

## INVESTING IN GROWTH

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## A MESSAGE FROM OUR CHIEF EXECUTIVE

Looking back to March 2019 when we published our first social impact report, it would have been impossible to predict just how rapidly the business landscape would change in just twelve months...

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## LENDING REACH

These maps illustrate locations throughout the UK where businesses have benefitted from Finance For Enterprise lending and Start-up Loans.

During 2019/20, Finance For Enterprise provided £10,546,500 in new loan funding, an increase of £3.05m when compared with the previous year...

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# Social Impact Report

## BREAKDOWN OF LENDING

Loans made during the year:  
During the past twelve months Finance For Enterprise has supported a total of 298 businesses, including 153 new start companies.

Our lending activity was boosted in early 2019 when we became the first lender in the UK to access capital from the Community Investment Enterprise Fund...

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## 2019 ~ 2020

### 35 YEARS SUPPORTING SMEs

Back in the mid-1980s, many business owners had limited options when it came to accessing practical business advice, as well as securing the funds needed to realise their entrepreneurial ambitions...

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## INVESTING IN SOCIETY

As a responsible lending provider we are committed to directly supporting the business communities we serve. Our long term mission has been to help nurture and equip business owners with the vital funds needed to enable them to prosper; the net result being job creation, skill retention and a stronger local and regional economy...

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# A message from our managing Director

Looking back to March 2019 when we published our first social impact report, it would have been impossible to predict just how rapidly the business landscape would change in just twelve months.

**By March 2020, the world was learning how to cope with the COVID-19 pandemic and here in the UK, the financial year ended with a national lockdown as shops and businesses were ordered to close.**

Since then, the Finance For Enterprise team has been working tirelessly to support businesses hit hard by the pandemic, but that is a story for next year; this report is about our achievements during the financial year 2019-2020.

In the pre-COVID days of 2019, there was massive uncertainty arising from the UK's impending departure from the EU and the country was locked in conflict surrounding Brexit, which ultimately led to a general election in December 2019.

This was also a period of change at Finance For Enterprise. We were in the process of transferring leadership of the company, as I took over the Managing Director role from my predecessor Arthur Foreman, and as part of our plans for continued growth and development, we moved into our new headquarters in Doncaster. Against this background of economic uncertainty and internal upheaval,

we continued to passionately serve the communities in which we operate. Our total lending during the 12-month period increased by 41% over the previous year to £10.6m across almost 300 loans. In total, we provided assistance to 329 businesses, including 124 new starts. Our support resulted in the creation or protection of over 1,000 jobs within established businesses (and safeguarding jobs in the associated supply chains), as well as helping over 150 new or early-stage businesses to secure the vital funds needed to unlock their potential. As a consequence of these impacts, over £55m of value was added to the region's economy, bringing the cumulative added value over seven years to more than £200m.

2020 is a significant year for Finance For Enterprise as it marks our 35th anniversary. We have faced many challenges during those years but the uncertainties facing the UK economy at this time are unparalleled, and access to finance remains as important today as it was when we granted our very first business loan in 1985.

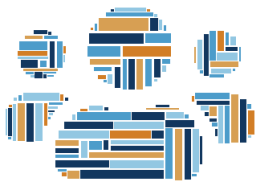
We continue to deliver loans on behalf of British Business Bank backed programmes, including the

Northern Powerhouse Investment Fund and Start Up Loans UK. But our principal lending activity comprises investments using our own capital and we are immensely appreciative of the support we continue to receive from key funders such as Unity Trust Bank plc, Co-operative Bank PLC, Big Society Capital and Triodos Bank UK Limited, all of whom share a similar culture and similar objectives to us.



