



Innovate  
UK

# Innovation loans



## Innovation Loans - Round 25 Applicant Briefing Webinar

19 January 2026



Innovate  
UK

- The briefing will be recorded and available to refer to through the IFS date page
- Recordings of this webinar, a webinar on project application advice and a webinar focused on completing the business and financial submission, together with further resources, are available on the Innovate UK KTN website: <https://iuk.ktn-uk.org/programme/innovation-loans-future-economy/resources/>
- PDFs of the presentation will also be available on request
- For more information on the competition process, please go to: [Competition briefing: applicant information – YouTube](#)
- NOTE: Eligible project costs for Innovation Loans differ from those shown in the videos. Please visit [the Project Finance Guidance](#) for the latest guidance on eligible costs.

# Welcome and Introductions

Hemaxi Bhatt – Credit and Investment Specialist

Andrew Wade – Head of Credit

Adam Barrass – Credit Specialist

Liam McCartney – Competition Manager

Jordan Meadows – Event Manager



# Innovate UK

- We are the UK's innovation agency
- We support business-led innovation in all sectors, technologies and UK regions
- A key delivery body of the Government's Innovation Strategy

## Our Mission

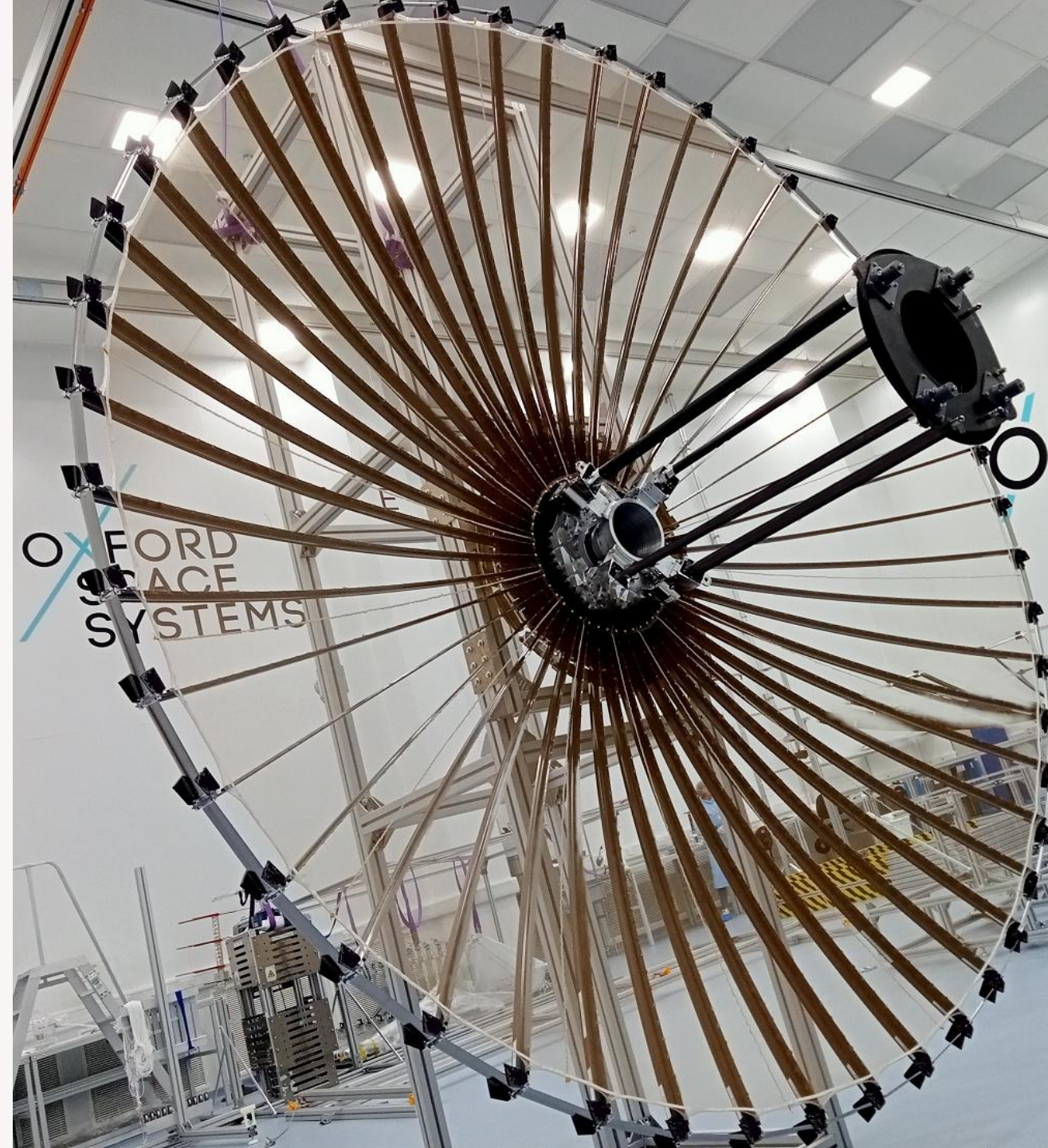
To help UK businesses grow through the development and commercialisation of new products, processes, and services, supported by an outstanding innovation ecosystem that is agile, inclusive, and easy to navigate.





# Agenda: Innovation Loans applicant briefing

- What are innovation loans?
- How do we decide who to lend to?
- How to complete your application
  - IFS account set up
  - Business and financial information
  - Business financial spreadsheet
  - Project Proposal and Project Costs
- Eligibility considerations
- Our credit evaluation process and approach.
- Additional Support
- Q&A





# What are Innovation Loans?



Innovate  
UK



# Innovation Loans

Helping businesses to access funding at all stages of innovation

- Late-stage R&D
- Clear route to commercial success
- Innovative and growth orientated
- 'Scaling' rather than 'starting'
- Credit Constrained
- Includes precommercial costs
- Supports working capital requirements



**Single SME  
Applicants**

**7.4%**

**Below-market  
Interest rate**

Partial deferral during  
project period

**7 Years**

**Flexible &  
Patient**

Up to 7 years Project  
Period and Repayment



**Up to 100% of Eligible  
Project Costs  
(includes pre-  
commercial costs)**



**Loan size  
£100k to £5m**

**Security**

- Debenture
- No personal guarantees

**Covenants**

- Liquidity ratio of 1.1X throughout loan
- Debt Service Coverage Ratio of 1.2X throughout repayment period

# Innovation Loan Structure

## Maximum Loan Term 7 years

- **Project Period** Up to 5 years
- **R&D activity completion within 3 years**
- **Repayment period** Up to 5 years

Example: 5 years for R&D (Project Period)

- 3 year for R&D Activity
- 2 years Pre-commercialisation activity
- 2 years for repayment
- 7 years - Total



## Project period: (R&D and Pre-commercialisation)

- Quarterly loan drawdowns in advance
- Interest payable quarterly in arrears on amount drawn down
- 3.7% payable and 3.7% deferred to repayment period
- Max period - 5 years (R&D 3 years max)
- Monitoring by Monitoring Service Provider and PortfolioTeam

## Repayment period: (Repayment of capital and interest)

- No further drawdowns permitted
- Repayment of principal and interest as well as deferred interest
- 7.4% - quarterly level payments
- Max period – 5 years
- Monitoring by Portfolio Team





# Strategic Theme

## Future Economy

- The future economy will be very different as we improve the quality of life for all, protect the environment and conserve Earth's resources
- To help UK business realise the opportunities, we will deliver ambitious and purpose-driven programmes in 4 areas:



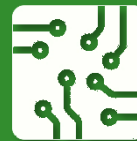
### Net Zero

Innovations in energy, transport, agriculture, buildings, manufacturing and more



### Health & Wellbeing

Innovation in diagnostics, medicines and novel therapies, connected health, diet and more



### Technologies

Developing 7 technology families to help solve the world's biggest problems and grow the UK economy



### Foresight

Horizon scanning to enable an agile and intelligent respond to disruptive, emerging technologies

# Overview of Key Enhancements

- On 1 January 2021, the UK left the EU and is no longer subject to EU laws on State aid.
- The set rules which we previously relied on for the limits of what we could award, have now been replaced by internal decisions based on the new Subsidy Control Regime, and on policy, which in turn set out bespoke eligibility requirements for each funding opportunity. Innovate UK Loans Ltd took the opportunity to create a new subsidy control scheme, which has allowed us to broaden the 'eligible costs' criteria for innovation loans projects. I will go through these in more detail.
- However, to ensure that Innovate UK remains compliant with the UK's Subsidy Control duties and the Windsor Framework, companies that fall into the Windsor Framework which includes those based in Northern Ireland are not eligible for all the extended eligible costs.

# Overview of Key Enhancements

## Loans between £100k and £5m



### Labour Costs – New Eligibility

Salaries and employment expenses of staff working on:

- Market research
- Customer discovery
- Marketing strategy development
- Testing market readiness
- Gathering customer feedback

Applies to new products/services from R&D before market launch

**Not available to those businesses based in NI and those who are impacted by the Windsor framework. They can still apply for labour costs for the R&D activity but not for sales and other commercial costs.**

### Full Cost of Capital Assets

Eligible costs:

- Machinery,
- Tools,
- Buildings,
- Technology
- Used to move from R&D into commercial delivery
- 100% capital costs allowed (subject to monitoring)
- Can drawdown throughout the project period.

