

Innovation Loans Competition Briefing April 2021

Webinar transcript

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00:01:59.130 --> 00:02:12.240

Nigel Walker: Good morning, everybody and welcome to another innovation loans competition briefing and i'm Nigel Walker i'm Deputy Director of lending and investor partnerships at innovate UK.

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00:02:12.570 --> 00:02:24.390

Nigel Walker: And just before we get started i'm going to run through a few simple housekeeping messages, first of all, this webinar is being recorded and so.

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00:02:24.990 --> 00:02:38.490

Nigel Walker: will be posted and people can pay it back and listen again to their heart's content and the slides the wish showing here will also be made available.

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00:02:40.290 --> 00:02:51.360

Nigel Walker: so that everybody can see those, although I would, of course, as always, encourage people to read the competition brief read the guidance for applicants as well, these sides of there is a help for that.

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00:02:51.930 --> 00:02:58.740

Nigel Walker: Rather than as a replacement and we're not expecting any fire alarms at least i'm not i'm working from home so.

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00:02:59.070 --> 00:03:09.660

Nigel Walker: I mean my flat if there's a fire alarm goes off then i'm going to be worried and I hope that, where everybody where you all are whether it's home or in offices as you're going backwards in labs or wherever.

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00:03:10.410 --> 00:03:25.830

Nigel Walker: I hope you can all be keeping safe as well and we're going to go straight away, through we're not taking any breaks, so if you need to have a comfort break that some it's entirely up to you and everybody will be on mute.

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00:03:27.360 --> 00:03:31.140

Nigel Walker: While we speak and that's one disadvantage of.

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00:03:32.280 --> 00:03:39.870

Nigel Walker: doing things online like this we don't get to see each other face to face, which is, which is disappointing, but by contrast we've got.

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00:03:41.340 --> 00:03:47.280

Nigel Walker: 237 participants at the moment, so we're getting out a good reach to people which we're very happy about.

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00:03:48.390 --> 00:04:03.210

Nigel Walker: This particular recording is not being subtitled, but we will capture a transcript of the discussion of all the presentations and that can be made available to anybody on request.

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00:04:04.170 --> 00:04:21.300

Nigel Walker: For accessibility purposes, so if that would be helpful to you in the future, please do let us know and we're very keen to help out in that way, I think those are all the housekeeping usual housekeeping issues and so having said that.

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00:04:24.270 --> 00:04:31.140

Nigel Walker: Just to introduce the other people and who we speaking first of all, Neil mcdade who's the chief investment officer.

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00:04:32.490 --> 00:04:44.400

Nigel Walker: At innovate UK scotty Brian he's quite on call yet, but will be joining us he's our Deputy Director of credit and he'll be talking about the credit side of things, how we think about.

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00:04:45.840 --> 00:04:49.320

Nigel Walker: suitability of businesses for loans and we have a maxi that.

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00:04:50.340 --> 00:04:54.780

Nigel Walker: program lead for innovation loans who's going to be doing and what we're talking about.

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00:04:55.890 --> 00:04:59.220

Nigel Walker: What innovation loans are and what we're looking for.

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00:04:59.880 --> 00:05:10.140

Nigel Walker: i'm going to be talking about some of the more detailed stuff like how to submit the financial side of things, and we have Chris coons and who's a portfolio manager in our competitions team.

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00:05:10.710 --> 00:05:21.240

Nigel Walker: who's working with us and he'll be helping out on some of the areas talking about, particularly the project side of the application going through the Innovation Funding service, the rfs.

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00:05:23.130 --> 00:05:30.150

Nigel Walker: Part of things and we also have Natasha from our customer support services team and he's listening in and hopefully this will be helpful because.

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00:05:30.480 --> 00:05:49.170

Nigel Walker: One of the things we're going to be saying is, if you have questions, please contact customer support services so Natasha from that team is on the line as well, so having done the introduction and tedlium the next the next slide to come along women minutes like work.

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00:05:50.400 --> 00:05:58.290

Nigel Walker: Sorry i'm just feeling stupid now there we go and we're going to talk about very, very quick introduction who UK are our UK are.

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00:05:58.860 --> 00:06:07.890

Nigel Walker: I are and innovate UK are and then we're going to talk about innovation loans we're going to talk about the business information questions we want you to ask.

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00:06:08.190 --> 00:06:21.480

Nigel Walker: The financial side of things that we want you to present to us and talk about the project side of things and talk about how you submit your application how we will assess the quality of the projects and the suitability of the business.

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00:06:22.110 --> 00:06:32.460

Nigel Walker: we'll talk about some of those key dates and about what's next, and the one thing I would say, if you have questions, please use the Q amp a and side of things.

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00:06:32.940 --> 00:06:40.590

Nigel Walker: Rather than the chaps and we will be looking at those will gather those all together, we will answer questions at the end.

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00:06:41.220 --> 00:06:51.060

Nigel Walker: Rather than as we're going through and so please feel free to use the Q amp a what we often find is people have questions beginning that we do answer during the.

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00:06:51.570 --> 00:07:03.450

Nigel Walker: course of the presentation, so we will do our very best to get to answer all of those questions and so having said that, having done the introduction and are very quickly say.

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00:07:04.050 --> 00:07:08.670

Nigel Walker: Who UK ri are were funded by government.

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00:07:09.360 --> 00:07:25.050

Nigel Walker: Seven reserved Councils research England, innovate UK and really looking to support research and innovation, because that drives economic growth and within innovate UK, where the business facing side of UK research and innovation, and we want to see.

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00:07:26.100 --> 00:07:32.820

Nigel Walker: investment in innovation, from businesses, supported by innovate UK because that drives economic growth.

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00:07:34.170 --> 00:07:41.940

Nigel Walker: So over to kneel for an introduction as chief investment officer and setting some perspectives.

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00:07:44.310 --> 00:07:44.970

Neil McDaid: Thank you Nigel.

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00:07:46.350 --> 00:07:54.210

Neil McDaid: Good morning, everybody, and thank you for joining us today it's not just that i'm the chief investment officer and also chair the credit community.

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00:07:54.930 --> 00:08:06.600

Neil McDaid: And as how maxie will explain in a moment, innovation loans are intended to encourage late stage R amp D, where there is a clear route to commercial success.

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00:08:07.140 --> 00:08:19.470

Neil McDaid: And the management team that knows what it will take to achieve that success and our extended pilot has been running for more than three years now, and we have 200 loan customers on the book.

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00:08:20.790 --> 00:08:30.270

Neil McDaid: And there are three points I would like to make before we kick off in earnest, and the first is that demand for innovation loans is hi.

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00:08:30.930 --> 00:08:40.170

Neil McDaid: This is a repayable instrument but it's not equity diluted and second the application process can seem onerous.

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00:08:40.680 --> 00:08:57.720

Neil McDaid: But we believe this is necessary because it's a difficult decision right for both as a responsible lender and you as a borrower basically we both need to decide whether debts is the right finance solution to support your r&d activity at this point in time.

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00:08:59.040 --> 00:09:08.220

Neil McDaid: And third and final we've tried to make improvements with each new competition, and we know that some key issues crop up for applicants, time and again.

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00:09:09.030 --> 00:09:18.360

Neil McDaid: This session will go into a lot of detail so that applicants can benefit from experiences and lessons learned in previous competitions.

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00:09:19.350 --> 00:09:31.680

Neil McDaid: So I certainly hope you find this session useful, I thank you for your interest in innovation loans and I wish your business every success so without further ado Nigel back to you.

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00:09:32.520 --> 00:09:43.710

Nigel Walker: Thank you very much indeed, Neil and i'm going to hand over now to maxie who's going to talk through and and give an overview of innovation loans what they are and.

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00:09:45.600 --> 00:09:48.750

Nigel Walker: How we hope they will support businesses so a maxi.

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00:09:56.370 --> 00:10:10.560

Hemaxi Bhatt: Thanks very much Nigel i'm going to keep my camera because I do have some issues around it and then do start standing like a dalek so bear with me Okay, if we can maybe move on to the next slide.

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00:10:13.980 --> 00:10:23.640

Hemaxi Bhatt: Okay, and the next one thanks thanks very much so, and innovation loans and then really funding for a stage R amp D.

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00:10:24.330 --> 00:10:30.360

Hemaxi Bhatt: Businesses I just as Neil said earlier, and what what we if they're open to SMEs for.

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00:10:30.870 --> 00:10:37.980

Hemaxi Bhatt: Those highly innovative late stage r&d projects and what we talked about there is then things like the experimental development I think that's what.

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00:10:38.940 --> 00:10:49.350

Hemaxi Bhatt: The wording that you may be used to, and with the clear route to commercial success we're looking for those businesses that are innovative growth orientated that.

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00:10:49.830 --> 00:11:05.910

Hemaxi Bhatt: Are scaling rather than starting and those businesses that are credit constrained and and we're looking really for the best game changing and disruptive ideas or concepts and Sunday night we just got back a slide.

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00:11:06.210 --> 00:11:06.660

Sorry.

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00:11:07.860 --> 00:11:24.030

Hemaxi Bhatt: Thank you, OK, so the actual competition, as shown here they're open to single SME applicants and not collaborations we've got loans that between 250,000 and 4.6 million available.

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00:11:24.870 --> 00:11:36.300

Hemaxi Bhatt: Through this competition and your loan can actually cover up to 100% of the eligible costs a double project costs that interest rates is.

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00:11:37.350 --> 00:11:48.990

Hemaxi Bhatt: below market rates and what we're looking at is that a partial deferment period do during the the the project and so get now move on to the next slide.

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00:11:51.900 --> 00:11:54.120

Hemaxi Bhatt: Okay, so what we've done is.

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00:11:55.650 --> 00:12:06.510

Hemaxi Bhatt: it's been set up the loans been structured for projects and commercial success and there's three periods there's an availability period, an extension period and repayment period.

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00:12:06.840 --> 00:12:18.150

Hemaxi Bhatt: This is really so that we can support you with those early sort of cash flow issues there might be at the very beginning, so junior availability food, this can be up to yes and that's where, as a business.

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00:12:18.720 --> 00:12:33.150

Hemaxi Bhatt: you're undergoing the R amp D work so you'd be wanting to draw down on your loan and over that period next next section and next period sorry is the extension period and, once again, that can be up to two years of the.

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00:12:34.140 --> 00:12:40.440

Hemaxi Bhatt: Your availability period and that's where you'll be building up to those commercial sales.

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00:12:42.000 --> 00:12:57.630

Hemaxi Bhatt: The availability and extension period will define that as your project period and during this time, what you'll do is you'll only pay interest at 3.7% on the amount that you draw down and repaint and the remaining 3.7% is deferred.

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00:12:58.290 --> 00:13:16.440

Hemaxi Bhatt: To the final repayment period repayment period is up to five years so two plus three plus five is nine and what we're saying is that the APR 10 can only be seven years, so what we've got is there is some flexibility and you could, if you think that your R amp D.

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00:13:18.120 --> 00:13:34.800

Hemaxi Bhatt: period is going to be up to two years, but then you think you'll only need a year to get back into those to get to those commercial sales that can be three year and then your final repayment food can be up to four years, making it seven years in total.

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00:13:36.540 --> 00:13:47.640

Hemaxi Bhatt: Okay, so we do take security, and this is in the form of mortgage debenture, which is a charge over the assets of the business we don't ask the personal guarantees.

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00:13:48.570 --> 00:13:58.140

Hemaxi Bhatt: However, we do recognize that either now or in the future, you might need senior secured commercial debts and will be prepared to enter into a data priority.

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00:13:58.440 --> 00:14:08.220

Hemaxi Bhatt: and subordinate that debt, so will rank behind the print the principal lender in the event of the default okay next slide please.

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00:14:10.410 --> 00:14:21.060

Hemaxi Bhatt: In addition, we weren't asked you to adhere to some promise system covenants and during the period of the loan so One of those is around.

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00:14:21.720 --> 00:14:29.040

Hemaxi Bhatt: liquidity ratio, basically, which means that your current assets need to exceed your current liabilities by 10%.

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00:14:29.640 --> 00:14:40.770

Hemaxi Bhatt: It shows us that you're able to take on the loan and the interest payments and in the availability and the extension periods and thereafter you'll be able to meet those loan repayments.

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00:14:42.480 --> 00:14:52.980

Hemaxi Bhatt: The second one is the debts debt service coverage ratio and threaten repayment period will be expecting you to meet this.

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00:14:53.730 --> 00:15:09.060

Hemaxi Bhatt: And what that means is that your earnings before interest taxes depreciation and amortization and effectively what's your rent free cash flow will be 1.2 times your interest and repayments required.

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00:15:09.630 --> 00:15:17.400

Hemaxi Bhatt: Throughout the repayment period once again It just shows us that you can afford the loan, and you know, we want to be a sensible lender.

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00:15:18.960 --> 00:15:32.340

Hemaxi Bhatt: In addition, and, as this is an R amp D project you'll have a monitoring officer will be working with you and now make sure that your project is on track and performing well to achieve the success and, at the end of the project.

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00:15:33.690 --> 00:15:43.860

Hemaxi Bhatt: will also ask for the provision of quarterly management accounts and accounts within six months of the year end this, this is really just a very good discipline for the company.

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00:15:44.550 --> 00:15:56.850

Hemaxi Bhatt: And, and if you want to know more, the summary heads of terms are all in the competition and guidance and we will be sharing these slides later, so you will be attracted the length of that.

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00:15:58.830 --> 00:16:00.090

Nigel Walker: interrupted i'm a.

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00:16:00.420 --> 00:16:15.420

Nigel Walker: coach i'm just one technical terms of technical point for everybody, and in the in your application, you will need to confirm when you submit your application you agree to the terms and conditions.

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00:16:15.840 --> 00:16:30.930

Nigel Walker: On the innovations funding service at the moment, and unfortunately they're still showing the terms and conditions from the innovation continuity loans, which was the last program that we ran and there's one very small difference.

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00:16:31.620 --> 00:16:38.190

Nigel Walker: There in those terms and conditions around the length of the availability period we're working at the moment to.

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00:16:38.820 --> 00:16:46.860

Nigel Walker: get those terms and conditions on fs updated so that they will reflect the proper terms and conditions of this competition.

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00:16:47.190 --> 00:16:57.000

Nigel Walker: Which are those that are shown here, and that will happen that that scheduled to happen by the 27th of May that they will be updated, but you will be required.

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00:16:57.300 --> 00:17:06.570

Nigel Walker: to commit to those but what I would say is that, whilst those are the headline terms, and you will commit overall to those headline terms.

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00:17:06.810 --> 00:17:20.340

Nigel Walker: The actual terms and conditions that will apply will be set out in the loan agreement and in the event we offer your loan and you agreed to take on that loan, then there will be a formal loan agreement which will go into the full detail.

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00:17:20.940 --> 00:17:28.440

Nigel Walker: Of all the terms and conditions, and that will be what will apply, and if there's any confusion or you need any further.

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00:17:29.460 --> 00:17:36.960

Nigel Walker: Guidance around that, please do get in touch and i'll be very happy to talk about through them, even if it's not entirely clear.

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00:17:40.230 --> 00:17:46.920

Hemaxi Bhatt: Okay much Nigel that that's a really key point, and can we just move on to the next slide.

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00:17:48.150 --> 00:17:55.110

Hemaxi Bhatt: So what, what are we looking for in your applications and what sort of businesses are we looking at.

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00:17:56.310 --> 00:18:03.390

Hemaxi Bhatt: So it's really those businesses that can demonstrate that their innovation activities have the best potential for future growth.

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00:18:04.260 --> 00:18:19.830

Hemaxi Bhatt: In your application, what we want to see is that you've got a high quality later stage, R and D project that you've got a period to commercial success but you've got a really strong management team, as well as a strong project team.