**Andrew Austwick**  
Managing Director,  
Finance For Enterprise

# 2019 ~ 2020: Our year in Numbers



**540**  
Jobs safeguarded



**298**  
Loans agreed



**525**  
Jobs created



**124**  
Businesses created



**£55.7m**  
Added to the local economy



**329**  
Businesses assisted



**£10.6m**  
Loaned to SMEs



# Breakdown of Lending

Loans made during the year:

During the past twelve months Finance For Enterprise has supported a total of 298 businesses, including 153 new start companies.

Our lending activity was boosted in early 2019 when we became the first lender in the UK to access capital from the Community Investment Enterprise Fund, a programme supported and funded jointly by Big Society Capital and Triodos Bank (UK) Limited. This provided Finance For Enterprise with an additional £15m to lend to SMEs over a three-year period.

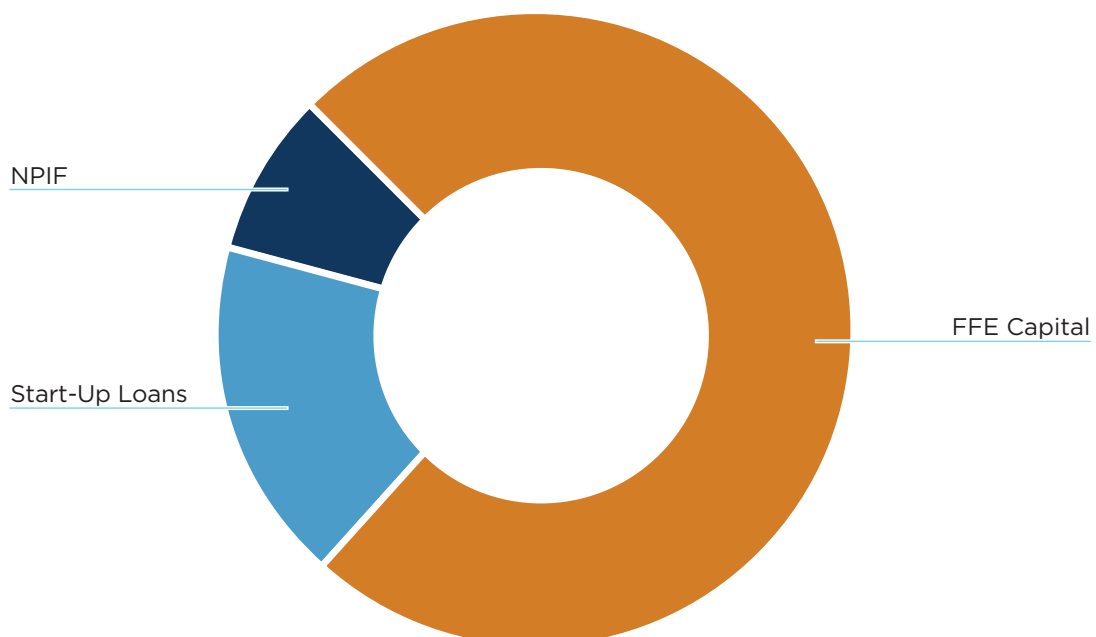
Consequently, we successfully deployed £10.65m of loans, which included investments delivered on behalf of the Northern Powerhouse Investment Fund and

Start-Up Loans UK alongside loans utilising Finance For Enterprise capital. The total value of loans granted to SMEs during 2019-20 increased by 41% over the previous year.

### LENDING BREAKDOWN

- FFE Capital » £7.90m (£5.09m)
- Start-Up Loans » £1.88m (£1.94m)
- NPIF » £0.87m (£0.49m)

## Lending breakdown (value)





## Enterprise Loans

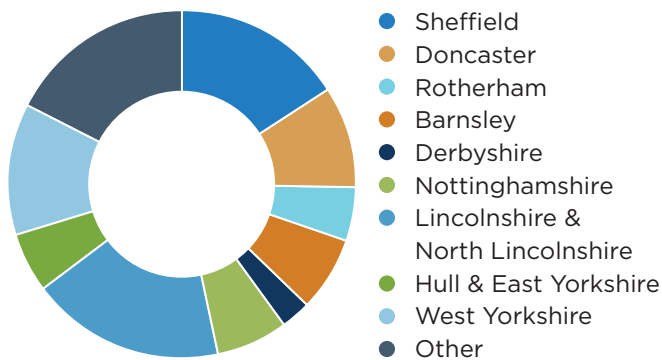
Enterprise Loans represent Finance For Enterprise’s core product; these loans primarily target existing businesses and provide loan funding of up to £250,000.

