is correctly completed. If we need to ask the lender for more information, the application can take longer. After the lender receives the guarantee from us they can complete the Loan Agreement (see page 10).

The Small Loans Arrangement

Some lenders (see Appendix B) can grant loans of £30,000 or less without first referring them to us. This is known as the Small Loans Arrangement. The same terms and conditions apply as for a loan guarantee requested under the main SFLG arrangement.

If you want to find out about the progress of the application, you should contact the lender, not the SBS.

What the guarantee covers

The Government guarantees to pay the lender 75 per cent of the outstanding amount due if you fail to repay.

In all cases you (your business) remain liable for the whole amount of the outstanding loan.

Any loans guaranteed before 1 April 2003 will retain the terms and conditions in place at the time of guarantee (this may mean a 70 per cent or 85 per cent guarantee).

What happens after the loan is approved?

Loan payments

Under the main arrangement, you must take out the loan within six months of the date the loan is guaranteed. If you do not take out the loan in time, the guarantee will be withdrawn. You may re-apply after the six-month period, but remember that eligibility conditions may have changed.

Loans covered by the main arrangement will usually be paid in one amount. However, your lender can arrange for you to receive your loan in stages. The maximum number of stages is four. Each stage must be at least 10 per cent of the total loan. You must have received the full loan within two years of the first payment. The lender should specify when you will be paid and how much you will be paid at each stage on the application form.

Loans covered by the **Small Loans Arrangement** will be paid to your business in one amount.

Changes to the loan

If you want to change any of the terms of your loan, such as taking a capital repayment holiday or extending the term, you will need the lender's agreement.

The lender makes all commercial decisions, taking account of the SFLG's criteria.

The premium

In return for the guarantee, you will have to pay the Government a premium of 2 per cent a year on the loan's outstanding balance.

If you are repaying a loan under the main arrangement, your premiums are paid quarterly in advance by direct debit. Your premium payments will reduce as the loan is repaid. You will receive a copy of the premium payment schedule from the lender.

If you are repaying a loan under the **Small Loans Arrangement**, you must pay your premiums as a single lump sum in advance. You can borrow money to pay your premiums (if you are not borrowing over your SFLG limit). Your lender will still be covered by the SFLG. You will have to make further premium payments if your loan period is extended later.

If at any time the lender agrees to the loan being rescheduled to take account of a capital repayment holiday or term extension, this will affect the premium payments.

Monitoring

Providing financial management information is a condition of your loan.

It is in both ours and the lender's interests for every business we support to succeed. It is in your interest as a business to collect regular financial management information. This information should include a comparison of actual cash flow as well as profit and loss figures against earlier plans. Each lender will have its own system for collecting financial information.

When you make your application, you will also be asked to agree to provide, if requested, a progress report direct to the SBS to help us assess the scheme.

What happens if I cannot repay the loan?

If you accept an offer of a guaranteed loan, you must agree to all the lender's terms and conditions. If you break any of these conditions during the loan period, the lender may demand that you pay back the outstanding loan in full.

It is important to remember that you are liable to pay the full outstanding loan amount back to the lender – not just the 25 per cent we do not guarantee.

If you fail to repay the guaranteed loan and your business has assets that have been used as security against the loan, the lender may use them to reduce your debt. This will enable the lender to reduce its claim on the Government's guarantee, or to reimburse the Government if it has already paid a claim. If the money from these business assets is not enough to cover both the SFLG loan and any other debts, then any personal assets or guarantees which have been pledged against non-SFLG lending will be used to reduce those other debts.

Complaints procedure

Any complaint about a commercial decision taken by a lender should be referred to the lender. All lenders have their own appeal or complaints procedure. We cannot intervene in these cases.

If you have a complaint about the administrative operation of the SFLG, contact:

SBS Loan Guarantee Unit
Level 2
St Mary's House
c/o Moorfoot
Sheffield S1 4PQ

Email: sflgs@sbs.gsi.gov.uk

You should also let us know if listed lenders refuse to discuss the SFLG.

Frequently asked questions

Q. Why are some kinds of business not able to apply for an SFLG loan?

A. The Industrial Development Act, European Commission State Aid regulations or overall government policy considerations specifically exclude support for some kinds of businesses.

Q. The bank has asked for personal security. I've got a house. Can they use that?

A. Yes. All existing security, including personal security, must be used against a conventional loan before a loan under the SFLG can be considered. No personal security, however, may be taken against any part of an SFLG loan.

Q. I have joint ownership of my property with my partner. Is the bank allowed to take this as security?

A. If the bank considers the property to be available security then the bank may request to take it against a conventional loan. It is a commercial decision – and all commercial decisions are taken by the lender.

Q. How long will it take to get a loan under the SFLG?

A. Each lender has its own procedure for processing loans. It is difficult to comment on the time lenders take to process applications. Once we have received the application, we need five working days to consider a guarantee and return it to the lender. We may need more time if there are queries on the application.

