

Key Features Cornwall & Isles of Scilly Investment Fund

Debt Finance

Loan amount: £25,000 - £1,000,000

Loan term: up to 5 years with a capital repayment holiday, typically up to 6 months

Security: debenture; limited unsupported personal guarantees may be required depending on risk assessment; legal assignment of Keyman insurance policy may be taken

Interest charges and fees: variable, reflective of risk

Eligibility: to apply, the business must:

- have a proven business concept with some commercial traction (i.e. existing sales and customers)
- have compelling commercial potential and a viable business plan with projections that the fund can lend against
- require finance to invest in scaling up activities that will deliver substantial growth impact such as:
 - ✓ sales & marketing
 - ✓ hiring new staff
 - ✓ new product development
 - ✓ entering new markets
 - ✓ exporting abroad
 - ✓ purchasing new equipment

Equity Investment

Investment amount: £50,000 - £2,000,000 (excluding matched private investment; the maximum initial investment is likely to be £750,000)

Co-Investment: at least 30% of the funds and preferably 50%; ideally these investors will bring added value as well as cash investment

Structure: typically Ordinary Shares, but possibly Convertible Loan Notes or Preferred Ordinary Shares

Arrangement fees, monitoring fees & legal costs apply

Eligibility: to apply, the business must:

- have some existing sales and customers or credible near-term prospects for making such sales
- not be a turnaround
- have a credible business strategy to deliver significant growth
- have a viable product/service with clear market potential
- have a sustainable competitive advantage with supporting intellectual property rights as necessary
- have a committed management team with relevant background and experience
- have financial projections showing use of funds
- have a realistic exit strategy with potential to be achieved within 5 years

All applicant businesses must be a small to medium sized enterprise (SME) established as a limited company with a material part of its operations in Cornwall

Exclusions: the Fund will only invest in companies which meet the EU definition of an SME. The funding is available for investment purposes and not for refinancing of existing loans or creditors, or for working capital. The following sectors are excluded, which include those covered by EU rules and regulations: land and property development, dealing and investment, financial services, accountancy and legal services, hotels, nursing and residential care homes, international motor transport, agriculture, forestry and timber production, horticulture.