Historically, South Yorkshire/Sheffield City Region has accounted for the majority of Finance For Enterprise lending, but this year proved to be something of a watershed year with more businesses supported outside of the Sheffield City Region than within it. In total, Finance For Enterprise provided 54 enterprise loans to businesses within the Sheffield City Region.

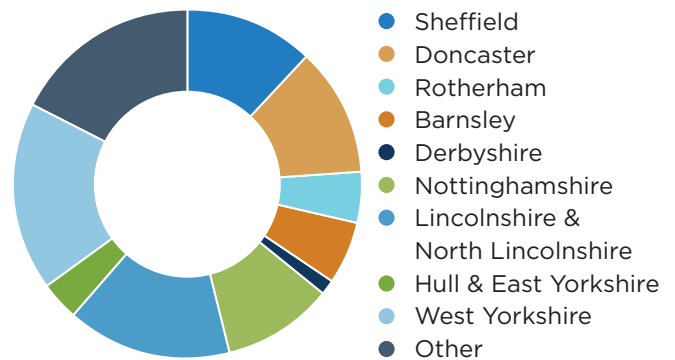
Loan activity within the East Riding and North East Lincolnshire also saw increases over the past twelve months, reflecting the increasing influence of Finance For Enterprise’s Grimsby office, which first opened its doors in January 2018. Increases were also evident in Enterprise Loans approved for businesses located in West Yorkshire and the East Midlands, reflecting an extended geographic reach.

The charts below illustrate the areas where applications for funding were granted and the breakdown of funds provided based on geographical location.

### ENTERPRISE LOANS (NUMBER)



### ENTERPRISE LOANS (VALUE)



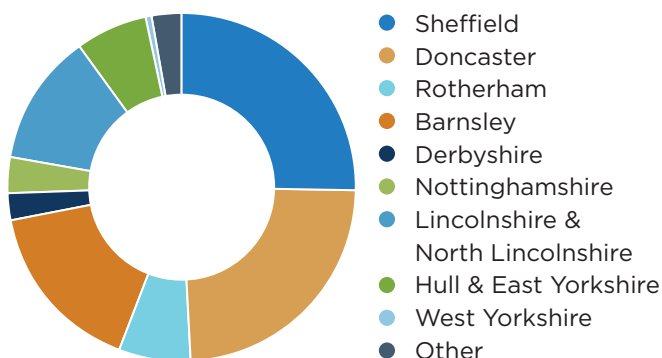
## Start-Up Loans

The Finance For Enterprise team plays an active role in helping to support and nurture new entrepreneurs, particularly within the Sheffield City Region and North & North East Lincolnshire. Over the past twelve months, the average loan value delivered through the Start-Up Loans UK programme was £12,363.

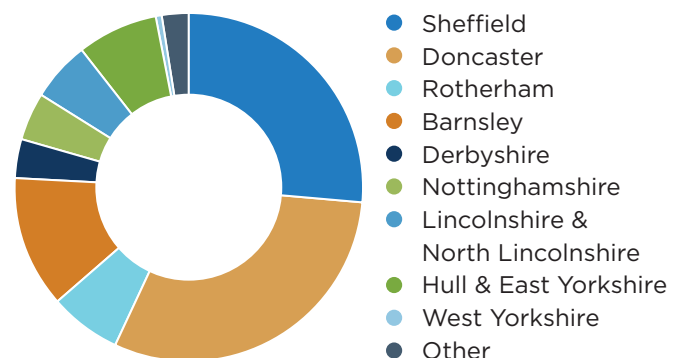
This represents an increase in the average loan value over the previous year (£10,677).