Q. The lender is asking for a cash contribution (for example, up to 50 per cent of the total amount required) before considering a loan under the SFLG. If I had cash then I wouldn't need a loan. Can the lender ask for this?

A. Yes. A cash contribution is not the same as security taken against a loan. Lenders should consider SFLG loans no differently to a conventional loan. If the lender would normally expect a cash contribution towards a particular business proposal, they may request one as a condition of an SFLG loan.

Q. I am buying a business out of receivership. It has been trading for more than two years. Can I borrow more than £100,000?

A. No. Only businesses *successfully* trading for two years or more at the time of application can borrow more than £100,000. If a business is in receivership it has experienced some difficulties and is only eligible for a maximum of £100,000.

Q. What can I do if a lender turns down my application?

A. Firstly, you should ask the lender why your application has been unsuccessful. If it has failed on commercial grounds, you should look carefully at the reasons why it has been turned down. If you still wish to pursue your application you will need to find ways of meeting the lender's requirements.

You may find it helpful to seek independent advice (see page 22).

Q. Where can I get an application form?

A. From any of the approved lenders. Each lender has its own application form.

Contact points

Applications should be made direct to any of the lenders in Appendix B.

Further copies of this booklet (URN 03/930) can be obtained free from:

DTI Publications orderline
Tel: 0870 1502500

If this booklet does not provide the information you require about the SFLG, contact the SBS for clarification at:

SBS Loan Guarantee Unit
Level 2
St Mary's House
c/o Moorfoot
Sheffield
S1 4PQ
Tel: 0845 001 0032/0033
Weekdays 9 am – 12 noon and
2 pm – 5 pm (4.30 pm Fridays)

Fax: 0114 279 4374
Email: sflgs@sbs.gsi.gov.uk

Business advice

More general advice and guidance on planning, setting up and running a business is available from:

Business Link (England)
Advice line tel: 0845 600 9006
Minicom: 0845 606 2666
Website: www.businesslink.org

Business Connect (Wales)
Tel: 0845 796 9798
Website: www.businessconnect.org.uk

Small Business Gateways (Scotland)
Tel: 0845 609 6611
Email: network.helpline@scotent.co.uk

Business Information Source
(Highlands Scotland)
Tel: 01463 234171
Email: hie.general@hient.co.uk

Invest Northern Ireland
Tel: 028 9049 0486
Email: info@investni.com

More information can be found on the website at www.businesslink.org

Local Enterprise Companies, Enterprise Agencies and qualified accountants are another useful source of advice.

General information about business finance

If you are thinking about applying for any form of finance for your business, you should be able to answer the kinds of questions a finance provider will ask.

- Why does your business need money?
- How much money do you need?
- What will you use it for – for example, working capital, fixed capital or project development costs?
- What sources of finance have you looked at, and do you know what the costs will be?

In loan finance, the lender normally expects the borrower to make regular payments and to pay an agreed amount of interest. Fixed-term loans can be more appropriate than overdrafts for some purposes – and vice versa. It often depends on how quickly a business can earn money for payments. Leasing or hire purchase may also be appropriate ways to finance some requirements.

There is also equity finance, a risk-bearing investment provided by shareholders or partners in the business. Equity capital normally carries no fixed charges and is particularly valuable in a start-up or expansion phase when cash flow may be tight. Specialist financial bodies can also provide equity finance.

APPENDIX A

Activities where there are exclusions and restrictions

Agriculture and horticulture

Loans for the production, processing and marketing of agricultural products are available, but there are restrictions. Guidance should be sought from the SBS Loan Guarantee Unit in all cases.

No loans can be approved under the Small Loans Arrangement.

Authors, music composers and certain other own-account artists

Self-employed artists, authors, composers, playwrights, musicians, actors, theatrical companies, etc, are not eligible.

Commercial and graphic artists are eligible.

Banking, finance and associated services

Any activity that involves granting of finance or a financial service to clients is ineligible, such as banks, deposit takers and building societies; companies involved in granting loans, mortgages, hire purchase or credit services; mortgage brokers; venture capitalists; seed corn finance companies; and stockbrokers.

Accountants, auditors, management service companies such as bookkeeping firms, tax advisers, management consultants, business advisers and

companies that lend support to small firms on financial matters without actually supplying funds are eligible.

Betting and gambling

Betting shops, totalisers, casinos, lotteries, bingo halls and amusement halls are not eligible.

Commission agents

Those primarily engaged in acting as intermediaries between sellers and buyers or in conducting business on another company's behalf are not eligible. The type of activity excluded is one where the agent merely puts a seller in contact with a buyer without buying and reselling the product themselves and without adding value to the product or service. Fees are usually taken as a portion of the business passing through (eg self-employed sales agents).