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00:18:21.090 --> 00:18:26.550

Hemaxi Bhatt: We want you to tell us why you need additional public funding in order to be able to carry out this project.

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00:18:28.140 --> 00:18:35.160

Hemaxi Bhatt: and also why you're unable to fund that project from your own resources or from other forms of private sector funding.

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00:18:36.270 --> 00:18:46.650

Hemaxi Bhatt: mean overall we're looking for an appropriate and evidence boring proposal from a business that meets the eligibility criteria and can meet those loan interest and repayments as they forge you.

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00:18:48.090 --> 00:18:58.170

Hemaxi Bhatt: come to the next slide Okay, so what what do we mean by late stage R amp D development, I think this slide really, really explained it really well.

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00:18:58.530 --> 00:19:13.020

Hemaxi Bhatt: So it really comprises the activities required to take a proof of concept or a prototype through to commercial application and ultimately delivering new products, processes technologies and services to market.

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00:19:13.860 --> 00:19:33.480

Hemaxi Bhatt: it's all the stages shown in this slide from you know, integrating components into your prototype and the testing and optimizing and undertaking demonstrations and the redesign consumer trials manufacturing, all the way through to that sort of final product and commercialization.

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00:19:36.930 --> 00:19:41.850

Hemaxi Bhatt: Next next slide Okay, so what, what are the key dates for the competition.

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00:19:43.650 --> 00:19:46.830

Hemaxi Bhatt: competitions already open and running 26th of April.

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00:19:47.970 --> 00:20:00.450

Hemaxi Bhatt: We are closing two applications at 11am on the second of June, this is a really, really strict deadline, so please make sure that you get your applications in earlier.

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00:20:01.320 --> 00:20:11.190

Hemaxi Bhatt: than that we expect to identify Africans that have been successful and i'm moving into the detailed credit evaluation process by the 23rd of July.

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00:20:11.820 --> 00:20:21.390

Hemaxi Bhatt: And that's an all successful applicants will be expected to start their project by mid September and which really means that you'll be drawing down on first tranche of your loan.

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00:20:21.930 --> 00:20:34.860

Hemaxi Bhatt: So just just as a quick summary what what we've got here is competition that's already open open for SMEs with late stage R amp D projects into commercial success.

103

00:20:35.310 --> 00:20:50.940

Hemaxi Bhatt: lines between 250,000 and 1.6 million and available and with an interest rate of 7.4% but with an element of deferment there and overall term or seven years.

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00:20:52.620 --> 00:20:53.880

Hemaxi Bhatt: To move on to the next slide.

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00:20:55.410 --> 00:20:56.760

Nigel Walker: I think I jumped in here.

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00:20:57.150 --> 00:20:58.080

Hemaxi Bhatt: certainly do.

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00:20:58.770 --> 00:21:01.950

Nigel Walker: So, because in innovation loan has a below.

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00:21:01.950 --> 00:21:03.330

Hemaxi Bhatt: Market rate of interest.

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00:21:03.480 --> 00:21:12.600

Nigel Walker: And because we don't charge fees and it is a form of subsidy so that's what used to be state aid it's now under the UK subsidy control regime.

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00:21:13.050 --> 00:21:24.870

Nigel Walker: The innovation loan is a form of subsidy and the amount of subsidy that we offer the equivalent of a grant is the difference between a market rate of interest or a reference rated interest.

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00:21:25.530 --> 00:21:32.610

Nigel Walker: And what you will actually be paying that benefit over the life of the loan is the equivalent of a grant.

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00:21:33.270 --> 00:21:52.710

Nigel Walker: And within the business financial spreadsheet there's a calculation and to help you with that, but I will talk about in while for most businesses for many businesses, this is what will apply this UK subsidy control regime, and there are businesses.

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00:21:53.760 --> 00:22:12.270

Nigel Walker: Who are perhaps conducting activities that affect the trade of goods and or electricity between Northern Ireland and European Union and I set out in the Northern Ireland protocol in that case and the business would be still subject to the state aid regulations.

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00:22:13.350 --> 00:22:25.290

Nigel Walker: And the notorious undertaking in difficulty testing may well apply at that point and it's important that you understand and check for yourself whether you would be.

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00:22:25.770 --> 00:22:38.820

Nigel Walker: captured by the State Aid Regulations because of the Northern Ireland protocol, and we would encourage you to take take expert advice on that to make sure that you fit within the right part.

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00:22:39.900 --> 00:22:46.950

Nigel Walker: Of the subsidy control or state aid regulations, but just to confirm this is a form of subsidy.

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00:22:50.880 --> 00:23:02.850

Nigel Walker: And so i'll just quickly carry on now and what we're going to do is talk about how to make your application and I always think of this and there are three equally important parts.

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00:23:03.780 --> 00:23:08.550

Nigel Walker: of your application there's information that we want about your business.

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00:23:08.970 --> 00:23:14.700

Nigel Walker: there's stuff about the finances for the business to demonstrate that suitability to take on a loan.

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00:23:15.000 --> 00:23:26.130

Nigel Walker: And there's information we want about your project proposal and the related costs and that can show us that what you're doing is highly innovative all three parts are equally important, please don't.

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00:23:26.640 --> 00:23:37.950

Nigel Walker: be one of those people that says Oh, the main application is the project base and there's some other stuff We certainly don't see it that way, we see it, that all these parts are important for an innovation line.

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00:23:38.700 --> 00:23:50.910

Nigel Walker: And the way in which you will start your application is going into innovate UK Innovation Funding service, so you can go into the innovate UK website, you can search for.

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00:23:51.420 --> 00:24:01.800

Nigel Walker: Funding competition if you look there you can search by keywords such as loans or you can simply scroll down through the competitions that we're running at the moment, and you will see that.

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00:24:02.310 --> 00:24:12.150

Nigel Walker: Innovation loans, the April 2021 open competition is there and there's the competition brief, which shows all the description of what the.

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00:24:13.110 --> 00:24:28.290

Nigel Walker: Competition is about how eligibility works what the scope of the competition is how to apply, etc, in order to do that, you should either create a new account if you haven't used the innovations funding service before.

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00:24:29.850 --> 00:24:46.800

Nigel Walker: Or you can sign on sign in with an account that maybe you've already created, and if you are setting up a new account please use the company's house look up when you're talking about your business, because that will save time and help to do things.

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00:24:47.910 --> 00:24:57.030

Nigel Walker: And now we're going to talk about the business and financial questions the business information and i'll hand back to a maxi.

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00:24:58.350 --> 00:25:15.330

Hemaxi Bhatt: But thanks very much Nigel okay so and when you click on that the the application side, this is the the screen that you'll come to and and what we want you to do is be able to just work through each of those sections and, as you.

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00:25:16.440 --> 00:25:21.780

Hemaxi Bhatt: As you see fit, at the moment i'm going to focus in on this business and financial information.

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00:25:22.650 --> 00:25:33.510

Hemaxi Bhatt: Section and innovate UK lens limited we're going to determine whether twofer and innovation loan, on the basis of the information that you provide to us in your application.

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00:25:34.230 --> 00:25:47.700

Hemaxi Bhatt: And so, will will look at the business and financial information will look at the project application and to consider your suitability for a loan so first and foremost, if you click on this business and financial information section.

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00:25:49.020 --> 00:26:02.670

Hemaxi Bhatt: And this is the next page, so this is where it will take you to and you'll see so on here in the middle of the page, which is my sister called says, complete the online business survey.

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00:26:03.270 --> 00:26:16.590

Hemaxi Bhatt: When you click on that it will open a new window and what you'll be able to is that actually answers to the questions and your answers will save and using cookies on your computer.

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00:26:17.340 --> 00:26:22.140

Hemaxi Bhatt: However, what you'll have to remember is that your application will only be.

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00:26:22.950 --> 00:26:40.980

Hemaxi Bhatt: sort of Satan submitted one so once you've submitted everything and uploaded financial spreadsheet and press the submit button at the end and and I will go through that as we, as we go through so so what we're asking you to do is you click on this button.

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00:26:42.120 --> 00:26:54.120

Hemaxi Bhatt: And that will take you to the next page and the questions and answers and answer all the questions and you'll have the option to upload your financial spreadsheet.

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00:26:54.450 --> 00:27:09.660

Hemaxi Bhatt: do that, and then, once you've completed everything you've press the submit button you go back to the in the previous page that we were that we were showing you, and then you mark that is complete in your application before you move to the next section.

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00:27:10.860 --> 00:27:19.770

Hemaxi Bhatt: So your overall application won't be eligible unless you've completed all the sections and submitted it on the Innovation Funding service.

139

00:27:21.390 --> 00:27:31.680

Hemaxi Bhatt: So, once you click on that link this is the next page and the business information so they can only be completed and submitted from a single computer.

140

00:27:32.070 --> 00:27:40.470

Hemaxi Bhatt: So it's not possible for you to collaborate with others remotely to complete the survey questions, but what you can do is you're able to download.

141

00:27:40.920 --> 00:27:55.410

Hemaxi Bhatt: A PDF of the full survey here and it doesn't need a new window so you're then able to share that with your team collate all of the information on for for that and then be able to input when you're ready.

142

00:27:57.150 --> 00:28:06.930

Hemaxi Bhatt: And on this page at the very bottom, as you as you scroll up you'll get all of the other questions the business survey will start in full.

143

00:28:08.010 --> 00:28:20.760

Hemaxi Bhatt: But before you do, that what you need to do as well is download the financial spreadsheet, and this is the next section where it shows you that when it says financial information form opens in a new window.

144

00:28:21.240 --> 00:28:28.200

Hemaxi Bhatt: And please download financial spreadsheet and save it so that you can complete it, and then upload it later when you're asked to.

145

00:28:29.130 --> 00:28:40.290

Hemaxi Bhatt: Also on this page our meetings links to the guidance documents what we've done is provided some how to documents to for help with both the.

146

00:28:40.830 --> 00:28:49.350

Hemaxi Bhatt: condition of the business questions and financial spreadsheet I highly recommend that you download these two to help you with the application process.

147

00:28:49.890 --> 00:28:59.370

Hemaxi Bhatt: become mentioned the thing about cookies earlier because the survey uses cookies on your computer for tracking you should ensure that they're enabled on your device.

148

00:29:00.510 --> 00:29:08.880

Hemaxi Bhatt: If you need to start a brand new survey you'll need to either clear your cookies on your device or you'll need to start a new survey using.

149

00:29:09.570 --> 00:29:18.930

Hemaxi Bhatt: Probably an incognito window on your browser i'm not a real techie on this, but I hope that what sort of set that makes a little bit of sense.

150

00:29:19.320 --> 00:29:28.470

Hemaxi Bhatt: And, and some of you probably know a lot more than me about that that that particular element Okay, so if we move on and.

151

00:29:29.130 --> 00:29:38.250

Hemaxi Bhatt: He or she moves down that scroll down that page you'll come across a number of questions and some some will be shorter, some will be much longer.

152

00:29:39.180 --> 00:29:47.430

Hemaxi Bhatt: And these, these are the more sort of what I call the descriptive ones where we're asking you to describe certain scenarios or waste and in.

153

00:29:48.030 --> 00:29:56.610

Hemaxi Bhatt: sort of 800 words and also there are lots of other questions which will be shorter there's multiple choice and there's.

154

00:29:57.390 --> 00:30:06.210

Hemaxi Bhatt: drop down boxes so just work through those and i'm just going to focus on these particular descriptive questions that you can see, on the slide.

155

00:30:06.600 --> 00:30:19.800

Hemaxi Bhatt: So what what what we're going to be asking you, is around the business overview of your business yeah what's your business, the core product

offering the value proposition, you know how how is all of that going to be impacted by this project.

156

00:30:20.460 --> 00:30:31.170

Hemaxi Bhatt: This question is important, as your answer will help us to understand your overall business and so that we can consider all of those points in our credit evaluation.

157

00:30:32.550 --> 00:30:38.700

Hemaxi Bhatt: The questions on the project scope and market opportunity and that you'll see.

158

00:30:40.110 --> 00:30:51.120

Hemaxi Bhatt: Later on, in when you do your own project that application relates specifically to the R and D project here what we want you to focus on is the actual business.

159

00:30:51.900 --> 00:31:03.240

Hemaxi Bhatt: So it might not like there's a little bit of overlap, but if your businesses in their early stage, please remember that the focus on the question is very different, this is business, and when you go later on to the.

160

00:31:04.230 --> 00:31:14.910

Hemaxi Bhatt: Project innovation project bits then that's around your project okay we're also going to ask you about your loan request and around the amount that you want.

161

00:31:15.360 --> 00:31:25.230

Hemaxi Bhatt: To be the repayment period, and here we want to understand why you selected the loan structure that that you have how that fits in with your project proposal.

162

00:31:25.560 --> 00:31:35.040

Hemaxi Bhatt: And also helps provide a context be financial forecasts and your financial submission and, once again, it will really help us to evaluate your loan proposal.

163

00:31:36.060 --> 00:31:45.360

Hemaxi Bhatt: Next next sort of longer question you'll come across with around the the founders, and the company structure now, who is the management team.

164

00:31:45.780 --> 00:32:03.270

Hemaxi Bhatt: And we're really, really interested in the the breadth and capability of your overall management team to deliver the project and the wider business plan that shown in your financial forecasts, the questions on the project team will be very much in the project application.

165

00:32:04.440 --> 00:32:14.940

Hemaxi Bhatt: And, once again, you know that that there is that difference between the the management team and the project team and we're looking for those really strong players there.

166

00:32:15.990 --> 00:32:26.250

Hemaxi Bhatt: Who ends the company now help us to understand the commitments of the existing founders any investors already investing in the business.

167

00:32:26.790 --> 00:32:30.960

Hemaxi Bhatt: What we'll do is we'll consider this information, alongside publicly available.

168

00:32:31.710 --> 00:32:47.400

Hemaxi Bhatt: information from other businesses owned by these individuals any other relevant directorships that you might hold and will also use and verify this information as part of our know your customer anti money laundering checks and if we do make you elaine not been.

169

00:32:48.510 --> 00:32:54.720

Hemaxi Bhatt: Okay, moving on to commercial activity, and you know what's the past, current and forecasts commercial activity.

170

00:32:56.010 --> 00:33:08.880

Hemaxi Bhatt: And once again the importance of this question is that we're really interested in your APR business and it's great prospects and the wider business plan, as I mentioned earlier, and and and shown in your financial forecasts.

171

00:33:10.320 --> 00:33:18.240

Hemaxi Bhatt: product development and what's the past, current and forecast stage of development of your technology and plans for future developments.

172

00:33:18.720 --> 00:33:29.760

Hemaxi Bhatt: And here there's a set of short questions around you know your your product development both past, present and future you don't have a long questions complete there.

173

00:33:30.780 --> 00:33:40.080

Hemaxi Bhatt: Okay, then moving on to finance and fundraising and obviously this is a loan and we want to make sure that you're capable of retains alone.

174

00:33:40.470 --> 00:33:46.050

Hemaxi Bhatt: So we're interested in financial resources available to deliver the project and the wider business plan.

175

00:33:47.040 --> 00:33:52.770

Hemaxi Bhatt: He should describe your funding structure as accurately as possible and provide supporting evidence.

176

00:33:53.610 --> 00:34:09.450

Hemaxi Bhatt: For example, on the stage of completion of any funding raises or the expect over the expected timing of signing a key commercial contracts and you should ensure that the description of your funding structure here matches the information that you provide in your business financial submission.

177

00:34:10.620 --> 00:34:17.970

Hemaxi Bhatt: As I said earlier, it's really essential parts of our determination of suitability of your business to take on that innovation zone.

178

00:34:19.320 --> 00:34:31.770

Hemaxi Bhatt: And then the final of the the last question is around the growth challenges and here we're really interested in the overall risks to your business, you know what are the main challenges and risks that you're likely to face.