**This cost is eligible to businesses operating under the scope of the Windsor Framework**

### Tooling, Prototypes & Early Inventory

Tools, components, and materials to:

- Build working prototypes
- Demonstrate functionality
- Produce pilot batches
- Support regulatory/user testing
- Adapt for manufacturability
- Develop packaging/integration components

Available to drawdown during project period

**Businesses subject to the Windsor Framework are eligible to claim this cost**

### Working Capital Support

Eligible items:

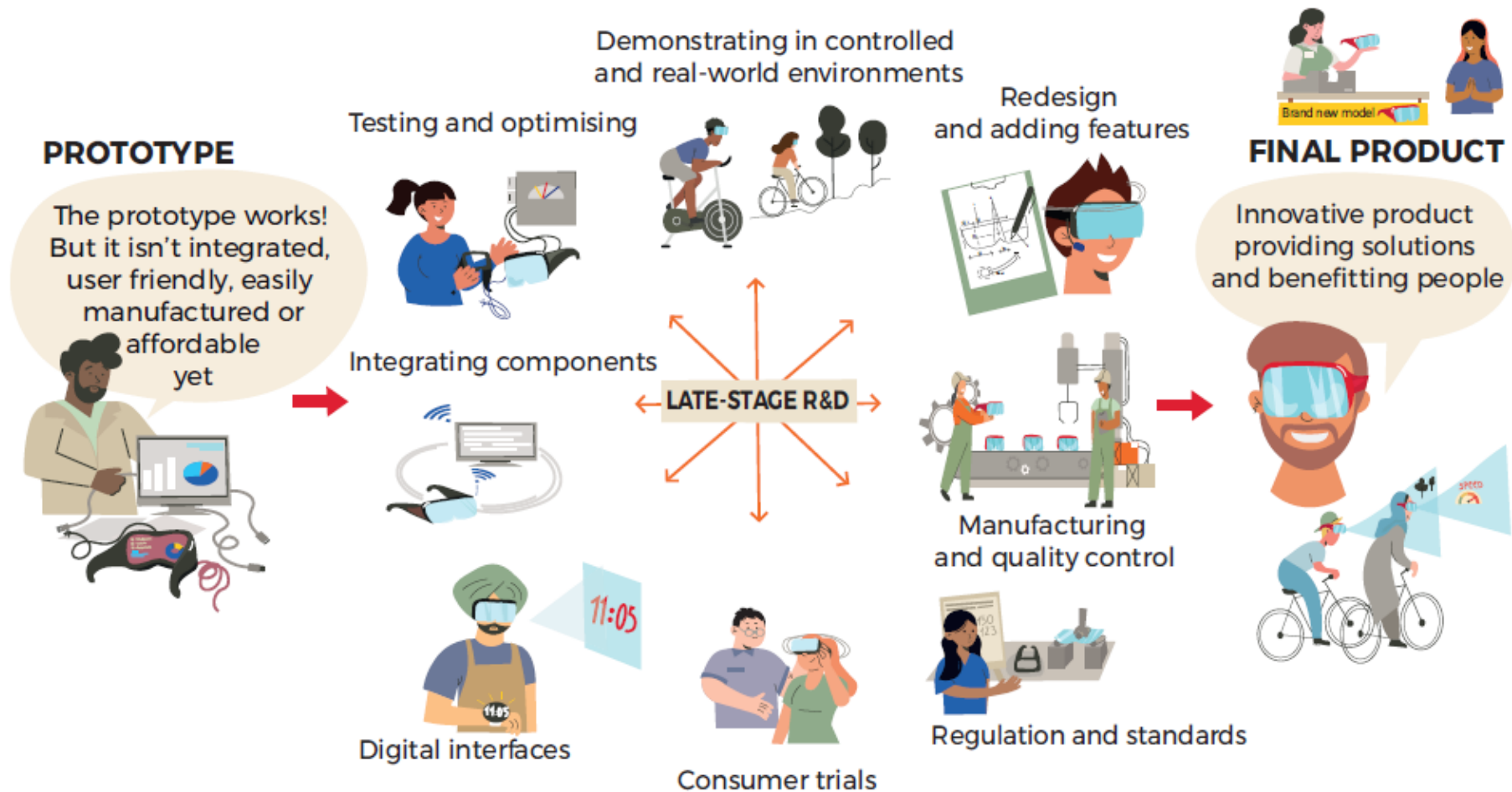
- Salaries
- Materials
- Supplier payments
- Marketing
- Regulatory support

Capped at 20% of the total loan or commercialisation work package

**Not available to Businesses based in NI and businesses subject to the Windsor**



## Late-stage R&D: from prototype to commercialisation



From "Late stage R&D: business perspectives" April 2021  
National Engineering Policy Centre, led by the Royal Academy of Engineering  
<https://www.raeng.org.uk/publications/other/late-stage-r-and-d-business-perspectives>

**How do we  
decide who to  
lend to?**



# What are we looking for?

We are looking for businesses who can demonstrate that their innovation activities have the best potential for future growth

Your application will be evaluated on:

- the quality of your project
- our judgement on the suitability of your business to receive a loan

We look for applications that show:

- an appropriate and evidenced borrowing proposal from a suitable business
- a high quality later-stage R&D project
- a clear route to commercial success
- a strong management team
- why you need additional public funding in order to be able to carry out your project
- why you are unable to fund the project from your own resources or other forms of private-sector funding



# How are successful applicants selected?

## Project proposal

- Assessors will score each question in your project proposal.
- After the assessor process, Innovate UK will independently moderate assessor scores. Any outliers in scores may be removed and your total score will be updated.

## Initial credit evaluation

- Our Credit team will carry out an initial evaluation of your suitability to take on a loan

## Progress Panel

- Your innovation score together with the credit evaluation will be used in deciding the next steps.
- You will receive email notification that your application is progressing to detailed credit evaluation or to inform you that your application has been unsuccessful on this occasion.

## Detailed credit evaluation and final decision

- Our Credit team will carry out a detailed credit evaluation and will contact you for further information
- You may need to present to the Credit Committee
- A final lending decision will be made by our Credit Committee, which may include conditions

*Whether successful or unsuccessful in receiving loan funding, you will receive feedback on your application.*

*Feedback from assessors will be through IFS*

*Feedback from Credit will be sent by email*

*It is intended to be constructive in nature and to highlight both the strong as well as the weak areas of your application.*

# Key dates for Round 25

Timeline	Dates
<b>Competition Open</b>	<b>8 Jan 2026</b>
Applicant Briefing Webinar	17 Jan 2026
Good Application Guide Workshop (Answering the Assessors Prayer)	Please view a recording at <a href="#">Innovation Loans Resources</a>  Or read the Guide at <a href="#">Good Application Guide</a>
How to Complete the Financial Submission	Please view a recording at <a href="#">Innovation Loans Resources</a>
Financial Submission 'Deep Dive' Workshops – Register to attend one workshop	Workshop 1: 28 Jan 2pm – 3.30pm Workshop 2: 2 Feb 3pm – 4pm Workshop 3: 12 Feb 10.30am – 11.30am
<b>Submission Deadline</b>	<b>4 Mar 2026 (11am)</b>
Initial notification to applicants	24 Apr 2026
Decision Notification following full Credit Analysis	5 Jun 2026
Expected project start	1 Jul 2026



# **Innovation Funding Service (IFS)**



# Search for a funding competition and review criteria

## Innovate UK innovation loans : round 24

**Innovate UK innovation loans : round 25** UK registered businesses can apply for loans for innovative projects with strong commercial potential to significantly improve the UK economy.

- **Competition opens:** 8 January 2026
- **Competition closes:** 4 March 2026 at 11am

Funding competition  
**Innovate UK Innovation Loans Round 24**

UK registered businesses can apply for loans for close to market, innovative projects with strong commercial potential. They must significantly improve the UK economy and drive societal benefit.

**Competition opens:** Thursday 23 October 2025  
**Competition closes:** Wednesday 7 January 2026 11:00am

[Start new application](#)

Or go to [your dashboard](#) to continue an existing application.

**Summary** | Eligibility | Score | Dates | How to apply | Supporting information

**Description**

Innovate UK, part of UK Research and Innovation is offering loans to micro, small and medium sized enterprises (SME). Innovate UK innovation loans are for highly innovative late-stage research and development (R&D) projects with the best potential for the future. There must be a clear route to commercialisation and economic impact.

**Note:** read all the instructions carefully as changes have been introduced to the Innovation Loans programme. This is to give businesses more flexibility to deliver both R&D and pre-commercial activities as well as increasing the maximum amount of the innovation loan and these are described further down in this section.

Your project must lead to innovative new products, processes or services that are significantly ahead of others currently available, or propose an innovative use of existing products, processes or services. It can also involve a new or innovative business model.

Your project must focus on one or more of the future economy areas included in the [Innovate UK plan for action](#).

You must be able to show that you:

- need public funding
- can cover interest payments

# Create an account

You must create an account:

## UK registered businesses

Use Companies House lookup as it speeds up our checks by providing your company number. You are unable to enter this at a later date.

## Research organisations, academics and universities

Enter your information manually so you are not listed as a business on IFS and ensure you receive the correct funding.

The screenshot shows the 'Create your account' page for 'Your organisation'. It includes a 'Business' section with a 'Find your organisation on Companies House' search bar. The search results for 'NOMENSA LTD' are displayed, showing its registration details.

GOV.UK Innovation Funding Service

BETA This is a new service – your [feedback](#) will help us to improve it.

[Back](#)

Create your account

### Your organisation

**i** Your organisation must be UK based to receive funding from Innovate UK

**Business**

**Find your organisation on Companies House**

Enter your organisation name or registration number

**Companies House search results**

Select your organisation from the options below

**NOMENSA LTD**  
04214477 - Incorporated on 10 May 2001  
13 Queen Square, Bristol, BS1 4NT

The screenshot shows the 'Please sign in or create an account' page. It has two columns: 'Used this service before?' with a 'Sign in' button, and 'New to this service?' with a 'Create account' button. Below is a 'Sign in' section with fields for 'Email address' and 'Password', each with a 'Show' button. At the bottom, there is a link for 'Need help signing in or creating an account?' and a note about users of the old service needing to create a new account. A link for 'Forgotten your password?' is circled in red.