The number of approved Start-Up Loan applications dipped slightly in 2019/20 compared with the previous year; there are a number of factors which have contributed to this, mainly external.

### START-UP LOANS



### LOCATION BREAKDOWN BY VALUE (£)



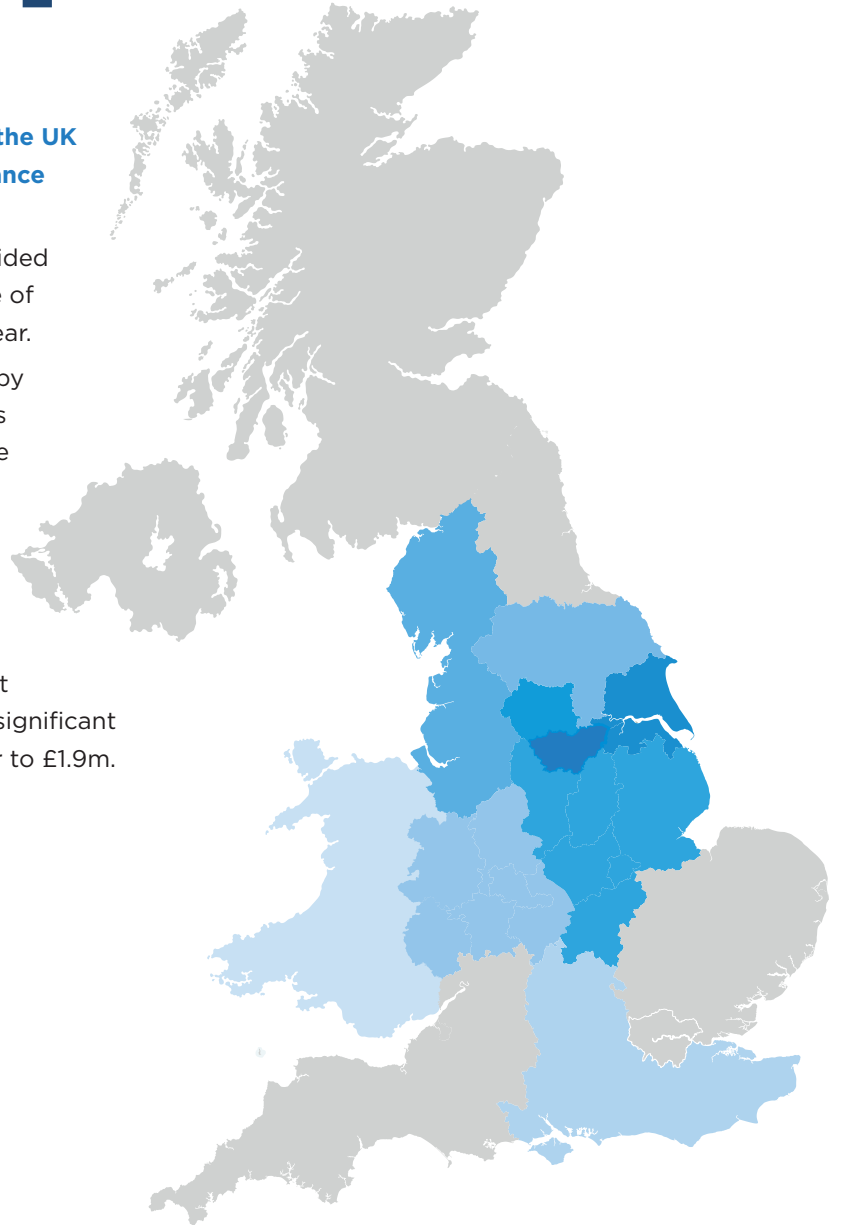
# Lending Reach

**These maps illustrate locations throughout the UK where businesses have benefitted from Finance For Enterprise lending and Start-up Loans.**

During 2019/20, Finance For Enterprise provided £10,546,500 in new loan funding, an increase of £3.05m when compared with the previous year.