179

00:34:32.280 --> 00:34:40.380

Hemaxi Bhatt: And, as I said, it may look like there's some overlap in some of the questions within this business information questions section and the project application.

180

00:34:41.460 --> 00:34:49.140

Hemaxi Bhatt: But please remember that what we're asking you to do is focus on the business here, and then the other questions to focus on the project.

181

00:34:50.520 --> 00:34:51.900

Hemaxi Bhatt: Okay, go to the next slide.

182

00:34:53.790 --> 00:35:02.910

Nigel Walker: i'll take over now and talk about the the business financials spreadsheet the side of things so and as her maxie showed earlier.

183

00:35:03.180 --> 00:35:15.090

Nigel Walker: And when you click from if, as you go through into the survey and that's where you have the opportunity to download the financial information form, which is an excel spreadsheet.

184

00:35:15.510 --> 00:35:29.490

Nigel Walker: And there is as maxine said there is specific guidance on how to complete the financial information form we tried to go through every single aspect of it and give some advice on how to do that.

185

00:35:30.300 --> 00:35:38.940

Nigel Walker: i'm going to go through the business financial spreadsheet in quite a lot of detail now, and the reason i'm doing that is because we found in previous competitions.

186

00:35:39.270 --> 00:35:43.080

Nigel Walker: That we had quite a lot of applications where the financials were.

187

00:35:43.650 --> 00:35:52.770

Nigel Walker: Really, to be frank, not up to scratch and we have some very weak some very poorly prepared some often very complete entirely incomplete.

188

00:35:53.070 --> 00:36:06.900

Nigel Walker: and financial submissions and that meant we weren't in a position to be able to properly assess the suitability of the business on the applicant to take on a loan so i'm going to go into it in quite a lot of detail into.

189

00:36:07.440 --> 00:36:14.640

Nigel Walker: How the business financials spreadsheet is structured and give you some suggestions on how to complete it.

190

00:36:15.270 --> 00:36:23.220

Nigel Walker: we're looking basically for profit and loss account and balance sheet and cash flow forecast for the full period of the loan.

191

00:36:23.610 --> 00:36:35.670

Nigel Walker: and historic information if it's available so we're looking for three years of actual and historic information if it's available if your company is more recently incorporated, then clearly that won't be the case.

192

00:36:36.750 --> 00:36:45.930

Nigel Walker: And we're looking for forecast information that's going to cover the full term of the loan, so if you're seeking a seven year loan, in total, we would look to be.

193

00:36:46.470 --> 00:36:56.280

Nigel Walker: receiving from you that information covering those seven years so profit and loss account in a summary basis and the key elements of your balance sheet.

194

00:36:56.670 --> 00:37:09.930

Nigel Walker: and also the key elements of your cash flow forecast cash is really, really important when it comes to an evaluation of suitability to take on alone, so we want you to complete this cash flow and.

195

00:37:10.230 --> 00:37:15.900

Nigel Walker: For yourself city, you can see that the loan is affordable and for us so that we can make that determination.

196

00:37:16.800 --> 00:37:24.960

Nigel Walker: The first thing you do when you open this spreadsheet is you need to put in some very basic details to start with your application number.

197

00:37:25.260 --> 00:37:36.270

Nigel Walker: Please make that time with the Innovation Funding service company name, please use the same company name as you used in the Innovation Funding service in previous example in competitions.

198

00:37:37.080 --> 00:37:43.110

Nigel Walker: we've had people using slightly different company names are entirely different company names which is confused the heck out of me.

199

00:37:43.620 --> 00:37:57.300

Nigel Walker: So being consistent would be really important there, and you need to put in the date when you want to start the loan, and that must be in the format of data, a month month year year so as an example with 30.

200

00:37:58.230 --> 00:38:10.650

Nigel Walker: slash oh nine slash 2021 if you wanted your loan start on the 30th of September 2021 and you need to put in your financial year and there's a drop down so in this case.

201

00:38:11.010 --> 00:38:27.600

Nigel Walker: i've assumed a December year and, and what that will then do is also populate the rest of the spreadsheets with your financial years, showing which are historic so which actually and which are forecast and that therefore effectively opens up the spreadsheet.

202

00:38:28.770 --> 00:38:40.920

Nigel Walker: The next thing that I do when i'm looking at this is look at the the loan amount, so we were asked you to put in what the eligible project costs are you will have completed that.

203

00:38:41.460 --> 00:38:44.610

Nigel Walker: Or you will complete that when you go through the project part of.

204

00:38:45.210 --> 00:38:52.020

Nigel Walker: Your application so showing that, in this case i've assumed eligible project costs of 1.25 million.

205

00:38:52.350 --> 00:39:04.410

Nigel Walker: And, and the amount that you wish to borrow, and here I put an example of the same amount, and it may be less it cannot be more, because we can only find up to 100% of the eligible project costs but not more.

206

00:39:05.130 --> 00:39:13.560

Nigel Walker: And the minimum loan amount it as a reminder is 250,000 pounds the maximum loan amount is 1.6 million pounds.

207

00:39:14.130 --> 00:39:22.200

Nigel Walker: And then we asked you to put in those availability extension and repayment periods there a drop downs, we asked you to participate in quarters.

208

00:39:22.440 --> 00:39:29.820

Nigel Walker: Because the loan works on a quarterly basis with quarterly drawdowns in advance to fund those R amp D costs and the availability period.

209

00:39:30.240 --> 00:39:35.400

Nigel Walker: And so the availability period as a reminder, is when you're doing it R and D.

210

00:39:35.760 --> 00:39:50.070

Nigel Walker: extension period and you're getting to the market, and then the repayment period is when, hopefully you're successful exploiting the results of your r&d project and generating revenues which means you will be able to repay and if you put in.

211

00:39:50.760 --> 00:39:59.430

Nigel Walker: The availability extension and repayment periods here that exceed seven years in total, you will get an error message from the spreadsheet.

212

00:39:59.640 --> 00:40:05.520

Nigel Walker: So you'll need to go back and look at those periods to make sure that they fit within the requirements that you set out.

213

00:40:06.030 --> 00:40:17.820

Nigel Walker: And then you can put in when your anticipated drawdowns might be so in each of the quarters in this example i've shown a project that is drawing down over six quarters and.

214

00:40:19.320 --> 00:40:26.640

Nigel Walker: With a an initial drawdown that's higher than the rest that's in this example to taking into account, perhaps.

215

00:40:27.120 --> 00:40:38.910

Nigel Walker: Early payments that are required for the eligible cost of capital equipment is purchased and used in the project, so you should put in these here, according to your forecast when you will need.

216

00:40:40.080 --> 00:40:47.970

Nigel Walker: The loan, and this will then auto populate the loan balance and the interest and the repayments and this.

217

00:40:49.020 --> 00:40:53.460

Nigel Walker: slide here shows how that all works through that once you put in the.

218

00:40:53.880 --> 00:41:02.940

Nigel Walker: loan about the periods when the drawing drawing down, then the calculations will be made of the interest it's paid the interest of deferred.

219

00:41:03.180 --> 00:41:10.710

Nigel Walker: And the total amounts and then in the repayment period, what the quarterly payments of capital and interest will be and as you'll see it's.

220

00:41:10.950 --> 00:41:20.550

Nigel Walker: A level repayment of capital and interest and during the repayment period, all these calculations will be done automatically by the.

221

00:41:21.090 --> 00:41:35.340

Nigel Walker: spreadsheets to make life easier for you and we'll all be based on this assumption of an overall rated interest of 7.4% with 3.7% current and 3.7% differed in the availability and the extension periods.

222

00:41:35.820 --> 00:41:41.460

Nigel Walker: The next thing that will happen is that those numbers will be auto populated into.

223

00:41:41.700 --> 00:41:55.710

Nigel Walker: The tab one which is the business financial spreadsheet so the innovation loan amount, for example, the amount drawn down the accrued interest and then the repayments will factor through into the balance sheet, to show the balance.

224

00:41:56.640 --> 00:42:03.600

Nigel Walker: Of the innovation loan that's automatically done it's hard coded and it's a password protected spreadsheet.

225

00:42:04.620 --> 00:42:17.460

Nigel Walker: And therefore, you won't be able to make changes to that and it will also show the interest charge in the profit loss so that's the total interest charged and in each of the financial years.

226

00:42:18.240 --> 00:42:25.980

Nigel Walker: And will also show in the cash flow forecast showing the amount you drawn down as cash coming in.

227

00:42:26.310 --> 00:42:40.290

Nigel Walker: The amount of interest that you pay, which is not the same as the charge obviously because of the deferrals and during each year and then the amount that you repay showing the cash coming out so all of those will then be auto populated.

228

00:42:42.360 --> 00:42:52.230

Nigel Walker: The next tab tab to is about the sales and cost of sales assumptions, this is optional, but very much encouraged and it's relatively simple.

229

00:42:52.830 --> 00:43:04.170

Nigel Walker: But the idea is that it gives us the opportunity to see what your forecasts are how reasonable, they are, how they tie into the narrative in the business financials that him axes talked about.

230

00:43:04.440 --> 00:43:13.980

Nigel Walker: So if you have product or service one product or service to showing the sales price that you would expect to achieve and from each of those.

231

00:43:14.370 --> 00:43:23.970

Nigel Walker: products or services as they're sold and the cost that it takes that you will have to deliver those are the cost of sales, which might be some materials might be Labor.

232

00:43:24.240 --> 00:43:37.170

Nigel Walker: And might be other forms of costs, so those will be in will you will put those in, and it will calculate the gross margin which i'm sure will be a useful thing for you to be thinking about and comparing with your own existing thoughts.

233

00:43:37.770 --> 00:43:47.820

Nigel Walker: And then you will put in the actual sort of the forecast sales, that you will be making for each of those products, so in this case I very simply put in.

234

00:43:48.390 --> 00:43:56.730

Nigel Walker: A simple growth in test product one, and then a slightly delayed test product to moving forward, showing.

235

00:43:57.270 --> 00:44:05.130

Nigel Walker: Sales volume the year showing average sales volume for month the month looking at, we will look at that, to see how plausible those might appear.

236

00:44:05.550 --> 00:44:12.210

Nigel Walker: And what the spreadsheet will then do is automatically calculate the sales value and the cost of sales value.

237

00:44:12.420 --> 00:44:20.850

Nigel Walker: Based on those inputs you've made of your sales price your cost of sales and the volume of sales of each product or service that you will be making.

238

00:44:21.330 --> 00:44:32.700

Nigel Walker: And what that will then do is auto populates the profit and loss in the business financial spreadsheet that first tab showing your turnover and showing the cost of sales.

239

00:44:33.450 --> 00:44:47.640

Nigel Walker: And this will then as you'll see here that starting to populate that profit and loss account showing total income your gross profit your earnings before interest taxes depreciation amortization your ebit da your net profit, this is still.

240

00:44:48.060 --> 00:44:56.610

Nigel Walker: At this stage, incomplete, but it's beginning to populate with the sort of information you put in, as I said, you don't have to use that.

241

00:44:57.750 --> 00:45:08.130

Nigel Walker: Sales assumptions tab but we'd certainly encourage it, if you have your own financial model, and you can use that and put in the numbers to turn over yourself just as a.

242

00:45:10.140 --> 00:45:20.700

Nigel Walker: quick point of clarification, we would not consider granting come to be turnover and we are definition of turnover is the.

243

00:45:21.240 --> 00:45:30.060

Nigel Walker: Sales that you generate from third parties for customers and maybe some pre commercial elements to that, but it's something to take into account.

244

00:45:30.570 --> 00:45:41.850

Nigel Walker: So once those things have all been auto populated, you will then need to put in the remaining financial data so in the profit and loss, if you have any grand income, for example, please put that as other income.

245

00:45:42.150 --> 00:45:54.840

Nigel Walker: Please complete the lines for other costs so administrative costs sales and marketing your research and development costs and those may probably not be included in cost of sales.

246

00:45:55.710 --> 00:46:07.770

Nigel Walker: because their R amp D, so please ensure that you put those in where there's depreciation and amortization and depreciation of any fixed assets and amortization of intangible assets, for example.

247

00:46:08.190 --> 00:46:15.960

Nigel Walker: Any other interest that you might be paying and your your tax position, maybe you're going to be generating some r&d tax relief.

248

00:46:16.560 --> 00:46:26.580

Nigel Walker: In the early phases, and please make sure you check with an advisor about how eligible, that is, and and any tax that you'll be paying on your profits in the future, so you.

249

00:46:26.880 --> 00:46:31.440

Nigel Walker: need to complete those and then the summary is the totals will be calculated.

250

00:46:31.860 --> 00:46:45.510

Nigel Walker: And then we'll also asked you to input all the remaining financial data to your balance sheet, so your fixed assets, for example, tangible assets intangible assets, taking into account depreciation and amortization debtors.

251

00:46:46.290 --> 00:46:52.470

Nigel Walker: inventories and creditors all very, very important need to think through when you will be paid.

252

00:46:53.310 --> 00:47:02.220

Nigel Walker: In relation to the the sales that you make, maybe you're getting some payments in advance which case you need to take that into account into into creditors.

253

00:47:02.460 --> 00:47:07.080

Nigel Walker: And maybe you're being paid in arrears, which is perhaps more likely showing that says dresses.

254

00:47:07.380 --> 00:47:19.110

Nigel Walker: Maybe you need to be building up inventory so you've got stopped what's available to sell you need to be putting that information in there because it's really important and you also need to put in and.

255

00:47:19.890 --> 00:47:28.500

Nigel Walker: Increases in chair capital that may be happening, for example, and and things like the accumulated profit and loss and taking into account your.

256

00:47:29.010 --> 00:47:34.200

Nigel Walker: Profits or losses brought forward your result for each year, and how that then carries forward.

257

00:47:35.070 --> 00:47:43.500

Nigel Walker: And the cash trigger is pretty important as well, obviously, and and you can tie that together with your cash flow forecast would ask you to put in.

258

00:47:43.950 --> 00:47:50.400

Nigel Walker: The cash that you receive from debtors So if you take into account your turnover and other income.

259

00:47:50.640 --> 00:48:01.440

Nigel Walker: take into account the dances where you haven't yet been paid, or the data from the previous year were you then have been paid, putting that in so that is the cash that you receive from.

260

00:48:02.220 --> 00:48:12.450

Nigel Walker: The turnover you generated any other loans or equity that you introduced perhaps you're going to raise some share capital, perhaps you're going to borrow from the Bank in the future.

261

00:48:12.780 --> 00:48:17.910

Nigel Walker: And the cash that you're going to expand around cost of sales administration other costs.

262

00:48:18.210 --> 00:48:29.370

Nigel Walker: And again, taking into account your creditor in your inventory position so you're looking at the cash impact of the changes in your balance sheet and your profit and loss and any cash that you use to purchase.

263

00:48:29.760 --> 00:48:39.540

Nigel Walker: assets and tying in again with your fixed asset position you're showing on your balance sheet and then any other cash outflows that there might be payments of tax, for example.

264

00:48:40.440 --> 00:48:57.360

Nigel Walker: would be in there and you're opening and closing cash balances are very important that auto calculated here and are an essential part of that evaluation that you would make around suitability of your business to take on alone.

265

00:48:58.530 --> 00:49:03.060

Nigel Walker: And we will obviously take that into account as well, and the.

266

00:49:04.230 --> 00:49:08.820

Nigel Walker: bottom of the business financial spreadsheets and there are some simple checks.

267

00:49:09.150 --> 00:49:17.160

Nigel Walker: To make sure that your balance sheet balances and i'm boring and i'm an accountant I like to see a balance sheet balances and where I see one that doesn't balance.

268

00:49:17.400 --> 00:49:23.340

Nigel Walker: I get very worried because it makes me think that perhaps things aren't right, and if they see something that balances because.