GOV.UK Innovation Funding Service

BETA This is a new service – your [feedback](#) will help us to improve it.

[Back](#)

## Please sign in or create an account

**Used this service before?**

Please sign into your Innovation Funding Service account.

**New to this service?**

If you haven't used the new Innovation Funding Service before you will need to create an account.

### Innovation Funding Service Sign in

Email address  
Please enter your email address.

Password  
Please enter your password.

▼ [Need help signing in or creating an account?](#)

**My email and/or password isn't working**

If you applied previously using the old service, you will need to create a new account.

[Forgotten your password?](#)

# Pros & Cons of using AI to support you

*With the advances in AI technology it is only natural to use technology to support you in applying to our competitions. Whilst we don't recommend or advise against it we would like to make you aware of the following which could potentially impact your application.*

## Pros

- Removes barriers for people with disabilities and non-English speakers
- Allows you to rephrase your content to meet the word count in a question
- Ensures all aspects of a question are answered
- Can aid a better understanding of:
  - intended/wider market
  - best practice in project management
  - complementary technologies and advances in the industry
  - expected project impacts

## Cons

- It is not always correct in its assumptions and can get things wrong
- AI learns from the information you give it as well as what it has already learnt
- May provide a generic response meaning your application could use similar phrasing to others
- AI can be detected as non-human as it lacks expression and insight because it relies on logic to summarise information based on the question asked

Whilst AI offers many benefits, it is important you are aware that **you are potentially sharing your idea with the world**, so be careful what you share as you have no control over how it is shared on once you do.



## **Project Proposal:**

***Are you proposing a high quality, late-stage R&D project that will deliver commercial growth through innovation?***

# Project Proposal Questions and Costs

## Applicant Location

- Name of your organisation and full registered address

## Animal Testing

- Will your project involve any trials with animals or animal testing?

## Project Proposal

- What is the business need, technological challenge or market opportunity behind your innovation? What approach will you take and where will the focus of the innovation be?

## Market Opportunity

- What does the market you are targeting look like and how are you going to grow your business as a result of the project?

## Project Delivery

- Who is in the project team, what are their roles and how will you manage the project effectively?

## Project Risks

- What are the main risks for this project?

## Project Costs and Value for Money

- How much will the project cost and how does it represent value for money for your business and the taxpayer?

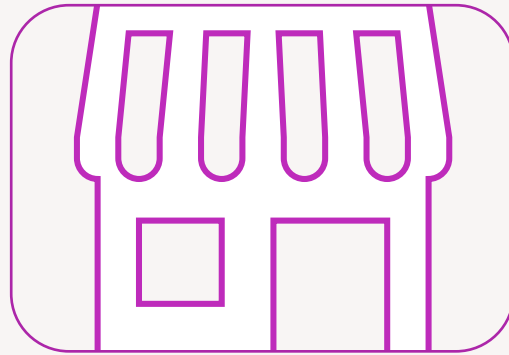
## Project Finance

- You must complete your project costs, organisation details and funding details in the application.

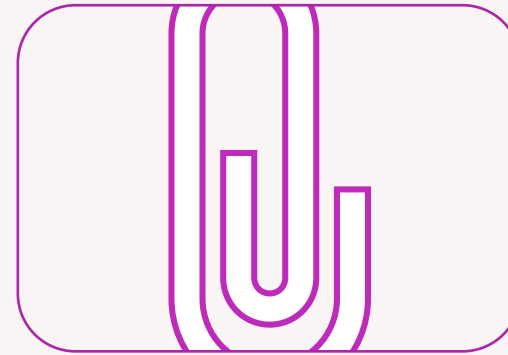
# Your Project Cost Categories



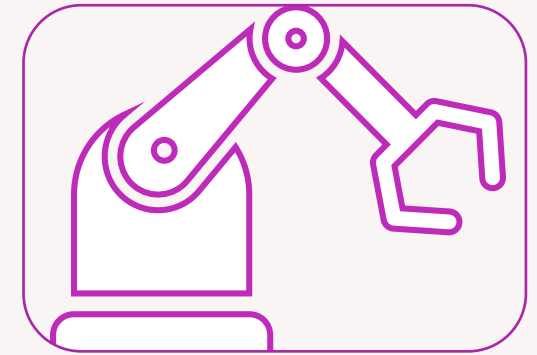
Labour



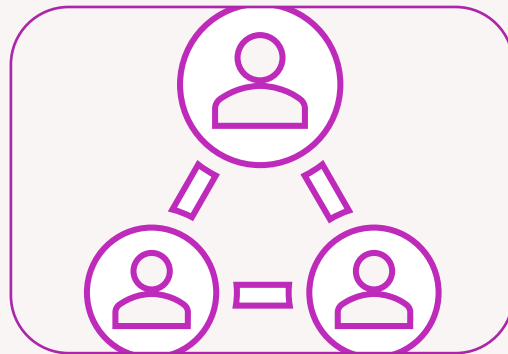
Overheads



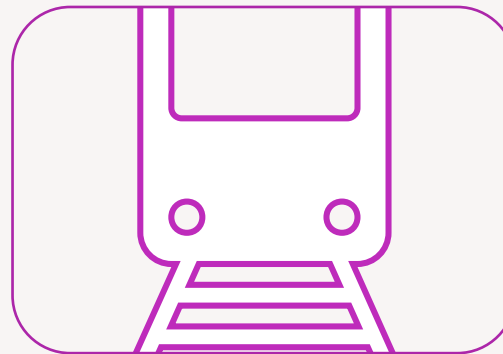
Materials



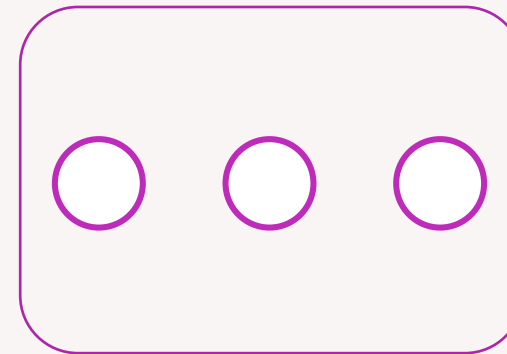
Equipment  
Usage



Subcontractors



Travel &  
Subsistence



Other

# Project application assessment

All eligible and in scope project applications will be assessed by **3** independent Assessors

## What do they look for?

- **Clear** and **concise** answers
- **The right amount of information**
  - not too much detail
  - no assumptions
- **Quantification** and **justification**
- A proposal that presents:
  - a **viable opportunity for growth**
  - a **level of innovation that necessitates public sector support**
  - the right **team and approach** to be successful
  - an **appropriate level of costs** that represent **value for money**

**Keep your Assessors engaged and interested in your proposal.**

**You want them to be fascinated and excited by your idea.**

**You want them to see that your project is credible and deliverable.**

*Watch our “Answering the Assessors’ Prayer” video:*  
[Innovation Loans Future Economy - Resources on Vimeo](#)



# Eligibility Considerations



# Eligibility criteria

Project eligibility	<ul style="list-style-type: none"><li>• lead must be a UK registered micro, small or medium sized business (SME)</li><li>• carry out its project work in or from the UK</li><li>• intend to exploit the results in or from the UK</li><li>• give evidence that your business is suitable to take on a loan</li></ul>
Loan amount	Between £100,000 and £5 million
Project length	Projects can last up to five years, including both the R&D and commercialisation phases.
Project start date	Projects are expected to start by July 2026. Your exact project start date and first innovation loan drawdown will depend on the timing of the final credit committee decision and completion of loan documentation.

# Previously submitted applications

This competition **does** allow you to submit a previously submitted application.

Previously submitted application	Not a Previously submitted application
A previously submitted application is an application Innovate UK judges as <u>not</u> materially different from one you have submitted before (but it can be updated based on the assessors' feedback)	A brand-new application, project or idea that you have not previously submitted into an Innovate UK competition  OR A previously submitted or ineligible application which: <ul style="list-style-type: none"><li>✓ has been updated based on assessor feedback</li><li>✓ <u>and</u> is materially different from the application submitted before</li><li>✓ <u>and</u> fits with the scope of this competition</li></ul>

*Before resubmitting, make sure that you have taken both assessor and credit feedback into account*

# Number of applications

Your business can only submit one application per round of this competition. If you submit more than one application, only the first application will be considered for assessment.

You cannot submit an application in this competition at the same time as submitting an application in any other innovation loans or defence innovation loans competition.



# Compliance with the UK Subsidy Control Regime

On 1 January 2021, the UK left the EU and is no longer subject to EU laws on State aid. We draw your attention to the guidance issued by BEIS: [Complying with the UK's international obligations on subsidy control: guidance for public authorities](#). Please be aware this is a living document and may be updated by BEIS as time progresses.

The set rules (typically GBER) which we previously relied on for the limits of what we could award, have now been replaced by internal decisions based on the new BEIS Subsidy Control Regime, and on policy, which will in turn set out bespoke eligibility requirements for each funding opportunity.

**Innovate UK is offering funding for this competition in line with the UK's obligations and commitments to Subsidy Control. An innovation loan is a form of UK Subsidy – registered scheme SC10698.**

To ensure that Innovate UK remains compliant with the UK's international Subsidy Control duties in respect of:

- the EU-UK Trade and Cooperation Agreement;
- Article 10 of the Northern Ireland Protocol (successful applicants which are affected by the Northern Ireland Protocol will be funded in line with EU State aid regulations)
- Article 138 of the Withdrawal Agreement (some Union law applicable after 31 December 2020 in relation to the UK's participation in Union programmes and activities)
- the Subsidies and Countervailing measures within the WTO (ASCM)
- any other Free Trade Agreements active at the time of award

All awards will be conditional on compliance at all times with the UK's International obligations on Subsidy Control - this will be reflected in the terms and conditions of any award.

# Due diligence for UK Subsidy Control Regime

Under the Subsidy Control Regime, we will carry out financial health checks and going concern assurances on your organisation.