It is not intended to exclude all businesses that earn money from commissions, but only those who act as agents for a single principal or single group of companies.

Firms which provide a business service to a range of clients but take their fee as a proportion of the business passing through, such as shipping and export agents or employment agencies, are eligible.

Education

Formal education is excluded.

Businesses offering courses that lead to vocational qualifications and skills (ie those skills and qualifications directly usable in a job) are eligible, as are nursery schools, day schools and playgroups for young children and sports coaching.

Fisheries

Consideration will be given to applications in respect of capital investment in premises and equipment and vessel modernisation. Loans for operating costs (day-to-day running costs), advertising brand products, vessel construction and purchase of a vessel or equipment that would lead to an increase in fishing effort are not eligible.

Guidance should be sought from the SBS Loan Guarantee Unit in all cases.

No loans can be approved under the Small Loans Arrangement.

Forestry

All activities connected with the cultivation of trees and maintenance of forests for commercial use, including tree nurseries, are ineligible.

The processing of felled timber in sawmills is eligible provided that the operation is not just part of the wider forestry activity.

Insurance and associated services

Companies and societies primarily engaged in transacting all types of insurance business, including brokers and agents, are not eligible.

Medical, health and veterinary services

All activities where registered and unregistered medical, other healthcare or veterinary personnel use their skills to treat patients are ineligible. This includes all alternative therapies.

Rest or convalescent homes where the care provided does not necessitate the use of specialist medical skills and where medical help is brought in from outside when needed are eligible. Nursing homes where medical care is not the major activity are also eligible. Fitness and health clinics and firms offering health advice are eligible where they do not depend on the input of qualified medical staff.

Owning and dealing in real estate

Land and estate owners, property investment companies and those that derive their income from owning and letting property are not eligible, nor is dealing in land property for speculative gain. Building firms that buy land or property and then sub-contract firms to do the work are property developers and are not eligible.

Building firms that buy land or property to develop or refurbish and who employ the building workers themselves are eligible.

Postal services

Postal services charging less than £1.00 for each item carried are not eligible.

The pickup, transport and delivery of letters and mail-type parcels and packages by courier, parcel and messenger service, charging a minimum of £1.00 for each item carried, is eligible.

Professional sports players and sporting organisations

Organisations that promote sport in general are not eligible.

Sports instruction and sports facilities are eligible.

Public administration, national defence and compulsory social security

All publicly owned bodies and companies are ineligible.

Ticket agents

All agents who block book tickets for speculative sale are ineligible.

Tied public houses

Public houses where a brewery or drinks supplier owns or leases the premises, gives financial support, has any control or offers any incentive to the applicant to stock their product are not eligible.

Transport

All forms of road, rail, water and air transport are ineligible. This includes taxi and cab hire, house removals and businesses run as tourist attractions and living museums.

See 'Postal services' for courier operations.

APPENDIX B

Approved lenders

Lenders currently using the SFLG

Lender

Allied Irish Banks/First Trust Bank

Bank of Ireland

Bank of Scotland plc*

Barclays Bank plc*

Business Link Doncaster (Donbac)*

Clydesdale Bank plc

Emerging Business Trust

HSBC Bank plc*

Lloyds TSB Group plc*

National Westminster Bank plc*

Northern Bank Ltd

Northern Enterprise

Northern Investors Company plc

One London Ltd**

State Securities plc

Triodos Bank

The Co-operative Bank plc*

The Royal Bank of Scotland*

Contact details

Local Branch – Northern Ireland

Local Corporate and Business Banking
Units – Northern Ireland

Local Branch/Relationship Manager

Local Branch/Small Business Manager

Tel: 01302 761000

Local Branch Business Centre

Email:

info@emergingbusinessstrust.com

Website:

www.emergingbusinessstrust.com

Local Branch

Tel: 0800 056 0056

Website:

www.lloydstsb.co.uk/success4business

Local Branch

Local Business Centre – Northern Ireland

Website: www.nel.co.uk

Tel: 0191 244 6000

Email: bob.warren@one-london.com

Loan Fund Manager – One London
Business Loans

Tel: 01489 775600

Director, Paul Burke

Freephone: 0800 328 2181

Email: businessbanking@triodos.co.uk

Local Business Centre

Website: www.co-operativebank.co.uk

Local Branch

UK Steel Enterprise Ltd

Ulster Bank Ltd

Venture Finance plc

Yorkshire Bank plc*

Yorkshire Enterprise Ltd

Website: www.uksteelenterprise.co.uk

Local Branch Business Banking –
Northern Ireland

Freephone: 0800 515 053

Local Branch Business Unit

Tel: 0114 2800 920

Email: [yegroup@yorkshire-
enterprise.co.uk](mailto:yegroup@yorkshire-enterprise.co.uk)

*Operates the Small Loan Arrangement

**Operates the Small Loan Arrangement only



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