269

00:49:23.700 --> 00:49:34.440

Nigel Walker: A balancing figures being pushed in some way, just to make it work I get worried about that as well from a from an accounting point of view, so please do make sure that you're getting suitable.

270

00:49:35.490 --> 00:49:39.030

Nigel Walker: expert advice from an accountant or a financially.

271

00:49:40.230 --> 00:49:46.800

Nigel Walker: literate person to make sure you're doing this, so it'll help you check to make sure that your balance sheet is in balance.

272

00:49:47.070 --> 00:49:55.920

Nigel Walker: there's a check to make sure that the cash that's in the balance sheet and the cash that's changing the cash flow forecast are the same number and so those will color.

273

00:49:56.250 --> 00:50:17.040

Nigel Walker: If i'm the undertakings in difficulty test is relevant and then that's something for you to consider this will show whether or not it's relevant it will show a number there, and you should take that into account if you're subject to state aid rules because of the Northern Ireland protocol.

274

00:50:18.330 --> 00:50:20.550

Nigel Walker: But generally speaking it's quite an interesting.

275

00:50:22.920 --> 00:50:30.690

Nigel Walker: indicator of the adequacy of capitalization of your business the liquidity ratio, the debt service coverage ratio are shown as well.

276

00:50:31.230 --> 00:50:40.350

Nigel Walker: As the maxi told you throughout the period, we expect to see a liquidity ratio in X 1.1 times, or more, and in the repayment period.

277

00:50:40.860 --> 00:50:50.070

Nigel Walker: A debt service coverage ratio of 1.2 times, or more it will show here also the loan to project value, so what you're eligible project costs are.

278

00:50:50.340 --> 00:51:04.200

Nigel Walker: And how much you're looking to borrow and that cannot be more than 100% it may be lower you might wish to have project costs of you know 2 million pounds and borrow 1 million pounds that would then show up as a loan to project value of 50%.

279

00:51:04.770 --> 00:51:18.420

Nigel Walker: The gross grant equivalent that subsidy element will be shown here and there are other tabs in the business financial spreadsheet that show you how that's calculated comparing the actual.

280

00:51:18.960 --> 00:51:23.430

Nigel Walker: Cost of interest with the reference rate of interest and fees.

281

00:51:24.150 --> 00:51:38.160

Nigel Walker: And it will show this intensity rate to show the gross ground equivalent compared to the cost of the projects and that intensity rate for a later stage, R and D project that's classified as experimental development.

282

00:51:38.430 --> 00:51:52.620

Nigel Walker: cannot be more than 45% within the subsidy rules that were applying in this competition So these are some useful checks, we will certainly use these and by hoping they'll be helpful for you as well that's a lot of information.

283

00:51:53.790 --> 00:52:04.230

Nigel Walker: about the spreadsheet and I would very much encourage everybody to make sure that when you're completing this that you do so, really thoroughly and and to do so.

284

00:52:04.560 --> 00:52:17.010

Nigel Walker: Thinking about what's really likely to happen in the future, a strong base case of your expectations and and if you're in any doubt about this, please do get some.

285

00:52:17.430 --> 00:52:24.750

Nigel Walker: support and help and advice from somebody who can help you to think strategically about your financial.

286

00:52:25.290 --> 00:52:34.530

Nigel Walker: position your future funding strategy and somebody also that's able to help you make sure that you do the accounting side of things properly.

287

00:52:35.490 --> 00:52:41.970

Nigel Walker: But I hope that, having gone through in quite a lot of detail on the business financial spreadsheet it will help you when you're.

288

00:52:42.390 --> 00:52:54.540

Nigel Walker: Coming to complete it, and as a reminder, at the beginning of the survey, there is a link that you can where you can download and guidance where we've gone through pretty much every.

289

00:52:55.800 --> 00:53:05.310

Nigel Walker: Not quite every single cell, but every row every cookie element that needs to be completed explaining why it is what it is how it should be completed.

290

00:53:06.090 --> 00:53:26.070

Nigel Walker: To give you help in that area, so i've been talking a lot i'm going to hand over now to Chris who's going to talk about the project side of your application and in the Innovation Funding service talk about the project questions and project costs so Chris over to you.

291

00:53:27.360 --> 00:53:29.940

Hemaxi Bhatt: Tonight oh it's then it's me and.

292

00:53:30.360 --> 00:53:31.230

Hemaxi Bhatt: The pilot is.

293

00:53:32.070 --> 00:53:33.300

Nigel Walker: lexi over to us.

294

00:53:34.320 --> 00:53:48.870

Hemaxi Bhatt: Now so i'm going to go through what the project questions look like and then i'll hand over to Chris and to go through the the project costs in the finance side of things, so, as I said earlier, when I did.

295

00:53:49.740 --> 00:53:54.360

Hemaxi Bhatt: The the slides on the business and financial information questions.

296

00:53:54.720 --> 00:54:04.620

Hemaxi Bhatt: And i'm going to do the same with the project questions here, and obviously it's really, really important that you provide us with all the relevant information in a concise manner.

297

00:54:05.160 --> 00:54:18.000

Hemaxi Bhatt: And these are the areas that you see here are really what we want you to focus your response and so on, and very much on the project and the innovation of that project.

298

00:54:18.510 --> 00:54:27.600

Hemaxi Bhatt: So the first first question is just really about the APP your location, so you for business name and as as it is registered at companies house.

299

00:54:28.200 --> 00:54:35.040

Hemaxi Bhatt: Together with it's registered address and then come the the more important and sort of detailed questions.

300

00:54:35.850 --> 00:54:45.600

Hemaxi Bhatt: First question is around the project proposal, you know watch the business need the technic technological challenge market opportunity behind your.

301

00:54:46.200 --> 00:54:54.210

Hemaxi Bhatt: Innovation, you know what approach, it will you take away with the effects of that innovation be so what we want you to do here is to describe.

302

00:54:55.140 --> 00:55:06.810

Hemaxi Bhatt: You know what's the main motivation of the project what's the business need and, as I said earlier, the technical, technological challenge market opportunities, and how are you going to respond to that.

303

00:55:07.470 --> 00:55:22.860

Hemaxi Bhatt: How does this project fits in with your current product service or product or service lines if you have any you know what's the current level of readiness, how is it likely to change over the life of the project and how is it likely to lead to the success of the project.

304

00:55:24.060 --> 00:55:31.950

Hemaxi Bhatt: And we there is once again there is guidance on what we're looking for in responses to all of these questions.

305

00:55:32.550 --> 00:55:41.430

Hemaxi Bhatt: Within the competition brief and so you know I would definitely say and as Nigel say just reiterate that, please do read all the instructions.

306

00:55:41.910 --> 00:55:51.360

Hemaxi Bhatt: and move on to the market opportunity, you know what does the market look like that you're targeting how are you going to grow, the business as a result of this project.

307

00:55:51.960 --> 00:56:02.580

Hemaxi Bhatt: So once again describe the market where that's domestic international or both, and who you'll be targeting in the project and their size, structure and dynamics.

308

00:56:03.360 --> 00:56:10.740

Hemaxi Bhatt: Looking at that you know, looking at those target markets and also looking at your main supply value chains business models and if there's any.

309

00:56:11.220 --> 00:56:21.780

Hemaxi Bhatt: barriers to entry that exists what's your position in the market and your target customers your route to market, and how are you going to profit from the innovation.

310

00:56:23.190 --> 00:56:24.960

Hemaxi Bhatt: and moving on to project delivery.

311

00:56:26.280 --> 00:56:37.470

Hemaxi Bhatt: mentioned earlier about the the key team players, so you know who's your project team, what are their roles and how, how will they manage that project and your project effectively.

312

00:56:39.300 --> 00:56:48.900

Hemaxi Bhatt: And entertain us also about any roles that you might need to recruit for tell us about the resources, the equipment facilities that you need for that project.

313

00:56:50.760 --> 00:56:54.600

Hemaxi Bhatt: And then moving on to you know, the main risks for the for this project.

314

00:56:55.020 --> 00:57:01.500

Hemaxi Bhatt: And what, what are the main risks, what are the uncertainties and include comment around the technical, commercial.

315

00:57:01.800 --> 00:57:19.890

Hemaxi Bhatt: and managerial and Environmental Risks you know provide us with a risk register, how will you mitigate those risks any project inputs that are critical to completion, and such as resources expertise data sets make sure that you mentioned that in your application.

316

00:57:21.300 --> 00:57:31.680

Hemaxi Bhatt: project costs and value for money and explain the total eligible project costs and the loan you're requesting in relation to the goals of the project and your business.

317

00:57:32.340 --> 00:57:48.030

Hemaxi Bhatt: And how does this project represent value for money for you and the taxpayer, really, really key and then finally we'll be looking at you know what are your project costs, and this is where i'm going to hand over to Chris to go through that with you, Chris over to you.

318

00:57:49.740 --> 00:57:57.360

Chris Coombs: Thank you maxie and so are we doing now is talk you through in ios the different sections for the.

319

00:57:57.870 --> 00:58:02.370

Chris Coombs: project costs and all the most things that Max in Niger has been speeding through so far i've been.

320

00:58:02.940 --> 00:58:11.340

Chris Coombs: Reading to sort of the wider business financials but this section is very much just on the costs for your project and we go through section by section it's been.

321

00:58:11.790 --> 00:58:27.060

Chris Coombs: found with motion i'm looking for i'm wasting food and the first section is on Labor costs so here, please enter the role within a project, the gross annual salary number of staff and the day spend on the project and I first will then automatically capital costs few.

322

00:58:28.440 --> 00:58:39.480

Chris Coombs: If you have multiple people within the same role on the same average salary enter this within the role within projects field if employee is part time, please do enter this as full time equivalent.

323

00:58:40.230 --> 00:58:54.990

Chris Coombs: You are able to adjust the working days per year from the default, if this is different for your project and important the flag here that dividends bonuses and a non productive time cannot be included within your Labor costs are they are ineligible for grant funding.

324

00:58:56.220 --> 00:59:06.210

Chris Coombs: And when it comes to making claims against Labor costs, we will be checking your actual costs feigned into the sport it, and so you must provide us with timesheets if you go to the next slide please.

325

00:59:07.650 --> 00:59:15.780

Chris Coombs: next section is on overheads we innovate UK defined overheads as additional costs and expenses incurred directly others off the project.

326

00:59:17.130 --> 00:59:26.970

Chris Coombs: These could include additional costs for staff general it rent and utilities, as you can see, on the screen, you have three different options that you can select how you would like to overheads to be calculated.

327

00:59:27.870 --> 00:59:36.360

Chris Coombs: We class indirect overheads are those costs associated with back office functions such as finance HR his primary function is to support the running of business.

328

00:59:37.020 --> 00:59:44.190

Chris Coombs: They can only claim for a portion of the time as their work needs to be additional to the duration of the project, they cannot really be a your activities.

329

00:59:44.850 --> 00:59:48.960

Chris Coombs: And typically these costs are not directly related to a particular product or service production.

330

00:59:49.920 --> 00:59:55.200

Chris Coombs: Direct overheads are those costs associated stack web projects such as laptops desktops these.

331

00:59:56.100 --> 01:00:10.080

Chris Coombs: And we do find a simple form view link is in ios and where you can lift up each topic direct overhead, together with the math prodigy the basis of apportionment for this project, again, these are costs that would not happen if a project does not look forward.

332

01:00:11.580 --> 01:00:12.840

Chris Coombs: If we go to the next slide these.

333

01:00:14.250 --> 01:00:21.930

Chris Coombs: The next section in if X is on material costs over here, please transcribe what materials you intend to use and project, the total volume and the cost.

334

01:00:23.190 --> 01:00:35.760

Chris Coombs: The empty was must be project specific, please do provide us with much information as possible, for example, we're just putting consumables does not quite as much detail, and we will then go back and say you will need five more detail if you're successful.

335

01:00:37.020 --> 01:00:43.830

Chris Coombs: Any items which you would use that usually depreciate as a company policy should be lifted in capital usage and not here.

336

01:00:45.270 --> 01:00:54.120

Chris Coombs: Material supplied by associated companies or subcontractors other consortium Members, I must be less cost excluding any profit element or margin.

337

01:00:55.500 --> 01:00:56.610

Chris Coombs: If we go to the next slide please.

338

01:00:57.810 --> 01:01:07.290

Chris Coombs: And, as I said, materials and it's just a matter in capital equipment usage em here, you need to describe how you're using the equipment, whether it's new or existing.

339

01:01:07.770 --> 01:01:20.370

Chris Coombs: What the new purchase cost is how long you'd appreciate the item over and what the residual value of machinery is, at the end, as with materials these calculations will need to be in line with your usual accounting practices.

340

01:01:22.170 --> 01:01:23.190

Chris Coombs: If we go to the next slide.

341

01:01:23.490 --> 01:01:31.890

Nigel Walker: Can I just interrupt you there Chris on capital equipment usage, because I think this is an area where people sometimes get confused so.

342

01:01:32.430 --> 01:01:41.880

Nigel Walker: The usage of capital equipment in the project is an eligible cost and the amount of funding that you might need to.

343

01:01:42.690 --> 01:01:50.910

Nigel Walker: acquire that equipment, you could borrow that that full amount of that eligible costs at the time that you need it so it's different.

344

01:01:51.180 --> 01:01:58.140

Nigel Walker: From how it works on in the grant side of things, innovate UK there it's a quarterly reimbursement.

345

01:01:58.380 --> 01:02:06.660

Nigel Walker: And at the end of each period is therefore effectively replicating the depreciation charged with an innovation loan, because we want to lend you the money.

346

01:02:06.930 --> 01:02:15.630

Nigel Walker: To provide you with the resources to carry out your your projects we can fund that eligible cost element when you need it.

347

01:02:16.110 --> 01:02:21.990

Nigel Walker: The other thing I would really encourage people to do is to take a little note, where i've put something here with a red.

348

01:02:22.470 --> 01:02:32.760

Nigel Walker: Ring around it, which is that the residual value is, at the end of your project, not at the end of the life of the equipment, because we need to use this to calculate the.

349

01:02:33.360 --> 01:02:39.990

Nigel Walker: uses the equipment in the project is a mistake that people very, very often make they simply put in a residual value.

350

01:02:40.560 --> 01:02:50.460

Nigel Walker: At the end of the project, and please remember that the projects period that we define in an innovation loans competition is the combination of the availability period.

351

01:02:50.790 --> 01:03:00.150

Nigel Walker: And the extension period, but not the repayment period, so please think carefully, through your capital equipment usage, because it may be that.

352

01:03:00.690 --> 01:03:09.870

Nigel Walker: it's an important part of your cash flow needs, and we want to make sure that we get that right, and that you articulate that right, so that if, for example.

353

01:03:10.680 --> 01:03:20.580

Nigel Walker: The full capital cost of the equipment can't be funded through the loan and because it has a longer life, for example, than the project period, or maybe it's not being used entirely.

354

01:03:21.090 --> 01:03:25.770

Nigel Walker: In the project is also being used for other things will want to make sure that.

355

01:03:26.550 --> 01:03:41.730

Nigel Walker: We can see how much you're looking to borrow to purchase that equipment and if you need to be putting in your own funds and to ensure that you can fully fund that purchase and we can see that in your cash flow, we can see that you have the adequate funding available to do that.

356

01:03:43.140 --> 01:03:44.820

Nigel Walker: Thanks Chris.

357

01:03:45.390 --> 01:03:50.850

Chris Coombs: Thank you for now by module always useful and the next section in is on.

358

01:03:52.530 --> 01:04:02.010

Chris Coombs: If your subcontractor cost is going to be significant, then you will need to justify who buy and what you need them for both within this section and then your application.

359

01:04:03.450 --> 01:04:13.200

Chris Coombs: is important, you do justify this use within our application, especially if these are non UK based as assesses the will look into this one attention your application.