Based upon the values of all loans delivered by Finance For Enterprise, 41% of the total funds were used to support businesses based in the Sheffield City Region, accounting for a total of £4.38m. It should be noted that data relating to Chesterfield has been included within the Derbyshire statistics within this report.

The number of loans granted within Hull, East Yorkshire and North East Lincolnshire saw a significant increase, rising from £0.6m the previous year to £1.9m.



## **BREAKDOWN OF LOANS BY REGION:**

- Sheffield City Region: £4.38m
- Hull, East Yorkshire & Lincs: £1.89m
- Leeds & West Yorkshire: £1.54m
- East Midlands: £1.16m
- North West: £0.65m
- York & North Yorkshire: £0.61m
- West Midlands: £0.25m
- South East: £0.06m
- Wales: £0.01m

## **BREAKDOWN OF LOANS – SHEFFIELD CITY REGION:**

- Doncaster: £1.58m
- Sheffield: £1.53m
- Barnsley: £0.73m
- Rotherham: £0.54m

# Investing in Growth

“We were approached to fulfil an order which was three times larger than a typical one and we knew it would place significant pressure on our cashflow. Having worked previously with Finance For Enterprise, we called upon them for help.”

**When Louth-based Extrupol Packaging found itself in the front line battle against COVID-19, the company realised it needed to secure additional funding in order to meet a larger order by a NHS trust to keep NHS staff working in hospital operating theatres, intensive care units and hospital wards safe.**

Facing a larger than usual order, the company knew purchasing the essential raw materials, which use a special polymer to prevent contamination would place significant pressure on its cashflow and called upon Finance For Enterprise for help.

Working with experienced Investment Manager Tim Daniels, Extrupol Packaging was able to quickly secure a new £50,000 loan, funded using Finance For Enterprise capital, resulting in a threefold increase in demand for its products, which it was able to successfully meet.

Marina Wittey, Financial Director of Extrupol Packaging, said:

“When we were approached to fulfil a new order for the NHS which was three times larger than a typical one, we knew it would place significant pressure on our cashflow. Having worked previously with Finance For Enterprise, we called upon them for help.

“The time taken between securing a lending decision and being able to draw down the funds was just a few days. As a result, new products are now rolling off our production line and will be quickly distributed to hospitals; something which wouldn't otherwise have been possible.”



Tim Daniels, Senior Investment Manager at Finance For Enterprise said:

“At Finance For Enterprise we understand helping businesses to overcome short-term hurdles can result in long-term success. The loan application was supported with a clear business plan and cashflow forecasts which illustrated the importance of fulfilling the order quickly, to ensure the finished products will reach the front line fight against Coronavirus as soon as possible.

“The success Extrupol Packaging is enjoying brings some much needed good news for the manufacturing sector, as well as enabling the company to play an important role in safeguarding the lives of healthcare workers and patients.”

Extrupol Packaging has been operating in Louth since 1982. It is run by husband and wife team Simon and former doctor Marina Wittey. The company turns over in excess of a million pounds per annum and employs 13 members of staff, who supply high quality polythene products used in the healthcare, energy, automotive and food and drink sectors.



# Economic Impact

£55,734,230

The total value added to the region’s economy arising from Finance For Enterprise activities during the year.\*

£208,463,513

The total value added over the last seven years.\*

\*The method of calculation has been developed by Responsible Finance with responsible finance providers across the UK. It is used by community finance organisations which provide:

- BUSINESS LOANS
- SOCIAL ENTERPRISE LOANS

- PERSONAL LOANS
- HOME IMPROVEMENT LOANS

It is based on existing evidence, using data collected by responsible finance providers and defines the value of a small set of core outcomes. It does not currently capture the full range of impacts that responsible finance providers have on the economy and society and it is not a cost benefit analysis tool.

