



msif...  
www.msif.co.uk

if... You are an SME based on Merseyside

if... You need funding to grow your business

if... You want support from someone who really understands SMEs

## Then you should speak to MSIF about The Merseyside Loan & Equity Fund.

### What is MSIF?

MSIF is a regional fund that was set up in 1996 to manage money from the European Regional Development Fund as part of the Objective One Programme. MSIF was tasked with kick-starting the Merseyside economy by providing finance to businesses and entrepreneurs that could not get funding elsewhere. MSIF was heralded a success and its model was replicated throughout Europe.

### What is the Merseyside Loan & Equity Fund?

The Merseyside Loan & Equity Fund is a new MSIF fund which will invest over £25m during the next five years. It has been created using returns from MSIF's previous funds which reached full investment in December 2008.

### Who can apply?

The aim of the Fund is to finance growth in established businesses with at least two years trading history.

### What can it fund?

It can be used to finance business growth, particularly to help fund new contracts, capital expenditure on new equipment or premises (for own occupation), acquisitions and MBOs.

### How much and what type of funding does it provide?

It will provide funding from £50k to £2m through loan, mezzanine and equity finance – £50k to £150k (Loan); £150k to £500k (Mezzanine); £500k to £1.5m (Equity). The funds can combine to provide a cocktail of finance of up to £2m.

### How to apply?

Loans up to £150k will require a completed application pack (available from MSIF offices and to download from the website) accompanied by a business plan and the specified financial information. The same business plan and financial information package applies to Mezzanine and Equity requests and, whilst a formal application form is not required, it is expected that applicants will be working with an appropriate advisor.

### What if I need less than £50k?

MSIF also manages the Merseyside Small Loans for Business Fund on behalf of the NWDA which provides loans from £3k to £50k. This Fund can back earlier stage businesses including start ups and includes an element funding specifically for the retail sector. Its aim is also to back technology businesses including those in the biotechnology, creative, digital and energy industries.

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## Merseyside Loan & Equity Fund - FAQs

### What is the definition of an SME?

An SME is a business with less than 250 employees, turnover not exceeding €50m and/or a balance sheet total not exceeding €43m.

### What interest rates and fees will be charged?

Loans up to £150,000 will be charged a fixed interest rate between 7-10%. An arrangement fee of 1.5% and 1% annual monitoring fee will also apply.

Mezzanine level loans will be charged at 6.9% above Bank of England base rate, plus 2.5% arrangement fee and 1% pa monitoring fee.

Equity investment provides capital in return for a shareholding in the company and the structure of an instrument package will be tailored to the company's situation.

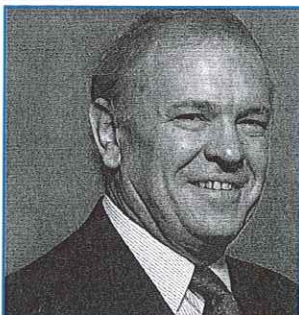
### What can't it fund?

Most start ups and rescue/turnaround situations. Whilst previous European Funding rules such as demonstrable job creation don't apply to our legacy funds, we will still only work with businesses based in the five Merseyside boroughs (Liverpool, Knowsley, St Helens, Sefton and Wirral) which fall within the normal SME definition. We will not consider support to any business that would involve reputational risk e.g. gambling, or to property investment or development companies.

### What security will be required?

Loans up to £150k will usually require a personal commitment from the directors/major shareholders in the form of personal guarantees and security over business assets will also be considered. Mezzanine funding will require second debenture security over company assets.

## The Investment Team



Malcolm Jones  
Investment Director  
(Mezzanine)



Marion Savill  
Investment Director  
(Equity)



Paul Humphray  
Investment Director  
(Loans)

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The Northwest Small Loans for Business Fund is being managed by Alliance Fund Managers (AFM) in Merseyside, and is supported by the ERDF and NWDA.