360

01:04:13.980 --> 01:04:22.410

Chris Coombs: If you're subcontracting from either a parent or a sister company, please ensure that you list some product costs APP costs and do not include any profit.

361

01:04:24.570 --> 01:04:32.730

Chris Coombs: Next slide please next section is on travel and subsistence here, you would include things such as any central meetings need happened during the project.

362

01:04:33.240 --> 01:04:42.570

Chris Coombs: And you are not able to claim for any sales and marketing, I could be, as this is manageable grant funding and all travel costs must be at economy travel only.

363

01:04:43.170 --> 01:04:55.470

Chris Coombs: You should be prepared to provide a break down these costs different buyers to your project finance reviewer if they asked more detail, for example, they may ask you to split a trip into its subsistence accommodation and travel components.

364

01:04:57.420 --> 01:04:57.720

Chris Coombs: These.

365

01:04:59.100 --> 01:05:10.650

Chris Coombs: Final costs section within is is, what are the costs, and there the finance guy that you can check for what costs can be included here, if you are unsure please do not hesitate to contact us our customer support team.

366

01:05:11.730 --> 01:05:17.670

Chris Coombs: Some examples that may fit here that aren't as good as countries are training that would be directly to triple to the project.

367

01:05:17.970 --> 01:05:29.100

Chris Coombs: Any licensee Ruth apologies for any patient filing for new infective properties and important flag here for SMEs, there is a limit on paper point and costs for up to seven half thousand pounds.

368

01:05:29.730 --> 01:05:38.280

Chris Coombs: And please when you're filling out this section do go back and review what cost you've entered here against the other sections to ensure that there is no double counting and all your costs are justified.

369

01:05:40.290 --> 01:05:44.880

Chris Coombs: And the next slide and then, finally, you will see a summary of all the costs that are in project.

370

01:05:46.650 --> 01:05:50.340

Chris Coombs: This is also the detail what the assessor see, so please ensure that is accurate.

371

01:05:51.570 --> 01:06:03.810

Chris Coombs: And once complete your seeds will be taking pto next slide please, as you can see, once all the finances of depleted and really hearing is you'll see a green tech next word of Asian name, and this will show you this would be properly.

372

01:06:04.860 --> 01:06:15.690

Chris Coombs: It will also check that your research which cross lines important flag here is the irs does not validate our product costs, this is your responsibility to ensure that all your costs are within.

373

01:06:16.170 --> 01:06:25.020

Chris Coombs: The guidance updated in the brief So if you are outside of the funding available and, if so, will not fly, this is your responsibility to check.

374

01:06:26.250 --> 01:06:28.470

Chris Coombs: This point I will hand over to you and Michael.

375

01:06:29.430 --> 01:06:41.460

Nigel Walker: Thanks very much, and so the actual process for submitting the application, hopefully this charts and it might look a bit scary, but I hope it'll show you what we're looking for so.

376

01:06:42.090 --> 01:06:51.450

Nigel Walker: Her maxie and I have talked about the business and financial side of things so completing that business information survey completing the financial spreadsheets.

377

01:06:51.720 --> 01:07:00.300

Nigel Walker: And chris's talked about an active talked about the project side of things answering those five questions submitting the dependencies that are required.

378

01:07:00.570 --> 01:07:10.830

Nigel Walker: Completing the finances relating to the cost of the project, all of those needs to be brought together and submitted by that deadline at 11am on the second of June.

379

01:07:11.460 --> 01:07:20.940

Nigel Walker: What we will then do is we'll look to make sure that all the applications are in scope and they're eligible if they're not then they won't go any further, we will notify you.

380

01:07:21.240 --> 01:07:33.060

Nigel Walker: And those that are in scope and eligible hopefully that's all of them will then go into the assessment and evaluation process, the project part of the application.

381

01:07:33.600 --> 01:07:42.990

Nigel Walker: will be reviewed by independent technical and commercial assessors five assessors for each project, they will look at the quality of the innovation project.

382

01:07:43.350 --> 01:07:51.630

Nigel Walker: The full application will also go to our credit team, and they will look at things from the initial credit review point of view so called triage.

383

01:07:51.960 --> 01:07:55.380

Nigel Walker: and looking at it from the business affordability point of view.

384

01:07:55.770 --> 01:08:01.470

Nigel Walker: And we'll bring those back together and scott's going to talk about that process and in a minute and.

385

01:08:01.710 --> 01:08:12.690

Nigel Walker: to identify those that we wish to progress on to detail credit analysis, so at that point, you may receive a notification from us saying that unfortunate your application.

386

01:08:12.990 --> 01:08:17.460

Nigel Walker: has not been successful and that's where that data 23rd of July comes in.

387

01:08:18.240 --> 01:08:25.950

Nigel Walker: or you may get a notification from us saying that we are now moving into the next stage progressing to the detailed credit analysis.

388

01:08:26.250 --> 01:08:33.600

Nigel Walker: We will then make a decision on whether or not to lend through the credit committee and if there's an offer of alone at that point.

389

01:08:34.140 --> 01:08:44.220

Nigel Walker: We would then go into due diligence documentation of the loan etc and feedback will be provided to all applicants in relation to the project side of things.

390

01:08:44.670 --> 01:09:01.080

Nigel Walker: From the assessors and the assessors are asked to write specific feedback on each question and that will be made available to you in the Innovation Funding service on ios and we will lose also provide feedback from the credit side of things.

391

01:09:02.460 --> 01:09:09.330

Nigel Walker: For unsuccessful applicants, either at that progress panel stage or after the final credit committee.

392

01:09:09.840 --> 01:09:14.280

Nigel Walker: We will provide you with information as to why the credit committee felt that your.

393

01:09:14.760 --> 01:09:24.330

Nigel Walker: Business was not suitable for alone, and if we believe that your business is suitable for loan and we make your loan offer, and then we and we weren't provided with credit feedback.

394

01:09:24.810 --> 01:09:30.330

Nigel Walker: will be talking about alone offer instead and and going back to the whole.

395

01:09:30.960 --> 01:09:39.540

Nigel Walker: application process and looking at the Innovation Funding service, we will ask you to have gone through and completed all of these sections.

396

01:09:39.840 --> 01:09:44.700

Nigel Walker: and checking that the business and financial information, for example, that we've talked about.

397

01:09:45.480 --> 01:09:54.300

Nigel Walker: It will have taken you off to complete that survey to fill in the spreadsheet to upload things to submit that survey then come back to why fs.

398

01:09:54.690 --> 01:10:01.860

Nigel Walker: confirm that you have done that check mark that that part has been is complete that you've done all the other parts, such as.

399

01:10:02.640 --> 01:10:15.300

Nigel Walker: completing a summary of the project and a public description describing the scope answering those questions about the application and around the project proposal, the market opportunity, etc, but maxine's talked about.

400

01:10:15.780 --> 01:10:26.670

Nigel Walker: completing the project cost element of your application, showing that that's complete confirming the terms and conditions and when all of that is complete.

401

01:10:27.150 --> 01:10:40.350

Nigel Walker: Then you should then review it all, one more time, obviously, was a good thing to do, and then submitting and please make sure that you submit before the deadline 11 o'clock on Wednesday, the second of June.

402

01:10:41.250 --> 01:10:52.410

Nigel Walker: And just one note around diversity and inclusion and we know that there's lots of lots and lots of evidence out there that diverse teams, how are more successful.

403

01:10:53.070 --> 01:10:57.420

Nigel Walker: than non diverse teams, we have a core objective.

404

01:10:58.110 --> 01:11:07.530

Nigel Walker: of economic and societal impact, so we want to make sure we have a diverse portfolio of loans partly to help us manage risk in our portfolio.

405

01:11:07.860 --> 01:11:22.530

Nigel Walker: Partly to achieve those economic objectives and partly because it's simply the right thing to do, we shouldn't just be funding people who look and sound like me, for example, so we encourage applications from all parts of the Innovation Community.

406

01:11:22.950 --> 01:11:33.480

Nigel Walker: All across the UK and covering all technology sectors and markets and, very importantly, covering all sorts of people, whatever their background, whatever their.

407

01:11:34.620 --> 01:11:36.450

Nigel Walker: ethnicity gender.

408

01:11:37.710 --> 01:11:45.900

Nigel Walker: Taking into account other set of factors such as neuro neuro diversity physical or or or less visible and.

409

01:11:46.410 --> 01:11:58.440

Nigel Walker: abilities and as part of our process there's an independent senior Member of our team that will challenge all our credit decisions when there are diverse founding teams, because we want to make sure that.

410

01:11:58.950 --> 01:12:05.250

Nigel Walker: We don't fall victim to our own unconscious biases and implicit assumptions that we might make.

411

01:12:05.970 --> 01:12:16.800

Nigel Walker: We have a need an equality diversity and inclusion survey and and we would very strongly encourage you to complete that you do have the option.

412

01:12:17.280 --> 01:12:20.760

Nigel Walker: To complete it will say that you'd rather not provide that information.

413

01:12:21.330 --> 01:12:32.430

Nigel Walker: But that information is confidential and it's not part of the credit, the decision making process, but it provides us with really information useful information.

414

01:12:32.700 --> 01:12:43.200

Nigel Walker: And really valuable information about the businesses that we're supporting, not just the individual who's competing the application form, but the founders the owners, the directors, the senior leaders.

415

01:12:43.740 --> 01:12:53.760

Nigel Walker: Of those businesses and that's really helpful to us to make sure that we continue to be open to diverse applicants, so that we can meet those objectives.

416

01:12:54.570 --> 01:13:04.770

Nigel Walker: We also want to be helpful around inclusion, so in this case, for example, this webinar and that transcript will be made available, and we also take into account.

417

01:13:06.120 --> 01:13:08.460

Nigel Walker: Other barriers that applicants may face.

418

01:13:09.720 --> 01:13:16.650

Nigel Walker: And we can provide additional support and make reasonable adjustments were appropriate.

419

01:13:17.550 --> 01:13:30.960

Nigel Walker: And if you think that that's relevant to you, and that you would need more support, and please contact our customer support service team as early as possible during the application process, give us plenty of time, so please do so pretty much now.

420

01:13:31.890 --> 01:13:40.560

Nigel Walker: If this is the case for you, and so that we can try to work with you to try to make sure that we're not being exclusive because of the way in which.

421

01:13:41.100 --> 01:13:50.100

Nigel Walker: we're using spreadsheets, for example, or if we're using PDF which is not particularly appropriate for screen readers so if there's.

422

01:13:50.610 --> 01:14:05.460

Nigel Walker: Matters apply to you please get in touch, so that we can be inclusive and also we're very keen always to have a diverse group of applicants and a one further thing that I, we always say.

423

01:14:06.510 --> 01:14:14.370

Nigel Walker: Please submit your application early don't leave it to the last moment please don't be hit with surprises, and because.

424

01:14:15.150 --> 01:14:27.750

Nigel Walker: What we see here, this is a standard graph from previous competition we used to seeing stuff coming in at the last minute, and we would encourage you not to be a last minute application applicant and.

425

01:14:29.880 --> 01:14:37.290

Nigel Walker: How do we make decisions so let's let's talk a little bit about the assessment of the project, quality and the evaluation of the.

426

01:14:38.310 --> 01:14:46.590

Nigel Walker: suitability of the business to take all alone and the assessment side of things, Chris we're going to talk about this, or should I carry on with wittering.

427

01:14:47.040 --> 01:14:50.520

Chris Coombs: i'm happy to talk about it, but if you do not need with you.

428

01:14:50.940 --> 01:14:51.780

Nigel Walker: Now over to you.

429

01:14:53.400 --> 01:15:07.170

Chris Coombs: Thanks my job so i'm just briefly want to touch on the assessment of your application and kind of give some generic feedback that we get from our

assessors so you have up front, so you can try to make your application as successful and engaging as it can be.

430

01:15:08.580 --> 01:15:23.790

Chris Coombs: So as we've said, your assessment publication will be assessed, and this is several stages, the first stage is a scope track, and then it will go out and be reviewed by five independent assessors and who will then collect that feedback into a form of school for us to review.

431

01:15:25.080 --> 01:15:31.800

Chris Coombs: In terms of what assessors regularly tell us they are looking for, and they will want clarity, they want detail and justification.

432

01:15:32.340 --> 01:15:40.740

Chris Coombs: In order to see that you as an APP good have presented a viable opportunity for growth, with an exciting innovation idea where public funding will make a real difference.

433

01:15:41.880 --> 01:15:47.850

Chris Coombs: They also want to see that you have the right people and right approach to on accessible project and that explored divorce been completed.

434

01:15:48.720 --> 01:15:54.300

Chris Coombs: And some tips view when to commit application, and please do read the guidance, that is there an fs.

435

01:15:54.810 --> 01:16:04.380

Chris Coombs: And beach these guidance sections has a few questions in think about what including your answers, and if you answer all these questions that gives you the best opportunity of getting maximum box that question.

436

01:16:05.460 --> 01:16:11.340

Chris Coombs: Because even you have a fantastic idea if you don't ask the questions, well then you won't score well and I know we've got the funding.

437

01:16:12.000 --> 01:16:20.580

Chris Coombs: and other key note, please do try and make sure the application reads well, you want to keep this as engaged and interested in total and get them excited about your idea so.

438

01:16:20.880 --> 01:16:27.540

Chris Coombs: They will be reading a lot of applications, this is just a way of helping your affection stand out from the crowd as the best one for funding.

439

01:16:29.190 --> 01:16:30.330

Chris Coombs: And if you could go thanks.

440

01:16:38.310 --> 01:16:38.760

Nigel Walker: Sorry.

441

01:16:39.900 --> 01:16:40.320

Nigel Walker: Thank you.

442

01:16:44.430 --> 01:16:57.750

Chris Coombs: In terms of the assessor score and when it comes in what we do is we go in and we review the scores, and the feedbacks, and this is the weekend, ensure that the assessors are adhering to our guidelines and asked or unfairly across all applications.

443

01:16:58.800 --> 01:17:10.500

Chris Coombs: In some cases, when we do this, we may feel that the score is unjust or not supported by feedback, in this case, we will remove the score as an outlier and we will be updating the total score for your application.

444

01:17:11.970 --> 01:17:22.530

Chris Coombs: and justify that this could mean that either a low or a high outlier maybe removed, so this could result in your score going either up or down want review that sentence be back.

445

01:17:23.430 --> 01:17:34.740

Chris Coombs: Unfortunately, and this process takes place outside of If so, if we do have to remove an outlier from your application, this is not reflected in the scores that you receive as part of your feedback.

446

01:17:35.340 --> 01:17:47.880

Chris Coombs: And we can let you know about it, but this is not something that gets done in is, by default, so please be aware that if you do have an outlier your score, and if that will be shown as with the outlier left in as what you this is not something that we can change.

447

01:17:49.020 --> 01:17:50.370

Chris Coombs: Now hand back to unit manager.

448

01:17:51.810 --> 01:17:59.340

Nigel Walker: And thank you to just as a quick reminder and the first pass of the ups.

449

01:18:01.050 --> 01:18:02.790

Nigel Walker: And the first part of the.

450

01:18:03.810 --> 01:18:13.170

Nigel Walker: assessment and evaluation process is looking at the quality of the projects and an initial credit review that scott's going to describe in a minute.

451

01:18:13.470 --> 01:18:26.880

Nigel Walker: That some applications will not progress at that point and we will advise you assess the feedback will be made available some applicants will progress through to the next stage of the project.

452

01:18:27.750 --> 01:18:38.100

Nigel Walker: Feedback will be made available at that point, those applicants that progress to the next stage will go into detail credit analysis by the credit team.

453

01:18:38.430 --> 01:18:48.540

Nigel Walker: put forward to the credit committee for a decision, and if the if the decision that the credit committee that point is not to offer alone, we will provide credit feedback.