## Certify you are eligible

When submitting an application, you must certify that you are eligible for funding. If you are unsure, please take independent legal advice before applying. Should you be successful, we will complete these financial checks and assurances before confirming the loan offer.

- For more information on company sizes, please refer to the [Company accounts guidance](#).
- Further information is available on our website in the general guidance.

# Eligibility Criteria: EU State Aid Regulations – Windsor Framework

If you are an applicant who is conducting activities that will affect trade of goods and/or electricity between Northern Ireland and the EU as envisaged by [Article 10 of the Windsor Framework](#), then you must apply under European Commission State aid rules.

## Undertaking in Difficulty

For applicants subject to the European Commission State aid rules, you will be required to prove that they were not an “Undertaking in Difficulty” (UiD). We will ask for evidence of this.

This test applies to:

- companies that are more than 3 years old
- companies where more than half of its subscribed share capital has disappeared as a result of accumulated losses.
- your parent or holding company

## Certify you are eligible

When submitting an application, you must certify that you are eligible for State aid. If you are unsure, please take legal advice before applying. Should you be successful, we will apply this test as part of our viability checks before confirming the loan offer.

Further information is available on our website in the [general guidance under state aid](#).

If you are applying for an award funded under State aid Regulations, the definitions for company size are set out in the [European Commission Recommendation](#) of 6 May 2003.

# British Overseas Territories

You are unable to claim funding if your company is based in any of the British Overseas Territories (BOTs):

- Anguilla
- Bermuda
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Cayman Islands
- Falkland Islands
- Gibraltar
- Montserrat
- Pitcairn Islands
- Saint Helena, Ascension and Tristan da Cunha
- South Georgia and the South Sandwich Islands
- Turks and Caicos Islands



# Other Innovate UK projects

If you have an outstanding final claim or Independent Accountant Report (IAR) on a live Innovate UK project, you will not be eligible to apply to this competition, as a lead or a partner organisation.

We will not award you any further funding if you:

- applied to a previous competition as the lead or sole company and were awarded funding by Innovate UK, but did not make a substantial effort to exploit that award
- applied to a previous competition as the lead or sole company and failed to comply with loan or grant terms and conditions.

# Project Impact questions

- **Successful applicants will complete Project Impact questions at the start of their project**
- The Project Impact questions ask for data about your business and innovation and its contribution to the UK economy, society, and the environment
- Visit the [Project Impact guidance](#) page for more information, the types of questions you will be asked and how to get further support
- By providing this data, you are enabling us to better understand the impact of our support. It will help us identify success stories and provide evidence to government and the public of the value of supporting innovative businesses



## For more information:

- Watch Our Impact Management Framework video [here](#)
- Watch How is the Project Impact data collected? video [here](#)

# Q&A



## **Business and Financial Information:**

***Is your business suitable to take on a significant long term loan commitment?***

# Business and financial information

**Application progress**

0%100%

**Applicant details**

Please provide information about your project. This section is not scored but will provide background to the project.

<a href="#">Subsidy basis</a>	Incomplete
<a href="#">Business and financial information</a>	Incomplete
<a href="#">Application team</a>	Incomplete
<a href="#">Application details</a>	Incomplete
<a href="#">Research category</a>	Incomplete
<a href="#">Equality, diversity and inclusion</a>	Incomplete
<a href="#">Overview and Project summary</a>	Incomplete
<a href="#">Public description</a>	Incomplete
<a href="#">Scope</a>	Incomplete

**Application questions**

These are the questions which will be marked by the assessors.

<a href="#">1. Applicant location (not scored)</a>	Incomplete
<a href="#">2. Project proposal</a>	Incomplete



# Business and financial information

**BETA** This is a new service – your [feedback](#) will help us to improve it.

[◀ Back to application overview](#)

Untitled application

## Business and financial information

✓ This question is marked as complete.

### Business and financial information

#### Business and financial details

For us to consider the suitability of your business for a loan, we need detailed information about your business as well as financial information and forecasts.

#### Financial information

You must submit financial information to us about your business. This is done through completion of a spreadsheet template. Please download the financial spreadsheet template and fill this in offline. At the end of the business and financial information you will be asked to upload the financial spreadsheet.


#### Edit the online business survey

At any stage, you can return here to carry on editing incomplete form.

[Continue](#)

Need help with this service? [Contact us](#)

# Business information

 **GOV.UK**

**Innovation Funding Service**  
Application Overview

[< Back to Application Overview](#)

Application Number: 10033540

**Business and financial information**

**What is the purpose of this business and financial information section in the application for an innovation loan?**

We will use the business and financial information that you provide us, alongside your project application on the Innovation Funding Service, to consider the suitability of your business for a loan.

For us to consider the suitability of your business for a loan, we need detailed information about your business as well as financial information and forecasts.

**Business information**

Guidance on completing the Business Information Questions can be downloaded [here](#)

**Financial information**

You must submit financial information to us about your business. This is done through completion of a spreadsheet template that you should download and fill in offline. At the end of this part of the application you will be asked to upload the financial spreadsheet. You must use the template provided to complete the financial information submission form, which can be downloaded here: [Financial information form](#)

Guidance on completing the Financial Information form can be downloaded [here](#)

Continue

# Business Information: questions about your overall business

## Business Overview

- What is your business, core product offering / value proposition? How will it be impacted by this project?

## Loan request

- What loan amount and period do you require?

## Human resources / company structure

- Who are the founders / management team, what experience do they have and what is the management structure?

## Commercial activity

- What is the past, current and forecast commercial activity / customer base / sales channels / domestic and international?

## Product development

- What is the past, current and forecast stage of development of your technology and plans for future developments?

## Finance and fundraising

- What is the financial situation for your business and why do you need public funding?

## Growth challenges

- What are the main challenges and risks to your business growth?

*There are 78 important questions to answer about your business and a detailed spreadsheet – don't leave this until the last minute!*

## **Business Financials Spreadsheet:**

***Do your historic and forecast financial statements provide evidence to support your suitability to borrow?***

# Financial information



Innovation Funding Service

Application Overview

[< Back to Application Overview](#)

Application Number:10033540

## Business and financial information

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Guidance on completing the Financial Information form can be downloaded [here](#)

Continue

*Follow the detailed guidance*

*Watch the recorded webinar on completion of the financial submission:*

<https://vimeo.com/showcase/10436032>



# Business Financials

## Required:

- Profit & Loss Account
- Balance sheet
- Cashflow Forecast
- Historic (3 years if available) and
- Forecast (**must cover full loan term**)

### P&L / Balance Sheet Summary (annual)

	Actual			Forecast							
Financial year	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Turnover				250,000	1,125,000	1,750,000	2,375,000	3,375,000	4,375,000	6,000,000	8,250,000
Other income / grants											
Total income	-	-	-	250,000	1,125,000	1,750,000	2,375,000	3,375,000	4,375,000	6,000,000	8,250,000
Cost of Sales				150,000	650,000	1,000,000	1,350,000	1,900,000	2,450,000	3,350,000	4,600,000
Gross Profit	-	-	-	100,000	475,000	750,000	1,025,000	1,475,000	1,925,000	2,650,000	3,650,000
Administrative and other costs			50,000	200,000	250,000	350,000	400,000	450,000	500,000	550,000	600,000
EBITDA	-	-	- 50,000	- 100,000	225,000	400,000	625,000	1,025,000	1,425,000	2,100,000	3,050,000
Innovation Loan Interest	-	-	-	9,250	64,750	92,500	92,115	64,645	31,220	2,289	-
Other Interest											
Depreciation / amortisation											
Tax											
Net profit	-	-	- 50,000	- 109,250	160,250	307,500	532,885	960,355	1,393,780	2,097,711	3,050,000

# Business Financials

## Required:

- Profit & Loss Account
- **Balance sheet**
- Cashflow Forecast
- Historic (3 years if available) and
- Forecast (**must cover full loan term**)
- Working capital **must** be detailed – cash, debtors, creditors

Fixed assets (tangible & intangible)			75,000	425,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	
Cash			25,000	376,625	2,188,000	2,329,250	5,202,198	5,291,963	5,781,727	7,211,981	9,605,731	
Debtors				62,500	281,250	437,500	593,750	843,750	1,093,750	1,500,000	2,062,500	
Inventories				18,750	81,250	125,000	168,750	237,500	306,250	418,750	575,000	
Other current assets												
Total current assets	-	-	25,000	457,875	2,550,500	2,891,750	5,964,698	6,373,213	7,181,727	9,130,731	12,243,231	
Total assets	-	-	100,000	882,875	3,300,500	3,891,750	7,214,698	7,873,213	8,931,727	11,130,731	14,493,231	
Trade Creditors				37,500	162,500	250,000	337,500	475,000	612,500	837,500	1,150,000	
Bank loans / overdrafts repayable <1 year												
Other current liabilities												
Total current liabilities	-	-	-	37,500	162,500	250,000	337,500	475,000	612,500	837,500	1,150,000	
Bank loans repayable >1 year												
Directors loans												
Innovation Loan				504,625	1,137,000	1,333,250	1,035,814	596,473	123,708	0	0	
Other long term liabilities												
Total liabilities	-	-	-	542,125	1,299,500	1,583,250	1,373,314	1,071,473	736,208	837,500	1,150,000	
Total Net Assets	-	-	100,000	340,750	2,001,000	2,308,500	5,841,385	6,801,740	8,195,520	10,293,231	13,343,231	-
Subscribed share capital (share capital + share premium)			150,000	500,000	2,000,000	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Accumulated Profit and Loss			- 50,000	- 159,250	1,000	308,500	841,385	1,801,740	3,195,520	5,293,231	8,343,231	
Other Reserves												
Total Equity	-	-	100,000	340,750	2,001,000	2,308,500	5,841,385	6,801,740	8,195,520	10,293,231	13,343,231	

