



Kent and Medway Business Fund

Quick guide to the loan application process



Welcome

The Kent and Medway Business Fund (Standard and Small Business Boost loans) provides 0% interest loans to qualifying companies with ambitions to grow.

If you're a start-up, a high growth or fast-growing business, there may be financial support available through the Kent and Medway Business Fund (KMBF) to help achieve your business goals.

This mini guide is essential reading for businesses interested in applying for a loan, providing all the basics that you will need to consider – from the loan criteria to the process involved.



KMBF (Standard)

0% interest loans of between **£100,000** and **£500,000** repayable over a period of five years.

- Businesses looking to expand
- Businesses seeking larger loans

The Essentials

- 0% rate of interest
- No repayment required for first six months
- Security at value equal to loan capital expected
- Personal guarantees required

Who can apply?

- Viable businesses not in financial difficulty
- Businesses that can provide 50% match funding
- Businesses with fewer than 250 employees
- Businesses seeking to protect or create jobs



Small Business Boost

0% interest loans of between **£26,000** and **£99,000** repayable over a period of five years.

- New starts ups
- Businesses in early stages of growth
- Businesses seeking smaller loans

The Essentials

- 0% rate of interest
- No repayment required for first six months

Who can apply?

- Viable businesses not in financial difficulty
- Businesses that can provide 20% to 30% match funding
- Businesses with fewer than 250 employees
- Businesses seeking to protect or create jobs





The Process

We are inviting applications for Kent and Medway Business Fund (standard) loans and Small Business Boost loans.

When considering an application, we will need to see the following:

Lending criteria

- ▶ Strong plans for growth
- ▶ Creation and protection of jobs in Kent and Medway
- ▶ A robust, ambitious and realistic business plan
- ▶ Strong leadership and management
- ▶ Evidence of your pledge to reduce your net carbon footprint to zero
- ▶ Your contribution to the Kent and Medway economy, such as support through your Kent-based supply chain
- ▶ A Statutory Credit Report for each of the directors of the business from a recognised Credit Agency

In addition, for Kent and Medway Business Fund (Standard) loans, these criteria are required:

- ▶ A good demonstrable track record
- ▶ Increased productivity
- ▶ Ability to provide security and/or personal guarantees to the value of the loan provided

Applications from the following priority sectors are encouraged:

- ▶ Manufacturing
- ▶ Pharmaceuticals, natural and life sciences
- ▶ Green technology
- ▶ Digital, media, creative and cultural industries and tourism
- ▶ Food technology manufacturing
- ▶ Logistics and construction

This does not preclude other sectors from applying

This round of KMBF funding will only be open whilst funds are available. If the number of pre-applications exceeds the estimated amount of funds available to cover your proposal, you will be informed that your application has been put on hold.

For more detailed information on the application process contact: kmbf@kent.gov.uk



STAGE 1

Read this quick guide and submit your Pre-Application



We advise you why we are not progressing your Pre-Application

STAGE 2

Invitation to submit Full Application

Full Application and supporting documents to be reviewed by the submission deadline date provided in your invitation to submit letter

STAGE 3

Internal document check by KCC of Full Application



We advise you why we are not progressing your Full Application

Your Full Application is passed to our External Appraisers

STAGE 4

Applicants are considered by either the Kent and Medway Investment Advisory Board (KMIAB) or the KMIAB sub-group.



If you are unsuccessful we will write to you to explain why

If successful we send you an offer in principle letter and ask you to attend a contract negotiation meeting scheduled for 1-2 weeks after your KMIAB Meeting



Defrayment of your loan monies follows

What is the Kent and Medway Investment Advisory Board?

The Kent and Medway Investment Advisory Board plays a pivotal role in the vetting process for KMBF loan applications which have reached the final stage of the process.

Businesses who reach this stage in the process are invited to present their growth proposals to the Board, an expert panel of entrepreneurs and professionals with a broad range of skills and expertise from across Kent and Medway.

Your presentation should show how you intend to demonstrate the following:

- Creation of sustainable jobs
- A well-thought through business plan (key headlines)
- Details of match funding
- Identification of sustainable profits to enable repayment of the loan
- Evidence of your pledge to reduce your net carbon footprint to zero
- Your contribution to the Kent and Medway economy, including support through your Kent-based supply chain

These also apply for Kent and Medway Business Fund (Standard) loans only.

- Track record and experience
- Growth and increased productivity
- Ability to provide security and/or personal guarantees to the value of the loan provided

At this session applicants will also be asked a series of searching questions on their proposals before a final decision is made on their application.

These questions will include the following:

- The steps businesses have taken to secure other sources of funding
- Your ability to deliver and repay the loan over 5 years
- The benefits your proposals will bring to the wider Kent and Medway economy in terms of jobs, growth and supply chain.

Applicants for KMBF (Standard) loans will also be asked about security offered to secure any loan and details of their track record and experience.



Things to consider when applying for a business loan

When applying for a KMBF business loan, the CAMPARI model is a useful tool to guide your application. Each letter stands for a particular aspect of your business that will be taken into account when your funding request is considered.

› CHARACTER

This considers your background as a business owner including your skills and successes.

› ABILITY

We will want to have confidence in your ability to deliver, your experience, specialist skills and track record.

› MEANS

We want to see what assets and liabilities you have built up over time, both personally and within the business.

› PURPOSE

We want to know why you need the money and how you're going to use it. A positive impact on the Kent and Medway economy, including boosting the local supply chain and job creation are also key considerations.

› AMOUNT

We need to know in full detail why you need the amount for which you're asking and other steps you've taken to secure the investment you need.

› REPAYMENT

We need to be confident you will meet repayment terms over the five-year term of the loan. Do not exaggerate forecasts or profit margins.

› INSURANCE

We are required to seek some security in case the repayment arrangements fail. You will need to tell us what assets would be available and their value.