454

01:18:49.470 --> 01:18:53.940

Nigel Walker: It may be that there's additional information or a management presentation required.

455

01:18:54.240 --> 01:19:04.380

Nigel Walker: And we'll get in touch with you, if that's the case and and if you're successful, then follow through with the lending operations team to follow up around documentation, etc.

456

01:19:04.830 --> 01:19:19.500

Nigel Walker: And, but now the important part, and perhaps an answer to many of the questions that have been coming in, is around how we think about credit evaluations i'm going to hand over to Scott to Brian who's our Deputy Director of credit.

457

01:19:20.610 --> 01:19:21.780
Nigel Walker: Scott over to you.

458
01:19:21.960 --> 01:19:30.210
Scott O'Brien: Thank you Nigel and it's always good to have a long session on diversity, inclusion and for one middle aged white probably educated man to hand over to another.

459
01:19:30.570 --> 01:19:37.680
Scott O'Brien: So I apologize for that we are working on diversity within our product teams as well, and hopefully the next person who speaks about this will not be me.

460
01:19:38.220 --> 01:19:47.790
Scott O'Brien: And will be more representative of the world at large, so I guess i'm lucky that there's a lot of detail in what Michael has been through and stuff that Chris and maxie have shared around the project.

461
01:19:48.390 --> 01:19:56.070
Scott O'Brien: And certainly there's you know some complexity and calculating you're eligible costs in you completing that financial spreadsheet right and just to be clear.

462
01:19:56.550 --> 01:20:09.120
Scott O'Brien: If I know she is about your business, not just your projects we want to know how the business works and that's because that's fundamental to the question that we're going to be asking in credit team and it says, can you afford to repay it fundamentally.

463
01:20:10.170 --> 01:20:20.220
Scott O'Brien: We are, I guess, unlike other lenders going to be taking a bet on your future performance it's not just about past performance and I know in in the questions.

464
01:20:20.820 --> 01:20:26.520
Scott O'Brien: Somebody mentioned the complexity of our application process versus what you might go through through funding options when people write about.

465
01:20:27.030 --> 01:20:32.700
Scott O'Brien: And the Web design and does it have the options and other sort of options that are out there in the market around this stuff.

466

01:20:33.210 --> 01:20:44.310

Scott O'Brien: is great, but there's also a page on their website, which says, think about that you should be profitable, you should have a track record of trading for two years, you should be applying for 25% of your current revenues.

467

01:20:45.000 --> 01:20:51.090

Scott O'Brien: To be successful, with very willing to look beyond that we're looking we're willing to find people that pre revenue.

468

01:20:51.810 --> 01:21:00.660

Scott O'Brien: we're certainly looking to find people who have pre profit, partly because one of the fundamental factors for us isn't in the additionality versus what you will be able to get in the market.

469

01:21:01.320 --> 01:21:09.630

Scott O'Brien: If you can get market funding great going at market funding and that comes through in this this first sort of break down the sorts of businesses that we see.

470

01:21:10.320 --> 01:21:17.160

Scott O'Brien: So if you're on the left hand side of the slide and your revenue generating you have operating profits, you have surplus cash.

471

01:21:17.580 --> 01:21:27.960

Scott O'Brien: Additional equity is is coming into the business in advance of the debt there's a big question for me and for us to do you actually need public money, you should be able to go to the market and get.

472

01:21:29.310 --> 01:21:35.850

Scott O'Brien: Commercial Debt finance or other types of finance reasonable rates and great go and get it that's absolutely not what we're here for.

473

01:21:36.780 --> 01:21:42.660

Scott O'Brien: And at the same time, we will get businesses that come through with no revenue at all with no capital.

474

01:21:43.170 --> 01:21:49.380

Scott O'Brien: And, with no plan to put in place any sort of capital funding structures to support the growth and development of the business.

475

01:21:50.010 --> 01:21:56.130

Scott O'Brien: they're the ones that we will really, really struggle to get to the point where we think you know there's something here that we think we can support.

476

01:21:56.820 --> 01:22:03.570

Scott O'Brien: longer term well we're really looking at is businesses in those in those middle two pounds in this box so.

477

01:22:04.140 --> 01:22:12.480

Scott O'Brien: If you're just innovative so you're over our quality line and you're you know you're severely limited but it's not an absolutely stellar score from our assessors.

478

01:22:13.470 --> 01:22:21.660

Scott O'Brien: But you are revenue generating essentially might be early reviews might be pre commercial revenues, yes, you making losses, but we understand that it's going to be happening.

479

01:22:22.530 --> 01:22:30.840

Scott O'Brien: And you've got some cash and somebody mentioned earlier, whether you know, having some cash to set aside for a rainy day would be seen as a bad thing Absolutely not.

480

01:22:31.950 --> 01:22:39.330

Scott O'Brien: As much as you ever want anything in credit you want some cash, some are in the business because caches came when you come to assessing these things.

481

01:22:39.870 --> 01:22:48.210

Scott O'Brien: And maybe you've got a plan for the equity, maybe you started having conversations with initial investors you're talking to angels, you might be doing a crowdfunding round, you want to get into some private.

482

01:22:48.690 --> 01:22:54.930

Scott O'Brien: equity company so kindly firms or even to the seeds that's great if there's a plan that you communicate in well.

483

01:22:56.160 --> 01:23:02.670

Scott O'Brien: that's in train, you could have been a cash knocking around, and you know you're somebody there that sounds like the sort of proposition, we might be funding.

484

01:23:03.780 --> 01:23:14.940

Scott O'Brien: And I guess where we go above and beyond, because you know we sit within innovate UK not within another part of government with so fun the innovation so where things are really super innovative.

485

01:23:16.440 --> 01:23:22.380

Scott O'Brien: Even if there's minimal revenues, even if there are losses, even if there's a very tight cash position on the balance sheet, maybe.

486

01:23:22.860 --> 01:23:32.370

Scott O'Brien: we're having to take a bet against the equity raise the risk of you may be raising equity 612 months down the line, if you're super innovative, we might trust about true be able to get you there as well.

487

01:23:33.390 --> 01:23:41.040

Scott O'Brien: But you're really, really going to have to shine on the innovation side to get us there so that's what we're looking for we're looking for companies that are super innovative.

488

01:23:41.790 --> 01:23:50.340

Scott O'Brien: yeah revenues a nice we don't always see them we really see anything other than operating losses cash is often a bit squeaky.

489

01:23:50.910 --> 01:23:55.290

Scott O'Brien: And, but i'd want to know that you guys thought about yet yourselves in the application.

490

01:23:55.740 --> 01:24:00.840

Scott O'Brien: And you thought around how you're going to fund the ongoing losses of the business as you work through that difficult RDP.

491

01:24:01.350 --> 01:24:10.230

Scott O'Brien: As you ain't commitments of cash and capital to get yourself marketed and commercialized 3D extension period and that you have a plan around how you're going to fund your growth.

492

01:24:10.770 --> 01:24:18.330

Scott O'Brien: Over time, be that equity or other mechanisms to getting there and in that what we want to see in your forecasts and.

493

01:24:18.870 --> 01:24:26.910

Scott O'Brien: where you are forecasting information into that financial model, a central case seems sensible so it's lovely seeing hockey sticks, but we see a lot of them.

494

01:24:27.450 --> 01:24:33.240

Scott O'Brien: And we don't always believe that they're absolutely attainable and we also see people who are incredibly.

495

01:24:34.050 --> 01:24:41.820

Scott O'Brien: Scrooge like and and get down to the tiny little pennies and just about enough headroom to get through, because that's what they think they the debt provider wants.

496

01:24:42.330 --> 01:24:49.680

Scott O'Brien: i'd much rather see a rational reasons case in your balance sheet for how you plan to grow, the business how you're going to spend on getting it there.

497

01:24:50.160 --> 01:24:58.080

Scott O'Brien: And you know what's a reasonable rate of growth, you might achieve through your business as a whole and through the bringing of this new innovation to market.

498

01:24:58.740 --> 01:25:06.390

Scott O'Brien: And they're the things we not see me on seen a story hand together and, importantly, you will show us in the cash flow that you can pay the interest each quarter.

499

01:25:07.200 --> 01:25:15.450

Scott O'Brien: During the availability in extension periods that when we get to repayment period, you will be able to meet the capital and interest payments.

500

01:25:15.840 --> 01:25:21.090

Scott O'Brien: And, of course, that you actually need the funding, because if you don't need the funding, there are other cases out there, where.

501

01:25:21.600 --> 01:25:31.890

Scott O'Brien: I need is greater new additionality will be stronger for us and there'll be a better economic impact from having help those companies and having helped those you don't need to help in the first place until you want to move on.

502

01:25:33.450 --> 01:25:34.050

Scott O'Brien: Okay, so.

503

01:25:35.130 --> 01:25:36.930

Scott O'Brien: We will do an initial credit triage.

504

01:25:38.970 --> 01:25:46.710

Scott O'Brien: And that will be based on the information provided us with the best one in the world, we don't have time at this stage come back out to you and say.

505

01:25:47.520 --> 01:25:51.780

Scott O'Brien: You don't seem to have any decimal creditors in your business but you're a nice day payment terms what's happening.

506

01:25:52.290 --> 01:25:54.660

Scott O'Brien: Your balance sheet doesn't balance, could you explain what's happening.

507

01:25:55.440 --> 01:26:02.820

Scott O'Brien: you've mentioned an equity raise in the narrative of your application, but you haven't shown you cash flow, can you explain what the timing of that is and where you are.

508

01:26:03.660 --> 01:26:13.680

Scott O'Brien: And we need those things in in the initial application to allow us to make that desk space analysis of is something which is broadly feasible.

509

01:26:14.370 --> 01:26:25.650

Scott O'Brien: You know or not not utterly ridiculous and out there and, therefore, can we move it through to the detailed analysis stage where we will get in touch and we will have those conversations with you.

510

01:26:26.700 --> 01:26:29.340

Scott O'Brien: and out of the credit triage we end up with a range of.

511

01:26:30.390 --> 01:26:44.550

Scott O'Brien: Recommendation so straightforward recommendations from the credit team, now we think there's absolutely something here and we want to do it and cases where we think yeah it's good here, but there are a few gaps and maybe they'll come in as a sort of a module and recommend.

512

01:26:45.810 --> 01:26:50.250

Scott O'Brien: Those that are thinking implausible but we we think there's probably something there.

513

01:26:50.970 --> 01:26:57.180

Scott O'Brien: And you know it's not just a straight line it's not absolutely terrible there are saving graces but, on balance, we think.

514

01:26:57.720 --> 01:27:04.200

Scott O'Brien: it's probably more of a decline and it is a recommend from a credit points of view and then those things that just circle don't make any sense at all.

515

01:27:05.040 --> 01:27:12.390

Scott O'Brien: Well, we will have two minutes of a decline recommendation and those those bits of the margins really matter because of the way that we structure.

516

01:27:12.930 --> 01:27:20.100

Scott O'Brien: The question of how we move forward so if something's recommended and the innovation assessors thing yeah that's about the policy line.

517

01:27:20.700 --> 01:27:34.050

Scott O'Brien: that's anywhere about the quality note, we will take it forward to these have balances, this is straight pass through if it's quite simply a decline or it's below the innovation quality line we will just say no, and that's where we will get to on that.

518

01:27:35.430 --> 01:27:41.340

Scott O'Brien: If there's so much recommend, we will probably take it forward, but only if it's in that top 75% above the line.

519

01:27:42.480 --> 01:27:46.440

Scott O'Brien: And so they're just about good enough just about good enough.

520

01:27:47.790 --> 01:27:52.230

Scott O'Brien: isn't quite right it's just not good enough and plenty innovative that we want to see to get things through.

521

01:27:53.130 --> 01:28:01.440

Scott O'Brien: If something is marginally declined from a credit points of view, so you think you know this hasn't really got the best opportunity well, there are a few saving graces in there somewhere.

522

01:28:02.130 --> 01:28:07.050

Scott O'Brien: But it's in that top 25% above the quality and I and then we'll take it through, because innovation matters to us.

523

01:28:07.680 --> 01:28:22.950

Scott O'Brien: And we think it will be worth the effort of trying to work with you to pull stuff through like it's my period is trying to structure your application in such a way you provide us with the information you can provide to us to make sure that that question doesn't come up.

524

01:28:24.060 --> 01:28:31.050

Scott O'Brien: yeah we want, we want to get things through that are in a nice and solid from the credit side, so we can really support the innovation that's going through.

525

01:28:31.680 --> 01:28:37.410

Scott O'Brien: And i'd encourage you not to leave it to chance and that's about filling in the form that I just wanted to financial form.

526

01:28:38.280 --> 01:28:45.810

Scott O'Brien: Properly sensibly making feature of the things tie up and making sure that ties up to your questions around your your plans for the business your fundraising strategy.

527

01:28:46.170 --> 01:28:51.450

Scott O'Brien: That needs to be a coherence amongst that message and a lot of time at data analysis that's what we're looking for.

528

01:28:52.380 --> 01:29:02.250

Scott O'Brien: And so just a an indication that we do have a bias towards that super high innovation but we're not going to take city credit risk because we want to be responsible lender as well.

529

01:29:02.910 --> 01:29:11.460

Scott O'Brien: And we don't want to send gifts to people who simply aren't going to be able to afford it we don't want to be people pushing companies over the edge because we're funding things it responsibly.

530

01:29:14.880 --> 01:29:17.280

Scott O'Brien: So I mean the basics of credit and.

531

01:29:18.330 --> 01:29:25.110

Scott O'Brien: I say this, every time they they're not really any difference to anyone else, so you know, a couple of models here so.

532

01:29:25.740 --> 01:29:30.660

Scott O'Brien: One is around the character capacity to repay capital conditions and so on security that's available.

533

01:29:31.200 --> 01:29:38.970

Scott O'Brien: And there are other ways of looking at that into the things that we could just see and so on, and but fundamentally it's the same analysis that any lender would do.

534

01:29:39.900 --> 01:29:52.920

Scott O'Brien: The difference here is what in the UK is willing to accept as a reasonable risk, so we don't mind things seeing things that are binary risks from a from an innovation perspective, we accept that.

535

01:29:53.760 --> 01:29:58.470

Scott O'Brien: You know, you might be doing something super risky and really innovative and if that falls over it falls over and.

536

01:29:59.370 --> 01:30:12.390

Scott O'Brien: Sometimes, that will mean that you can't repay we get that were willing to take that risk because we're an innovation, he can see similarly things around equity raise risks market risks and so on, a lot of time that will come down to an understanding of the team.

537

01:30:13.620 --> 01:30:21.180

Scott O'Brien: And the stuff you've heard Chris taken me three things that the assessors will look at typically around the quality of the of the team during the project.

538

01:30:21.660 --> 01:30:37.590

Scott O'Brien: What we're really interested in here is the quality of the team leading the business, and we want to see a team that's balanced nigel's already mentioned diversity is often a positive thing within the team, certainly, we want to see people with the technical quality to deliver.

539

01:30:38.670 --> 01:30:46.860

Scott O'Brien: The innovation, but we also want see people who can lead the business, so you know incredible Managing Director or Chief Executive, who has that track record of commercializing.

540

01:30:48.090 --> 01:30:54.930

Scott O'Brien: Something beyond that and we want to see some professional professional finance capability within the business.

541

01:30:55.980 --> 01:31:05.040

Scott O'Brien: Excuse my dog going off in the background, but some professional finance capability within the business, whether you have a full time or part time as to whether you rely on external.

542

01:31:05.970 --> 01:31:12.480

Scott O'Brien: Benefits around that and external people i'm sorry Nigel would you pick this up a second, while I just shipped to go is that right.

543

01:31:12.960 --> 01:31:15.900

Nigel Walker: Absolutely, and so.