# Business Financials

## Required:

- Profit & Loss Account
- Balance sheet
- **Cashflow Forecast**
- Historic (3 years if available) and
- Forecast (**must cover full loan term**)

Cashflow Forecast (annual)											
Financial year	Actual			Forecast							
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Cash from debtors				187,500	906,250	1,593,750	2,218,750	3,125,000	4,125,000	5,593,750	7,687,500
Other income / grants											
Other Loans/Equity introduced			150,000	350,000	1,500,000		3,000,000				
Innovation Loan drawdowns	-	-	-	500,000	600,000	150,000	-	-	-	-	-
<b>Total cash inflows</b>	-	-	150,000	1,037,500	3,006,250	1,743,750	5,218,750	3,125,000	4,125,000	5,593,750	7,687,500
Cost of sales				131,250	587,500	956,250	1,306,250	1,831,250	2,381,250	3,237,500	4,443,750
Administrative and other costs			50,000	200,000	250,000	350,000	400,000	450,000	500,000	550,000	600,000
Other interest payments											
Innovation Loan interest payments	-	-	-	4,625	32,375	46,250	80,553	64,645	31,220	2,289	-
Other loan repayments											
Innovation Loan repayments	-	-	-	-	-	-	308,999	439,341	472,765	123,708	-
Assets purchased			75,000	350,000	325,000	250,000	250,000	250,000	250,000	250,000	250,000
Dividends											
Tax payments											
<b>Total cash outflows</b>	-	-	125,000	685,875	1,194,875	1,602,500	2,345,802	3,035,235	3,635,235	4,163,496	5,293,750
<b>Opening balance</b>		-	-	25,000	376,625	2,188,000	2,329,250	5,202,198	5,291,963	5,781,727	7,211,981
<b>Net cash movement</b>	-	-	25,000	351,625	1,811,375	141,250	2,872,948	89,765	489,765	1,430,254	2,393,750
<b>Closing balance</b>	-	-	25,000	376,625	2,188,000	2,329,250	5,202,198	5,291,963	5,781,727	7,211,981	9,605,731

# Business Financials

## Repayment Calculator Template will show quarterly payments

### Repayment Calculator Template

**Instructions:** This sheet is a tool to help you calculate loan repayments and will drive the innovation loan amounts in tab 1. It is mandatory to complete this worksheet as part of your application. If you do not complete this template to show your innovation loan request, your application will not be considered. Please complete all boxes highlighted yellow. This will then populate the Project Period and Repayment Period tables below.

#### Innovation Loan Request

Eligible Project Costs	
Loan Amount	

	Quarters	Years
Project Period		
Repayment Period		

Interest rate	Qty cash%	Qty deferred %
Availability Period	0.53%	0.53%
Repayment Period	1.85%	0.00%

Total Interest (P & R periods)	€ -
Interest paid (P period)	€ -
Deferred interest (P period)	€ -
Interest paid (R period)	€ -
Fees paid	€ -
Total Principal	€ -
Total amount borrowed	€ -
Total payments (principal/interest/fees)	€ -
Quarterly Payment (incl fees)	€ -

Anticipated Drawdowns
Quarter 1
Quarter 2
Quarter 3
Quarter 4
Quarter 5
Quarter 6
Quarter 7
Quarter 8
Quarter 9
Quarter 10
Quarter 11
Quarter 12
Quarter 13
Quarter 14
Quarter 15
Quarter 16
Quarter 17
Quarter 18
Quarter 19
Quarter 20

Fees	
Arrangement	0%
Monitoring	0.00%
Interest	
Reference	14.24% Assuming B+ rating
Actual	7.40%
Current	3.70%
Deferred	3.70%

Back to Guidance

Notes & Prompts will appear here if appropriate:

#### Project Period and Repayment Profiles

Project Period	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Quarter 13	Quarter 14	Quarter 15	Quarter 16	Quarter 17	Quarter 18	Quarter 19	Quarter 20
Interest paid	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Deferred interest	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Fees	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Total	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -

Repayment Period	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Quarter 6	Quarter 7	Quarter 8	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Quarter 13	Quarter 14	Quarter 15	Quarter 16	Quarter 17	Quarter 18	Quarter 19	Quarter 20
Capital Paid (including deferred interest)	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Interest Paid	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Fees	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Total	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -

<

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Guidance

1. Business Financials

2. Sales Assumptions

3. Repayment Calc Template

4. Innovation Loans Calcs

5. Reference Rate Template

6. Grant Equiv Template

7. Reference Rate Calcs

8. Grant Equi

...

+

# Business Financials

Repayment Calculator Template will show quarterly payments

## Innovation Loan Request

Eligible Project Costs	
Loan Amount	

	Quarters	Years
Project Period		
Repayment Period		

### Interest rate

	Qtly cash%	Qtly deferred %
Availability Period	0.93%	0.93%
Repayment Period	1.85%	0.00%

Total Interest (P & R periods)	£	-
Interest paid (P period)	£	-
Deferred interest (P period)	£	-
Interest paid (R period)	£	-
Fees paid	£	-
Total Principal	£	-
Total amount borrowed	£	-
Total payments (principal/interest/fees)	£	-
Quarterly Payment (excl fees)	£	-

### Anticipated Drawdowns

Quarter 1	
Quarter 2	
Quarter 3	
Quarter 4	
Quarter 5	
Quarter 6	
Quarter 7	
Quarter 8	
Quarter 9	
Quarter 10	
Quarter 11	
Quarter 12	
Quarter 13	
Quarter 14	
Quarter 15	
Quarter 16	
Quarter 17	
Quarter 18	
Quarter 19	
Quarter 20	

## Project Period and Repayment Profiles

### Project Period

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5
Interest paid	£ -	£ -	£ -	£ -	£ -
Deferred interest	£ -	£ -	£ -	£ -	£ -
Fees	£ -	£ -	£ -	£ -	£ -
Total	£ -	£ -	£ -	£ -	£ -

### Repayment Period

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5
Capital Paid (including deferred interest)	£ -	£ -	£ -	£ -	£ -
Interest Paid	£ -	£ -	£ -	£ -	£ -
Fees	£ -	£ -	£ -	£ -	£ -
Total	£ -	£ -	£ -	£ -	£ -

# Financial submission “Deep Dive” workshops

Areas of the financial submission where applicants struggle to evidence their suitability:

- Presenting credible forecasts for future revenues and costs
- Demonstrating effective management of liquidity and working capital
- Evidencing adequate capitalisation

Online 90 minute workshop, with a maximum of 30 participants, to cover:

- The three core ‘problem areas’, with anonymised examples
- Engaging discussions, led by a member of the innovation loans team, to enable participants to take a ‘deep dive’ into each of the core areas
- Reflections on the ‘deep dive’ discussions as a group

Prior [registration](#) is mandatory for these workshops

One participant per applicant at one workshop

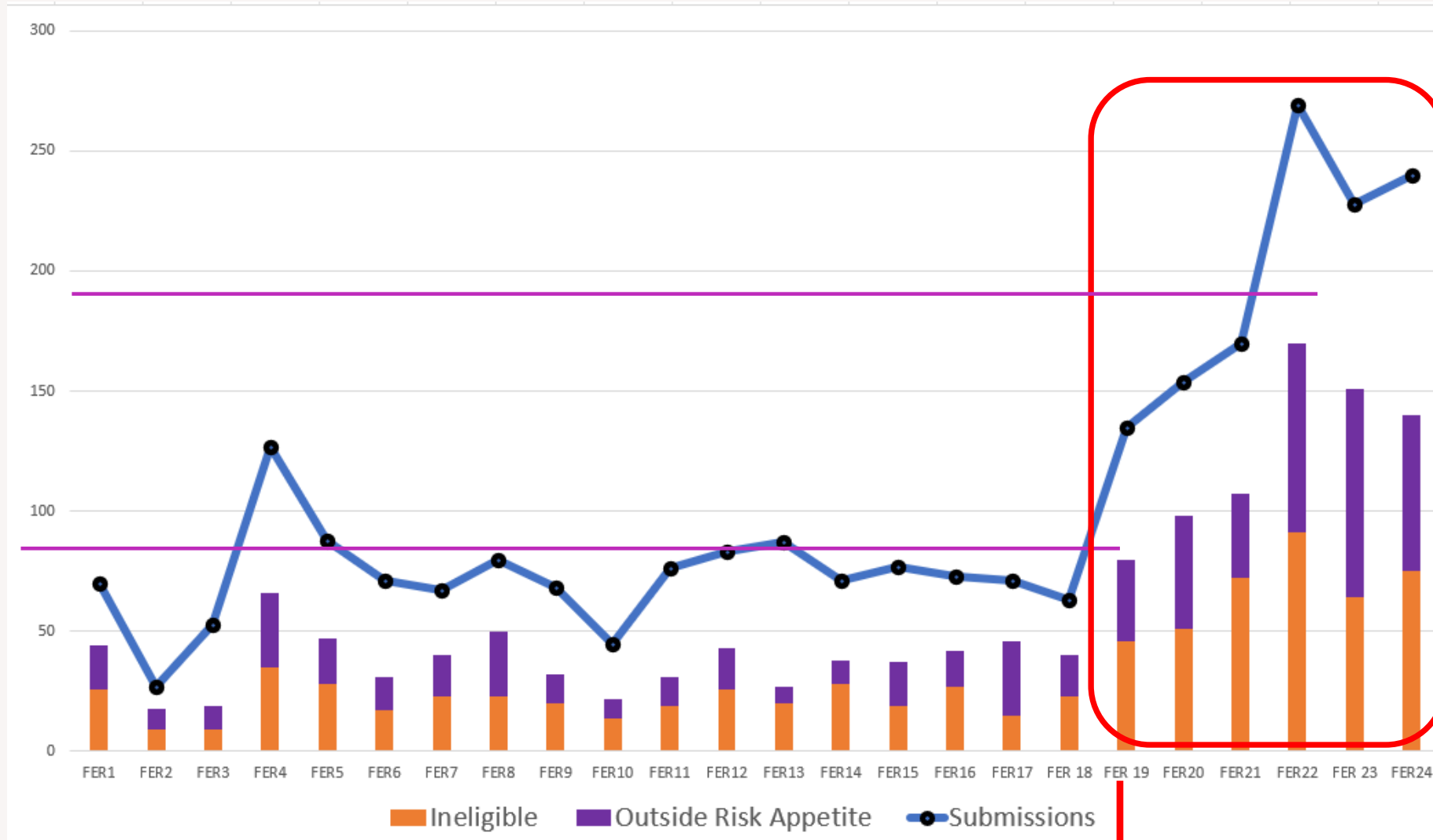
We recommend that this should be the Chief Financial Officer or another member of the Board or Senior Leadership team with responsibility for developing the funding strategy of the business.