544

01:31:17.280 --> 01:31:24.000

Nigel Walker: The yeah so Scott talked about about the management team and we're really interested in.

545

01:31:24.570 --> 01:31:32.640

Nigel Walker: Things from a marketing point of view, we want to understand where you fit in the market, where you're going to be able to get into those markets of the future.

546

01:31:32.970 --> 01:31:39.690

Nigel Walker: As a result of exploiting this innovation you're carrying out so we're looking to think about.

547

01:31:40.590 --> 01:31:48.720

Nigel Walker: What you're telling us in from in the project application in the business application and about where you fit within the market.

548

01:31:49.230 --> 01:31:53.040

Nigel Walker: Looking at the market from a top down point of view and a bottom up point of view.

549

01:31:53.400 --> 01:32:01.560

Nigel Walker: And, and so, when we do the detailed credit analysis will be looking at that will also be looking at sensitivities So what if it takes.

550

01:32:01.920 --> 01:32:08.550

Nigel Walker: Longer to get to the market than you originally expected because that very, very often that happens, we know that from our current portfolio.

551

01:32:08.850 --> 01:32:20.490

Nigel Walker: What it pricing is lower than perhaps you're anticipating and we know that happens, from our existing portfolio and the the competitor that very often is forgotten is.

552

01:32:21.810 --> 01:32:35.370

Nigel Walker: Simply that people don't bother turning on to a new product or service so we're very keen to take innovation risk and we recognize that there is an associated market risk that comes with that.

553

01:32:36.360 --> 01:32:45.420

Nigel Walker: we're prepared to to consider those and regulatory risk is very often important in technology led businesses, whether that's in healthcare.

554

01:32:45.630 --> 01:33:03.840

Nigel Walker: And we have a number of businesses in our portfolio that are operating in an oil and gas pipelines, for example, or other industrial processes, where fire safety and regulatory certifications around those areas are particularly important, so we will look at those sorts of things.

555

01:33:04.830 --> 01:33:05.430

Scott O'Brien: Are Nigel.

556

01:33:07.260 --> 01:33:08.160

Nigel Walker: Actually, now I mean.

557

01:33:08.850 --> 01:33:14.100

Scott O'Brien: For that, if anyone would like to buy tickets honey greyhound cross chihuahuas from me at any point, please feel free to drop me a line.

558

01:33:14.730 --> 01:33:24.210

Scott O'Brien: And so, then I just walk you through that that that sort of piece around competitor analysis market analysis and so on, and those risks and I guess one risk that we don't have.

559

01:33:25.710 --> 01:33:35.520

Scott O'Brien: appetite for is around this sort of operational and control risks so we're giving you public money, we want to know that you are able to manage that wisely to spend it appropriately.

560

01:33:36.060 --> 01:33:42.030

Scott O'Brien: That you'll be able to respond to the request that we have around information covenant, so we, we will take.

561

01:33:42.600 --> 01:33:55.050

Scott O'Brien: Quarterly management information, we will test that against the covenants that we put in place around the loan, and we also understand that you can help us justify the spend of public money and I guess that's, the last thing within.

562

01:33:56.340 --> 01:33:56.730

Scott O'Brien: and

563

01:33:58.170 --> 01:33:59.940

Scott O'Brien: Nigel you're already spending on a collateral.

564

01:34:01.440 --> 01:34:16.290

Nigel Walker: and not a great deal, what we have said i'll repeat it is, we will take a mortgage venture so effectively a fixed and floating charge over any and all assets and there may be in the company at the time.

565

01:34:17.250 --> 01:34:26.250

Nigel Walker: We don't place a specific valuation on those assets those assets cover all the assets both tangible and intangible of the company.

566

01:34:27.330 --> 01:34:39.840

Nigel Walker: And we don't take a personal guarantees and we are prepared, if appropriate, to enter into a dd priority, so that we rank behind a senior commercial lender either existing.

567

01:34:40.110 --> 01:34:50.580

Nigel Walker: Perhaps you've taken on a sables loan and order, you may have in the future, and perhaps you're going to get some an invoice discounting facility or some future asset financing.

568

01:34:50.820 --> 01:34:57.690

Nigel Walker: With a senior commercial lender that needs to be first ranking we will enter into a dd priority at that point yeah.

569

01:34:57.720 --> 01:35:01.170

Scott O'Brien: So, I guess, one of the key things there is we're not going to scroll grannies.

570

01:35:02.130 --> 01:35:11.250

Scott O'Brien: So it's not like in a traditional bank where you might do alone, based on a ratio against the value of the security available and we pretty much assume that.

571

01:35:11.940 --> 01:35:19.560

Scott O'Brien: Any IP that we capture assets such as they are, but largely intangible assets on within your business there's there's no real value in those terms.

572

01:35:20.520 --> 01:35:24.570

Scott O'Brien: There may be a small bit that leaks out in the event of a crystallization event and so on.

573

01:35:25.050 --> 01:35:38.760

Scott O'Brien: But it's there as a defensive measure as much as anything we want to make sure we have a seat at the table any event that things do go wrong and that we properly protect the taxpayers interest at that point, but there was a question I know in the chat around the valuation of it.

574

01:35:39.960 --> 01:35:48.780

Scott O'Brien: Do you need to have it value, does it need to sit well no middle so describe it, so that I think there may be a point where you want to understand what the value of your information for property is.

575

01:35:49.380 --> 01:35:59.640

Scott O'Brien: and understand the overall value of your company there's not something that we will force upon you, as part of this process so hopefully that covers off that question is it worth going on to the next slide.

576

01:36:01.980 --> 01:36:02.640

Scott O'Brien: cool so.

577

01:36:03.840 --> 01:36:07.590

Scott O'Brien: I guess i'm usually within an innovative, we have a credit committee.

578

01:36:08.610 --> 01:36:14.400

Scott O'Brien: The credit committees myself Nigel Nigel mcdade our chief investment officer and one non executive director.

579

01:36:14.910 --> 01:36:22.410

Scott O'Brien: And again, as with the rest of team we're looking to broaden that Paul three different voices and different experiences into that we take the final decision.

580

01:36:23.310 --> 01:36:30.750

Scott O'Brien: So there is there is a sense that there will be a recommendation from one of our credit, especially steering committee around the potential answer.

581

01:36:31.290 --> 01:36:39.090

Scott O'Brien: On a deal, then we will take that final decision and those decisions rating, so it can be a straightforward yes let's do this or no let's not do this.

582

01:36:39.600 --> 01:36:48.270

Scott O'Brien: But there'll be occasions when we want to come and see you as a credit committee and in the first five competition is that the around there was a mandatory management presentation.

583

01:36:48.960 --> 01:36:55.110

Scott O'Brien: it's not necessarily mandatory now sometimes coming to you and hearing you tell the story yourself is really important to what we do.

584

01:36:55.950 --> 01:37:05.790

Scott O'Brien: So just bear in mind that meeting might be part of the process, assuming that we get through all of that we've got a standard suite of loan documentation and venture documentation.

585

01:37:06.510 --> 01:37:11.820

Scott O'Brien: And I very much like never to have to negotiate those things again, but obviously things occasionally come up.

586

01:37:12.960 --> 01:37:20.400

Scott O'Brien: But I guess the experience so far is that we negotiated there's at least 200 times so far and we think we're pretty much there so hopefully they will be.

587

01:37:21.180 --> 01:37:32.730

Scott O'Brien: sufficiently clear and importantly they're structured as much as I said, not to avoid to avoid getting away a future finance coming in and certainly feature investment getting in we think we were sort of.

588

01:37:34.530 --> 01:37:41.400

Scott O'Brien: sensible enough in our terms present from the money but also flexible enough to allow the future funding of the business beyond the sport that we're offering here.

589

01:37:42.330 --> 01:37:51.240

Scott O'Brien: We have the joy, particularly in the last 12 months a pandemic that we now use electronics, which is so easy to docu-sign and everything is tied to electronically.

590

01:37:51.930 --> 01:38:01.230

Scott O'Brien: Unless slightly and usually either know your parent company might be in Denmark, for example, take random example or is a Scottish bomb the clothes, in China, where it needs to be signing.

591

01:38:01.770 --> 01:38:07.890

Scott O'Brien: On waiting console but we got options for delivering those things as well, so I think we've got our bases covered.

592

01:38:08.310 --> 01:38:14.190

Scott O'Brien: And you will have to go through your normal chat CD specs go through with bank, so we have a lending administration provider.

593

01:38:14.670 --> 01:38:23.670

Scott O'Brien: up in Manchester that does under your customer and that's money laundering checks anything around politically expose persons, we will do the enhanced the digits necessary around those.

594

01:38:24.300 --> 01:38:29.040

Scott O'Brien: There may be specific conditions and i've mentioned already, that we might make an offer, subject to equity.

595

01:38:30.090 --> 01:38:34.590

Scott O'Brien: We might make that offer subject to equity before first drawdown we have occasionally.

596

01:38:35.190 --> 01:38:39.810

Scott O'Brien: Where it's justified said Look, we will draw down the first tranche of money to get you going on this.

597

01:38:40.260 --> 01:38:44.580

Scott O'Brien: Acknowledging that equity six to 12 months away that we want to get you going and capitalized the growth.

598

01:38:45.060 --> 01:38:52.380

Scott O'Brien: And the activity and it's going to help you get to that equity raise so conditional offer such as that will occasionally be put in place.

599

01:38:53.010 --> 01:39:01.020

Scott O'Brien: And i've learned, since we might call covenant light, so we tend to have a few covenants around financial performance of the business.

600

01:39:01.620 --> 01:39:08.730

Scott O'Brien: And we have some inflammation covenants around this fire of information again this came up in the chat we have a debt service cover.

601

01:39:09.390 --> 01:39:16.770

Scott O'Brien: Covenant that only applies from the repayment period so that applies from the point that we expect you to start making sales and.

602

01:39:17.250 --> 01:39:23.970

Scott O'Brien: get into profitability, with the benefit the innovation that you proceed, but before that we tend to rely on the liquidity covenant.

603

01:39:24.540 --> 01:39:28.500

Scott O'Brien: So it's about the the caching near cash available within the business to service that.

604

01:39:29.070 --> 01:39:35.040

Scott O'Brien: will be except that we can't rely on something based on profits, where you guys are not necessarily making profits, yet.

605

01:39:35.520 --> 01:39:46.290

Scott O'Brien: And we do try and be sensible and flexible around how we apply those they're also very generous in that liquidity covenant is 1.1 times, where it's more typically it might be two two and a half times in banks.

606

01:39:46.800 --> 01:39:55.890

Scott O'Brien: And suddenly debt service coverage ratio is 1.2 times, whereas again even pre 2000 and 2008 we were looking at 1.41 point said something like that.

607

01:39:56.430 --> 01:40:03.450

Scott O'Brien: So we've tried to be flexible in the conditions and try to be reasonable in the conditions that we put in place, recognizing the positions that.

608

01:40:03.990 --> 01:40:13.410

Scott O'Brien: innovative SMEs are in what they need to go through to get to market, and then we will need to make sure that your corporate entity your board or whoever has.

609

01:40:14.310 --> 01:40:26.460

Scott O'Brien: issued the agreement to enter into the loan and all the appropriate approvals are in place and we provide some Center of wording around that and some drop ball resolutions to help you along the way on that side as well.

610

01:40:29.280 --> 01:40:38.340

Nigel Walker: Okay, thank you Scott i'm going to zoom forward now and talk about how the innovation loan works is repeating some of what we said before.

611

01:40:38.760 --> 01:40:42.810

Nigel Walker: During that availability period when you're carrying out the the R amp D.

612

01:40:43.140 --> 01:40:51.930

Nigel Walker: You will your first drawdown will be when everything's completed the loan agreement any conditions such as gotta just mentioned about maybe completing an equity raise.

613

01:40:52.230 --> 01:41:06.180

Nigel Walker: and have been satisfied and you've completed that first drawdown notice saying that you wish to borrow so you would draw down quarterly in advance to fund the r&d costs of that project those eligible project costs.

614

01:41:07.170 --> 01:41:16.680

Nigel Walker: that have been approved, there will then be subsequent quarterly drawdowns again looking to fund quarterly in advance the costs of that project and.

615

01:41:17.010 --> 01:41:28.710

Nigel Walker: The monitoring officer will be involved to make sure that your project is progressing and to ensure that the cost that you're and effectively plainly against in terms of the funding.

616

01:41:29.400 --> 01:41:39.900

Nigel Walker: have probably been incurred etc and credit specialist will also be looking each quarter to make sure that you're meeting the covenants as a condition of those drawdowns being permitted.

617

01:41:40.200 --> 01:41:48.510

Nigel Walker: And there will be interest quarterly inner is based on the amount borrowed 3.7% payable and 3.7% deferred.

618

01:41:49.170 --> 01:41:56.640

Nigel Walker: Then, at the end of the availability period when your r&d phase is complete, we would expect you to enter into the extension period.

619

01:41:56.940 --> 01:42:07.500

Nigel Walker: At that point, no further drawdowns are permitted because the r&d phase will be complete and and you will be in that pre commercial getting into the market stage of things.

620

01:42:07.830 --> 01:42:18.660

Nigel Walker: The end of the extension period will be the earlier of when the first commercial sales from the results of your projects are achieved.

621

01:42:19.200 --> 01:42:23.730

Nigel Walker: or an agreed date that was in the original loan agreement effects earlier.

622

01:42:24.510 --> 01:42:31.890

Nigel Walker: In that period you're not yet making repayments you will be paying interest quarterly inquiry is based on the amount you borrowed.

623

01:42:32.220 --> 01:42:43.770

Nigel Walker: again at 3.7% payable and 3.7% deferred it's still the project period, so the monitoring officer will still be monitoring the project your exploitation activities.

624

01:42:43.980 --> 01:42:52.200

Nigel Walker: The credit specialist will still be looking at your quarterly financial information to make sure you're meeting the Covenant tests and that everything's still looking healthy.

625

01:42:52.830 --> 01:42:59.880

Nigel Walker: At the end of that extension period you then start on the repayment period, again, then no further drawdowns with a message.

626

01:43:00.120 --> 01:43:09.660

Nigel Walker: And and you'd be deferred interest from the availability and the extension periods will be added to the principal amount that you borrowed and that amounts together.

627

01:43:10.050 --> 01:43:24.570

Nigel Walker: Together with the interest at 7.4% will be paid back and each quarter on a level payment basis it's after the end of the project, so the monitoring officer will no longer be involved, but the credit specialist will still be capturing your.

628

01:43:25.770 --> 01:43:34.680

Nigel Walker: Quarterly management information looking at your quarterly your annual financial statements audited, if necessary, but not.

629

01:43:35.580 --> 01:43:48.840

Nigel Walker: If not necessary and and reported to us, and in that sort of period I think what's good always says is that if you're talking to your credit specialists more than once a year, or month once a quarter then it's probably because things aren't going well.

630

01:43:50.130 --> 01:43:56.820

Nigel Walker: But I hope that explains how the innovation loan operates and and we'll we'll answer some of the questions.

631

01:43:57.900 --> 01:44:14.820

Nigel Walker: that people have asked and just one question I did see in the in the Q amp a around can you draw down all the loan at the very beginning and that's not how it works is drawing down costly in advance to fund the eligible project costs in the future in that coming quarter.

632

01:44:15.930 --> 01:44:28.080

Nigel Walker: And some key dates just to confirm, as him axes already said, the competition is open submission deadline, you have to submit a full complete application.

633

01:44:28.440 --> 01:44:38.220

Nigel Walker: By 11 o'clock on the second of June will get back to you by the 23rd of July around whether or not you will progress to detailed analysis or not.

634

01:44:39.360 --> 01:44:48.840

Nigel Walker: If you do progress the detailed analysis analysis, the timing of notification of the credit committee decision of a yes or no, will be during that period.