3 opportunities to join



# **Credit Evaluation: our process and approach**

# Suitability



Removal of  
SMART Grants

# Initial Credit Review

## Outside of IUKL risk appetite

Why do you need public money?

- Revenue generating
- Operating profits
- Surplus cash
- Additional equity being raised upfront

## Within IUKL risk appetite

Are you innovative?

- Revenue generating
- Operating losses
- Sufficient cash on balance sheet
- Follow-on equity being raised

Are you highly innovative?

- Minimal revenues
- Operating losses
- Insufficient cash on balance sheet
- Additional equity required

## Outside of IUKL risk appetite

Is a loan suitable and responsible?

- No revenues
- Inadequate capitalisation
- Inadequate funding strategy

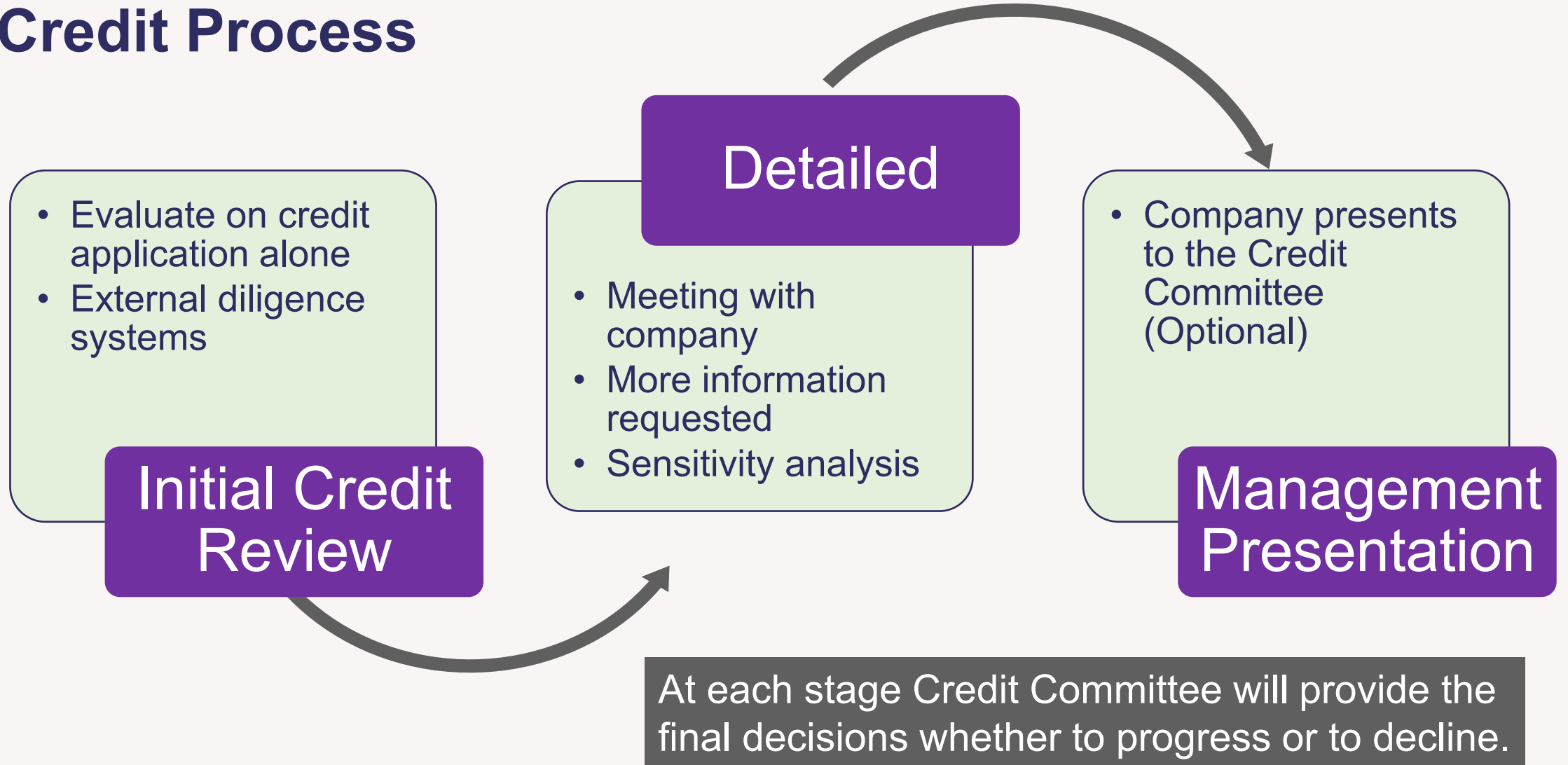
You must be able to show that you:

- will be able to pay interest each quarter.
- will be able to repay the loan on time.
- need public funding

# “Additionality” versus “Suitability”



# Credit Process



# Initial Credit Evaluation

- All applications are reviewed by our Credit Team
- An initial credit evaluation is undertaken, focusing on the **business** and **financial submission**
- The **Early Metrics High Growth Startup Index** informs our review
- **External credit models** are utilised based on the application responses
- Diligence systems are used for company and director checks

From the initial analysis, the Credit Committee will decide on the following **four outcomes**:

<b>Recommend</b>	Credit concerns appear manageable from initial analysis
<b>Marginal Recommend</b>	Credit concerns exist, but more positive factors than negative
<b>Marginal Decline</b>	Credit concerns exist, but more negative factors than positive
<b>Decline</b>	Credit concerns are not likely be overcome



# Progression to detailed credit evaluation

Both:

- Innovation quality and
- Credit suitability required

Bias towards innovation

Risk appetite: Recommended Innovation: Above quality line	
Risk appetite: Marginal Recommend Innovation: Top c75% above quality line	Risk appetite: Marginal Decline Innovation: Top c25% above quality line
Risk appetite: Marginal Recommend Innovation: Lower c25% above quality line	Risk appetite: Marginal Decline Innovation: Lower c75% above quality line
Risk appetite: Any Innovation: Below quality line or Risk appetite: Decline Innovation: Any score	

# Our approach to Detailed Credit Analysis

## The 5 Cs of Credit

1. Character (credit history)
2. Capacity to repay (the financial standing of the business)
3. Capital (the equity in the business)
4. Conditions (terms of the transaction)
5. Collateral (your security)

- Character:
  - Likely commitment of the business to repay
- Management team / people:
  - Capability / capacity of the business as a whole
  - Corporate governance
- Liquidity / affordability: suitability of business for proposed loan
  - Cashflow
  - Interest and debt service coverage
  - Leverage
  - Sources of additional capital
  - Balance sheet
- Market:
  - Route to market
  - Resilience
  - Competitor / market analysis
  - Innovation risk
  - Political / regulatory risk
- Control culture:
  - Awareness and management of risks
  - Project spend control environment

# Management Presentation

If successful through both initial and detailed credit evaluation stages, then you may be asked to present your case to the Credit Committee directly

## What are they for?

- Final chance to pitch the business to Credit Committee
- May lead to a loan being offered
- Used where the Credit Committee feel more information is required before making a decision
- Can be based on an underlying recommend/decline decision from the Detailed stage

## How do they work?

- Management will present for 30 minutes with additional time for Q&A and a tour of facilities (if held physically)
- Credit Specialists provide feedback from the Detailed stage to concentrate the presentation on key areas
- Credit Specialists will also offer to review the management presentation content ahead of time and provide feedback

# Lending Decisions and Documentation

- Final decision rests with the Credit Committee, following the detailed credit analysis
- We will use our standard loan agreement and security documentation
- Execution is by electronic signature, using DocuSign
- Conditions:
  - Know Your Customer / Anti Money Laundering / Politically Exposed Persons
  - Specific conditions may be required – before and after drawdown
- Corporate authorisations will be required to evidence that the loan agreement has been entered into with appropriate approval

# Credit Specialist Observations

To ensure that your application has the greatest chance of success, please:

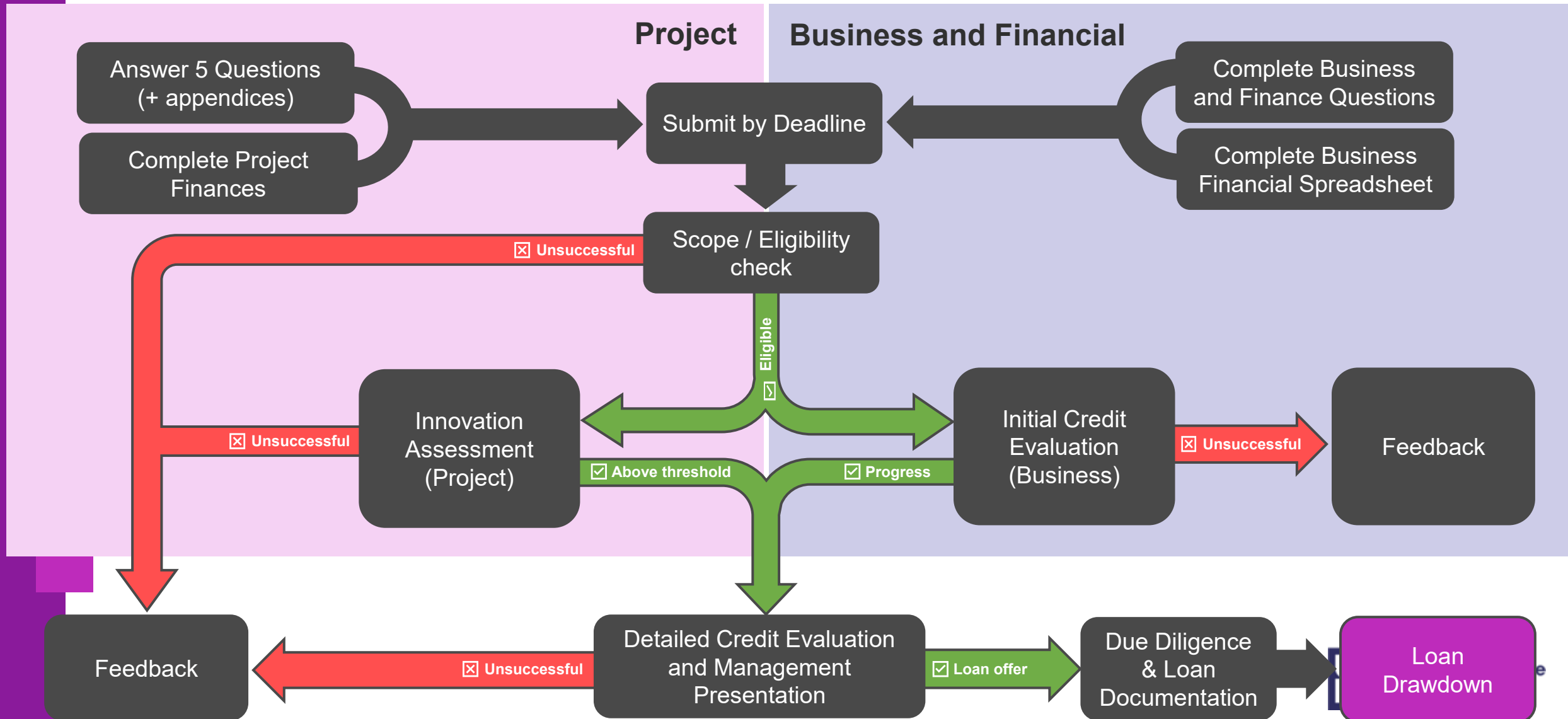
1. Evidence an adequate funding strategy.
2. Consider liquidity throughout the forecast.
3. Provide justifiable forecasts with well-considered assumptions.
4. Consider downside risks and impact on financials.
5. Explain the value proposition and quantify where possible.
6. Ensure financial template is correct and complete.

# Q&A





# Application Process



# Suitability for an innovation loan

You are applying for a Loan

```
graph TD; A[You are applying for a Loan] --> B[For our Credit Team, the Business and Financial questions and financial spreadsheet are even more important than the Project Application.]; B --> C[Make sure you allocate sufficient time to complete the business questions fully]; C --> D[Allocate even more time to complete the financial spreadsheet in full – and get expert support]; D --> E[Failure to do this, will result in your application not being successful];
```

For our Credit Team, the Business and Financial questions and financial spreadsheet are even more important than the Project Application.

Make sure you allocate sufficient time to complete the business questions fully

Allocate even more time to complete the financial spreadsheet in full – and get expert support

Failure to do this, will result in your application not being successful

## HOW TO IMPROVE YOUR CHANCES OF SUCCESS

View the recorded webinar for the financial submission and consider attending a financial submission 'Deep Dive' Workshop

# A great idea can come from anyone

- Diversity in businesses contributes to enhanced performance and commercial success
- We welcome and encourage applications from people of all backgrounds and are committed to making innovation support more visible, accessible, and inclusive.
- We can provide support for people who have a disability or long-term condition and face barriers applying to us
- If you would like any support or advice, please contact Customer Support Service on 0300 321 4357 or [support@iuk.ukri.org](mailto:support@iuk.ukri.org)





# Additional Support





## Innovate UK Business Connect

Innovate UK Business Connect exists to connect innovators with new partners and new opportunities beyond their existing thinking – accelerating ambitious ideas into real-world solutions.



Innovate  
UK

Business  
Connect



# Investor Engagement in Action - Examples



## Investor Connect

Flagship event to drive engagement of investors with IUK Group, its products and services, and domain areas



## Innovation Loans

Supporting the competitions and striving to reach diverse audiences, connect portfolio businesses to investors



## Investor Partnerships

Supporting the competitions and connecting investors to the programme, increasing the pool of active and diverse investors



## Financing Net Zero

Convening and catalysing dialogue with investors exploring barriers & solutions and informing future programmes



# Good Application Guide

[Good Application Guide - Innovate UK Business Connect](#)

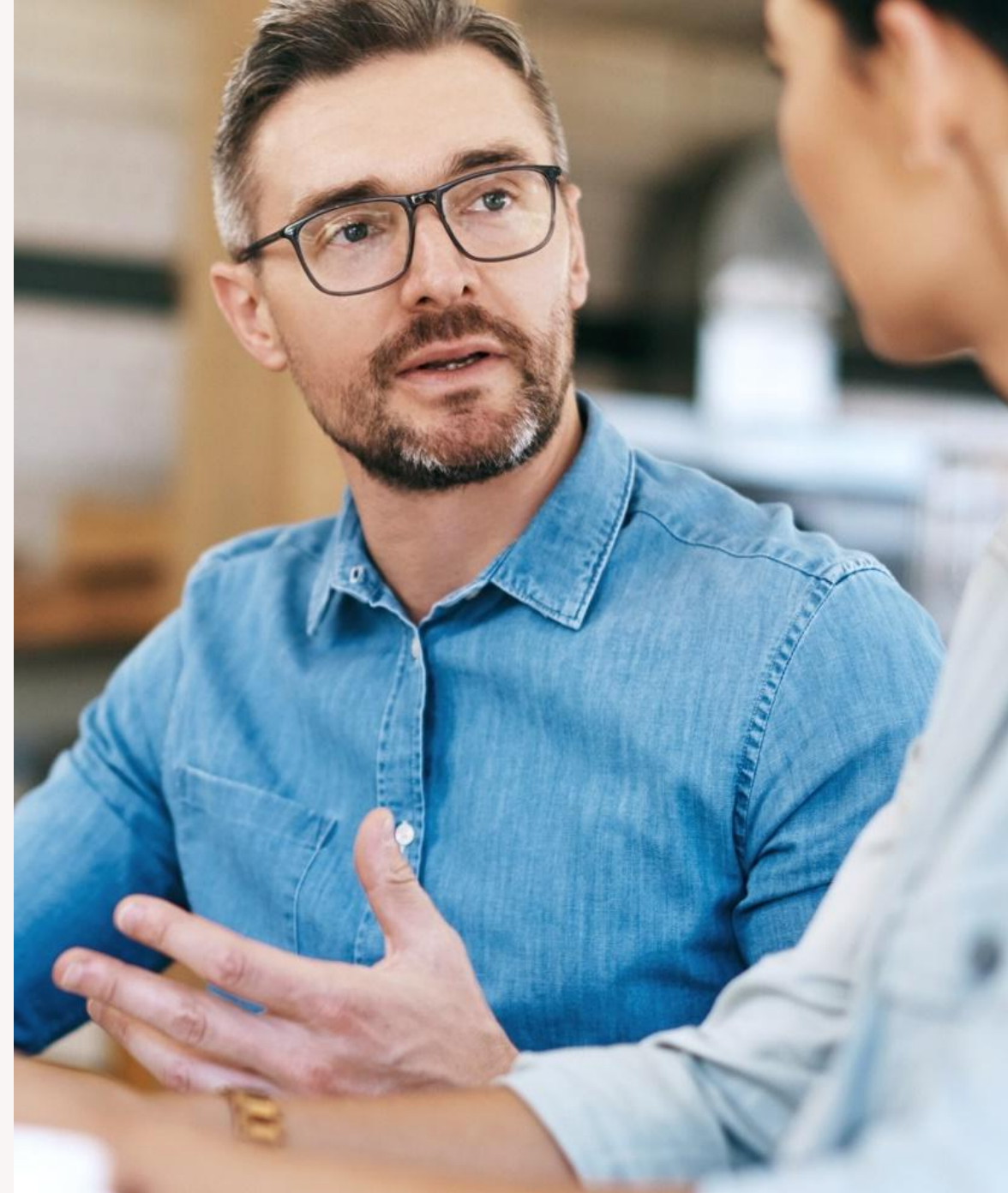
Please view a recording of 'Answering the Assessors' Prayer at:  
[Innovation Loans Resources](#)



# Innovate UK Business Growth

An innovation and growth specialist, or scaleup directors, work with a company's leadership to hone its commercial strategy and help it take targeted action to, for example:

- Build investment readiness
- Manage innovation effectively
- Enter global markets
- Providing local to national to international growth and scaling support