635

01:44:49.500 --> 01:45:04.980

Nigel Walker: In in August and perhaps very early September and My guess is that projects will be ready to start ready to start drawing down probably around mid September, but it will depend on how long that detailed credit analysis takes which, in part, may depend upon.

636

01:45:05.670 --> 01:45:20.040

Nigel Walker: How quickly you're able to get back to our credit specialist to answer their current equation clarifications and questions and whether Indeed we make a loan officer, that is conditional upon certain activities being completed.

637

01:45:21.420 --> 01:45:32.250

Nigel Walker: And I want to talk a little bit about also some additional support that's available to businesses, particularly around the project side of things, as well as around business support.

638

01:45:32.610 --> 01:45:40.500

Nigel Walker: Overall, and innovate UK edge is a really important part of the innovate UK family and they're there to provide.

639

01:45:41.760 --> 01:45:48.870

Nigel Walker: Support to ambitious innovative companies to help them grow and achieve scale and they have.

640

01:45:49.470 --> 01:46:03.300

Nigel Walker: They have business advisors who can talk to you about access to finance, you can talk to you about specific project proposals looking perhaps particularly at the project side of things, while you're talking to a financial.

641

01:46:04.530 --> 01:46:11.910

Nigel Walker: Support person and accountant or someone like that around the financial side of things and innovate UK age would very much encourage.

642

01:46:12.300 --> 01:46:23.370

Nigel Walker: Every innovative business to engage with them and to get support around things like access to finance and international growth building partnerships, etc.

643

01:46:24.180 --> 01:46:33.150

Nigel Walker: katie and is another really important part of the innovate UK family really around bringing connections together bringing partnerships together.

644

01:46:34.020 --> 01:46:49.530

Nigel Walker: To support businesses, I would very much encourage you to engage with them in your particular area and they support businesses that help to collaborate and to reach those outcomes to get investment in R and D.

645

01:46:50.310 --> 01:46:59.400

Nigel Walker: Through their engagement and one particular item that I would very, very much every encourage everybody to download and read and take.

646

01:46:59.670 --> 01:47:11.820

Nigel Walker: pay attention to is the katie and good application guide and particularly around the project part of your application and it's distilling an awful lot of knowledge and helping you.

647

01:47:12.180 --> 01:47:21.390

Nigel Walker: prepare a really good written application around the project part and, of course, the castle network really important part of.

648

01:47:21.990 --> 01:47:32.580

Nigel Walker: Bridging that gap between business and the research base and access to facilities access to equipment access to other businesses access to thought leadership.

649

01:47:33.180 --> 01:47:42.360

Nigel Walker: Access to support, so please make sure you're you're in touch with innovate UK edge katie and on catapults as well as innovate UK.

650

01:47:43.560 --> 01:47:44.220

Nigel Walker: and

651

01:47:45.360 --> 01:47:50.700

Nigel Walker: With that I will say thank you and we've probably got about 10 minutes left.

652

01:47:51.690 --> 01:48:07.770

Nigel Walker: And there are hundred and 27 questions and that have come through, we will get to all of those and what i've sort of done in anticipation of that is to pull together some frequently asked questions which, from my having looked at the.

653

01:48:08.790 --> 01:48:19.380

Nigel Walker: Q amp a as they're coming in, I think we're sort of sort of covering things so one question that's come up a lot in the Q amp a is why on earth would anybody.

654

01:48:20.400 --> 01:48:31.140

Nigel Walker: consider taking an innovation loan from innovate UK and a lot of questions about that 7.4% per annum rate of interest being outrageously high.

655

01:48:32.280 --> 01:48:45.930

Nigel Walker: And that comments in the Q amp a that there's far cheaper funding available in the market and if that's the case for you, if you are able to access funding for your r&d activity.

656

01:48:47.160 --> 01:48:55.590

Nigel Walker: In the market from a bank or if your equity investors simply want to invest in your business or you wish to.

657

01:48:56.340 --> 01:49:10.020

Nigel Walker: rely on your retained earnings and your cash flows and taking advantage of r&d tax credits and absolutely please, please do that and we're not here to say that you have to take on an innovation loan and all that it's.

658

01:49:11.550 --> 01:49:24.870

Nigel Walker: The best deal available to the most credit worthy company in the market if you are able to access funding on better terms and we're offering then completely ignore us by all means and that's absolutely the right thing for you to do.

659

01:49:25.410 --> 01:49:36.990

Nigel Walker: However, if your business is at a stage where you find that access to funding for your project is challenging then we believe that we have.

660

01:49:37.710 --> 01:49:46.230

Nigel Walker: an offer of funding that is subsidized and because that rate of interest is lower than is available in, for example, the venture debt market.

661

01:49:46.740 --> 01:49:58.830

Nigel Walker: Or maybe lower than being purely equity funded and that maybe we can offer a larger amount of funding over a longer period of time with more flexibility around the structure if.

662

01:49:59.310 --> 01:50:08.250

Nigel Walker: Those are suitable for you, if they support you in your growth through innovation, then we'd be really pleased to get an application from.

663

01:50:09.090 --> 01:50:18.060

Nigel Walker: And another question that people have asked is well why would I pay for a loan rather than going for a grant surely I should go and apply too smart, for example.

664

01:50:18.360 --> 01:50:28.500

Nigel Walker: And it may well be that smart is a better option if you're doing early stage R and D so industrial research, then you won't be eligible for this loan, in which case it.

665

01:50:28.770 --> 01:50:34.320

Nigel Walker: would certainly be a better option something like that biomedical capitalist maybe something for you to consider.

666

01:50:34.770 --> 01:50:41.040

Nigel Walker: If you're in the in the healthcare space or the broader bio medical space and consider those by all means.

667

01:50:41.460 --> 01:50:50.700

Nigel Walker: A grant for a later stage, R and D project and offers for a micro or a small business a 45% funding of your project costs.

668

01:50:51.150 --> 01:50:59.130

Nigel Walker: And alone offers you 100% funding against the project costs, but in return, you pay us interest and you repay the loan.

669

01:50:59.640 --> 01:51:10.200

Nigel Walker: that's a choice for you to make an r&d tax credits offer you typically about 33% and reimbursement, by the time once you've calculated it and submitted.

670

01:51:10.830 --> 01:51:16.260

Nigel Walker: And surrendered your your tax losses for a credit that may be the right thing for you to do.

671

01:51:16.500 --> 01:51:28.770

Nigel Walker: We would encourage you to have a funding strategy that takes into account all these different options and if an innovation loan is right for you, we welcome your application, but we don't claim to be the only answer.

672

01:51:29.250 --> 01:51:34.860

Nigel Walker: or indeed the right answer in all circumstances, but that's your decision it's your business.

673

01:51:35.760 --> 01:51:42.990

Nigel Walker: And we'd like you to consider that if you're applying for a grant and alone for the same project, at the same time.

674

01:51:43.200 --> 01:51:52.650

Nigel Walker: And that's fine you can take whichever one if you're successful in both you can take whichever one you think is right for you and that's your decision, you cannot take both.

675

01:51:52.950 --> 01:51:57.930

Nigel Walker: You cannot have both a grant and alone to fund the same project.

676

01:51:58.260 --> 01:52:11.970

Nigel Walker: and, similarly, you can have a loan or new to grant and r&d tax credits or r&d tax relief at a smaller company rate for the same project costs because they're all forms of subsidy and you can't have multiple subsidies for.

677

01:52:12.480 --> 01:52:19.110

Nigel Walker: The same project costs and security they've been plenty of questions about on.

678

01:52:20.010 --> 01:52:25.860

Nigel Walker: Companies that don't have physical assets and that doesn't matter to us as Scotland I have.

679

01:52:26.250 --> 01:52:33.900

Nigel Walker: An Axial hope of explained, we take that overall security position that overall mortgage debenture really to be defensive.

680

01:52:34.170 --> 01:52:41.730

Nigel Walker: To put ourselves in the position that we're a secured creditor rather than unsecured creditor, so that if things do go wrong.

681

01:52:42.000 --> 01:52:50.670

Nigel Walker: we're in a position to engage with administrators liquidators or whoever's involved at our endpoint and to try to protect and manage public money.

682

01:52:51.240 --> 01:52:57.540

Nigel Walker: Because this is taxpayer funding and we don't place a valuation on intellectual property.

683

01:52:57.960 --> 01:53:09.180

Nigel Walker: or intangible assets, more generally, you may, if you wish to that's entirely for you to discuss with your director shareholders and accountants and we look to take that.

684

01:53:09.960 --> 01:53:24.480

Nigel Walker: Security position as a, as I said, as a defensive measure, and you can repay early there's no cost of doing so, and your sales and marketing costs are not eligible project costs they're not R amp D.

685

01:53:25.260 --> 01:53:33.600

Nigel Walker: So, you would have to pay for your own sales and marketing costs if you have pre commercial market understanding market development activity.

686

01:53:34.800 --> 01:53:39.390

Nigel Walker: Is me and i'd encourage you to articulate that well in your application.

687

01:53:39.720 --> 01:53:52.860

Nigel Walker: To demonstrate that it's not straightforward sales and marketing, it is pre commercial activity that fits validly in that just definition of later stage, R amp D or experiment with development and.

688

01:53:53.790 --> 01:53:57.630

Nigel Walker: Why is the application so long so detailed so complex so horrid.

689

01:53:58.500 --> 01:54:03.600

Nigel Walker: As it's not quite the word that was used in some of the questions but sort of getting getting all those.

690

01:54:03.930 --> 01:54:14.460

Nigel Walker: ways and it's because we need to we're offering something that is very specific specifically an innovation loan is specifically to fund later stage, R amp D.

691

01:54:14.760 --> 01:54:22.920

Nigel Walker: We also need to see that it's suitable as a loan product, and we want to encourage economic growth, we also want to help taxpayers.

692

01:54:23.280 --> 01:54:33.090

Nigel Walker: money to go further and work harder and that's why the application is details and we want to understand, about the project and we.

693

01:54:33.600 --> 01:54:48.480

Nigel Walker: want to understand about your business and and when when's the next competition going to open that's a question that's been asked a couple of times and I don't know is the honest answer we are still in a pilot we've been in a pilot since.

694

01:54:49.950 --> 01:55:03.690

Nigel Walker: Innovation loans were first announced in 2015 when they were launched in 2017 we're still in that pilot stage we have 20 million pounds to commit in this competition and if it's not fully committed, we will.

695

01:55:04.170 --> 01:55:07.680

Nigel Walker: Probably run further competitions later on this year and.

696

01:55:08.490 --> 01:55:13.890

Nigel Walker: If it's all committed in this competition, then we are not sure when the next competition would be.

697

01:55:14.130 --> 01:55:25.440

Nigel Walker: we're putting a business case together to go to base to UK IRI two bays and treasury, we will be bidding for longer term funding in the next spending review and I hope that.

698

01:55:26.430 --> 01:55:34.260

Nigel Walker: We will be successful in that, and this can then become a regular rhythm and a routine of frequent competitions and.

699

01:55:34.710 --> 01:55:46.800

Nigel Walker: Who knows, maybe even on an always open basis or a rolling assessment basis so that we can be better focused on on customer needs rather than going through the competition process and.

700

01:55:47.640 --> 01:55:51.030

Nigel Walker: competitions are good in terms of encouraging.

701

01:55:51.510 --> 01:55:59.400

Nigel Walker: engagement and getting people to apply and by making it a time limited offer, so to speak, they're very good if you're having to ration.

702

01:55:59.610 --> 01:56:08.130

Nigel Walker: Funds, which is why smart, for example, which is so heavily oversubscribed uses a competitive process within innovation loans so far in our pilot.

703

01:56:08.370 --> 01:56:12.480

Nigel Walker: And in the innovation continuity loans that we've run we haven't needed to ration.

704

01:56:12.750 --> 01:56:22.800

Nigel Walker: we've been able to provide funding and to people that have asked for it and we haven't rationed funding within loan officers, if someone has asked for a loan of a million pounds.

705

01:56:23.100 --> 01:56:31.800

Nigel Walker: And to cover those project costs if we think that it's suitable, then we have made a loan Officer of a million pounds we haven't said when you've asked her a million so here's half a million.

706

01:56:32.040 --> 01:56:38.970

Nigel Walker: Because we think that's all you're good for and because that would be like saying to someone well and build a peer.

707

01:56:39.540 --> 01:56:52.680

Nigel Walker: Rather than a bridge and the end appears there's very often cold dark deep water and which isn't very comfortable and so and we don't work in that way, so i'm not sure when the next competition.

708

01:56:53.250 --> 01:57:00.630

Nigel Walker: will open and just in the last couple of minutes, I really appreciate everybody's patience and.

709

01:57:01.080 --> 01:57:10.290

Nigel Walker: We do have a couple of top tips, and please read the instructions and we've been through in gory detail a lot of what those are.

710

01:57:10.890 --> 01:57:19.620

Nigel Walker: But please do read them, please seek financial and legal advice alone is a very significant commitment for you to take on need to be sure that it's.

711

01:57:20.100 --> 01:57:29.760

Nigel Walker: right for you, please, complete all the parts of the business financials fully for the full loan period profit and loss balance sheet and cash flows.

712

01:57:30.030 --> 01:57:35.850

Nigel Walker: describe your essence assumptions think about set sensitivities, think about stress cases.

713

01:57:36.240 --> 01:57:48.930

Nigel Walker: have an adequate capital and if you're a pre revenue business that doesn't rule you out, but it does mean that we need to think about the capital position of your business now and how it's going to.

714

01:57:49.350 --> 01:58:00.750

Nigel Walker: evolve in the future, how long it's going to take you to get to market what the likelihood of that is what certainty, there is or commercial traction you have to please describe all of those assumptions.

715

01:58:01.110 --> 01:58:12.930

Nigel Walker: And so that we can make a good decision about whether or loves to offer you alone, and please use our customer support services team for any questions, and please note.

716

01:58:13.350 --> 01:58:22.410

Nigel Walker: This competition closes on the second of June the 31st of May is a bank holiday and the first of June is a day on which innovate UK is closed.

717

01:58:22.890 --> 01:58:32.670

Nigel Walker: as are many other public sector offices and passes and civil service, because it's the queen's official birthday, so please get your questions in early.

718

01:58:33.090 --> 01:58:45.150

Nigel Walker: And please submit your all the parts of the application on time and in order to do that and, once again, please read the instructions and and here are lots of links.

719

01:58:46.170 --> 01:58:56.100

Nigel Walker: That we hope are useful and the competition brief explanation what innovation loans are guidance for applicants and 3232.

720

01:58:56.580 --> 01:59:11.220

Nigel Walker: Other organizations, I hope that has been helpful for everybody, and I think we're now at 12 o'clock when we said we'd finish and Scott mmc Chris what have I missed that was really, really, really important.

721

01:59:13.770 --> 01:59:24.720

Hemaxi Bhatt: I think Niger, just to say that we will respond to the questions that have been raised in the Q amp a box and and and shortly I think people will be waiting for some responses that.

722

01:59:26.790 --> 01:59:35.250

Nigel Walker: Fantastic and who knows where will those be posted will they be in a link to the original registration for the event.

723

01:59:35.760 --> 01:59:39.900

Poonam Phull: Now I will send those out separately to everyone who's registered and put that on occasion website.

724

01:59:41.370 --> 01:59:42.750

Nigel Walker: Okay fantastic.

725

01:59:46.170 --> 01:59:50.340

Nigel Walker: Okay, well, thank you very much indeed everybody for for.

726

01:59:51.870 --> 02:00:04.140

Nigel Walker: participating in this briefing event I hope it's been helpful and I hope that you will think about whether this innovation loan is the right offer for your business where you are today, and if it is.

727

02:00:04.620 --> 02:00:12.390

Nigel Walker: Then I look forward to going through your application and quite soon, so thank you very much indeed.