# Innovate UK Business Growth

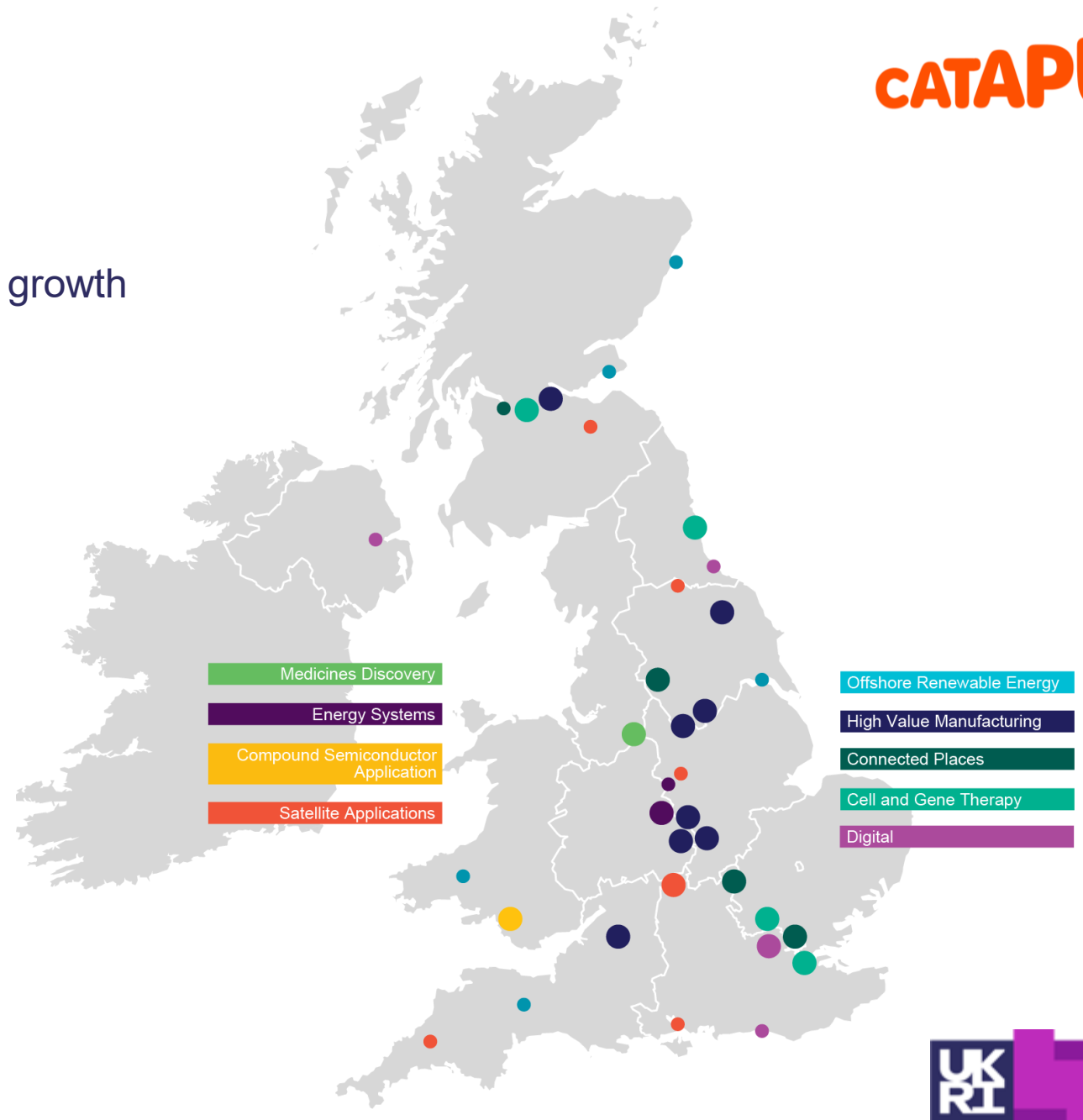
*Bespoke growth and scaling support at the business end of innovation*

- Intensive growth and scaling support tailored to the needs of each of our ambitious innovation-driven clients
- Offered alongside project funding to Innovate UK award winners, most of whom engage us. We are also available to all high growth potential innovative small or medium-sized businesses\*
- Engagement at early, growth and scaling stages, with our core high growth service and enhanced Scaleup Programme
- Delivered by over 400 innovation and growth specialists embedded in regional ecosystems across the UK, including a board of expert scaleup directors

## Catapults

Fostering innovation to drive economic growth

- bridge the gap between businesses, academia, research and government
- transforming the UK's ability to create new products and services
- ensure global opportunities for the UK and sustained economic growth for the future





# Recap and 'Top Tips'



# Start early and submit your application early!

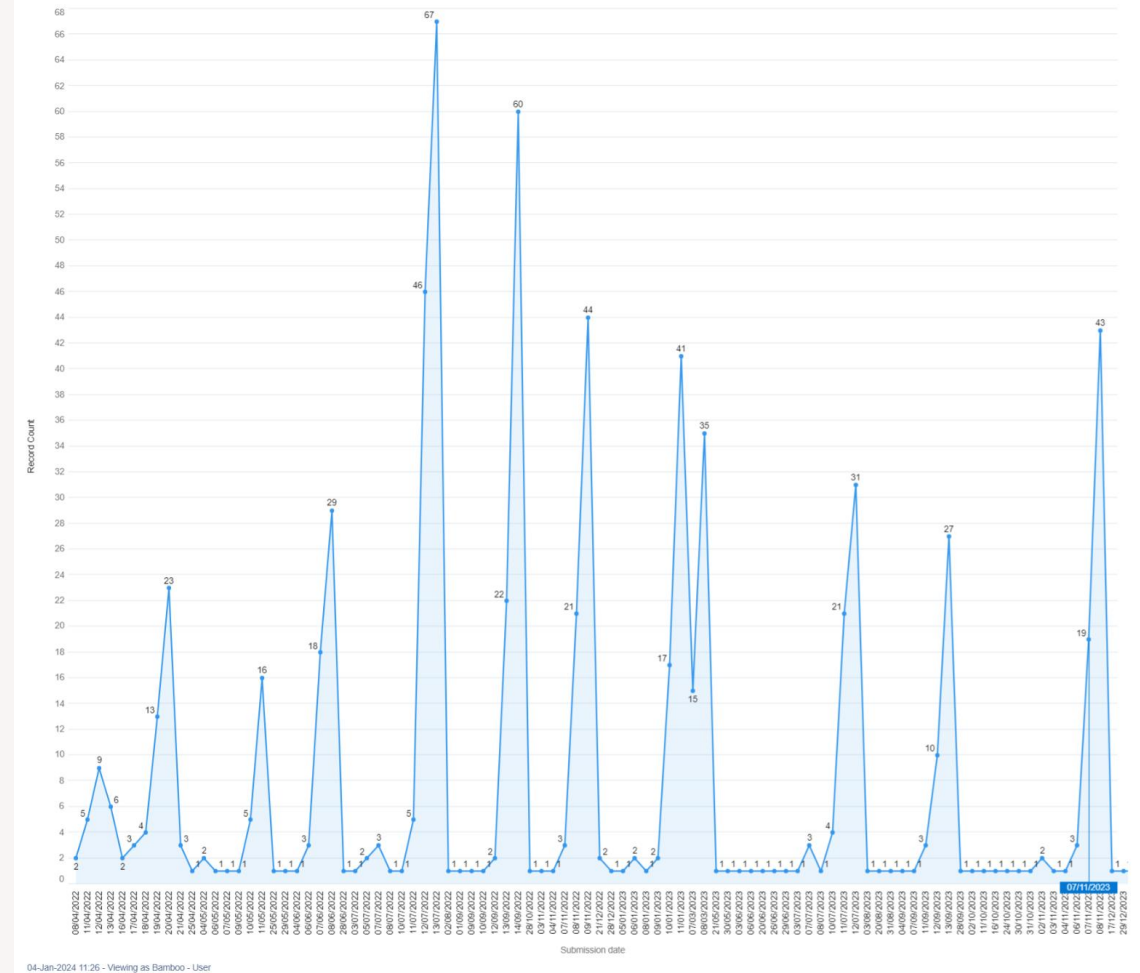
Be aware of the potential for last minute technical issues. They happen!

**c65% submitted on  
the last day**

**c31% submitted in  
the last 2 hours**

**Complete the business and financial questions  
and  
Upload the business financials spreadsheet  
and  
Complete the project questions  
then  
SUBMIT ALL  
BEFORE 11am  
7<sup>th</sup> January 2026**

Loan Applications by Date



# Our top tips...

- FOLLOW THE GUIDANCE and WATCH THE WEBINARS
  - Prepare well in advance
  - Seek financial and legal advice
  - Submit ALL parts of the application
  - **Complete ALL parts of the business financials**
    - **Profit and loss**
    - **Balance sheet**
    - **Cashflows**
  - Cover the full loan period
  - Evidence your liquidity and working capital
  - Balance the balance sheet and match cash in the balance sheet and cashflow
- Describe the assumptions in the financials
    - Revenues – top down and bottom up, realistic
    - Costs – including all costs needed to deliver your ambitious growth plan
  - Think about sensitivities and stress cases
    - Delays invariably happen
    - Revenues are rarely as high as forecast
    - Costs are typically higher than expected
    - Is the loan affordable?
  - Have adequate capital
  - Have sufficient cash throughout
  - Use our Customer Support Services team for questions.
  - Submit all parts of the application on time
  - READ THE INSTRUCTIONS



# Contact

## Customer Support Services

0300 321 4357

(Mon – Fri: 9am – 12pm and 2pm – 5pm)

[support@iuk.ukri.org](mailto:support@iuk.ukri.org)

### Useful Links

- [Innovation Loans Round 25](#)
- [Financial Submission Webinar and Answering the Assessors' Prayer  
Innovation Loans Future Economy - Resources on Vimeo](#)
- [Innovation Loans - Project Finance Guide](#)
- [Innovation Loans: Guidance for Applicants](#) (Windsor Framework)
- [Innovate UK: General Guidance for Applicants](#) (Windsor Framework)
- [Innovate UK – UKRI](#)
- [Home - Innovate UK Business Connect](#)
- [The Good Application Guide](#)
- [Scale your company with Innovate UK Business Growth](#)
- [British Business Bank Business Guidance](#)

# Q&A



# Thank You



The UK's innovation agency