The calculation is underpinned by a relevant and robust evidence base, which has undergone a peer review process.

## Impact calculations

**START-UP LENDING:**

£8,572,340 of value added

**LOANS TO ESTABLISHED BUSINESSES:**

£47,078,080 value added

**FINANCIAL ADVICE TO INDIVIDUALS:**

£83,810 value added.

**GROSS BENEFIT:**

- Every £1 invested in a start-up business delivers an average cost ratio benefit of £4.80.
- In an established business, this rises to an average of £5.40.



# Investing in Society

As a responsible lending provider we are committed to directly supporting the business communities we serve. Our long term mission has been to help nurture and equip business owners with the vital funds needed to enable them to prosper; the net result being job creation, skill retention and a stronger local and regional economy.

**Over half of the businesses we support are located in the top 35% deprived Local Super Output Areas (LSOAs) or in the Top 50 deprived Local Authorities based on measures of deprivation including income, employment, health, education, access to services, housing and crime.**

Similarly, we are also committed to supporting areas of society which are under-represented within the business world. Over the past twelve months, Finance For Enterprise has helped to create and safeguard 419 Female and BAME jobs – an increase of 56% compared with the previous year.

## BAME-led businesses

**11 BUSINESSES LED**

**59 JOBS CREATED**

**72 JOBS SAFEGUARDED**

## Female-led businesses

**29 BUSINESSES LED**

**126 JOBS CREATED**

**162 JOBS SAFEGUARDED**

Arguably, one of the greatest challenges facing many businesses is being able to secure finance from mainstream lenders. To help more businesses understand the different options available to them when it comes to securing finance, our Investment managers frequently draw upon their knowledge and expertise to host regular seminars to help guide business owners through the lending application process.

We also recognise that in order to understand the economic impact of our work upon the communities

we serve, we must also play active role within the local business communities. Examples of work undertaken over the past twelve months has included:

- Supporting the Sheffield City Region Launchpad business start up awards.
- Active involvement with local chambers of commerce, including sponsorship of awards hosted by Barnsley & Rotherham Chamber and Doncaster Chamber.
- Supporting school leavers by creating new apprenticeships within the company.

# Investing in Society

“ I set my sights on achieving a seven-figure turnover for the business, which would enable me to continue to invest in building the fleet, securing new orders and creating new jobs in the local economy. Finance For Enterprise saw the potential in my idea, enabling me to concentrate on growing the business. ”

**Dean Morris launched logistics company Motrans in 2016 when the former electronics engineer was left unable to work after a serious injury. Determined to provide for his family, he drew on inspiration from his student days when he drove lorries in his spare time to pay for his studies.**

When Dean began to notice significant Government investment in North East Lincolnshire’s local transport infrastructure, the aspiring entrepreneur began exploring the possibility of launching his own logistics business.

After teaming up with an experienced transport manager, Dean’s business began to take shape and within a matter of months, Dean had built up a fleet of ten lorries, and was quickly outgrowing his existing site. Feeling confident his business model would succeed he turned to Finance For Enterprise to secure the vital funds needed to continue to grow and expand his business further.

Working with experienced Investment Manager Jane Cusse, Dean was able to secure a £25,000 business loan from the Northern Powerhouse Investment fund which he used to invest in his growing fleet business.

Today, Dean’s workforce has grown from two members of staff to a company which employs more than 28 employees and the funds provided by Finance For Enterprise has enabled Dean to invest in the purchase of fourteen additional trucks and a vehicle transporter, as well as renovating the new larger premises his business needed to continue to grow.

Dean Morris, CEO, Motrans said:

“I knew to grow the company I needed to build my own fleet of vehicles, as well as securing the premises which would provide the space to house them when they were not on the road and to achieve this finance would be required.

“Finance for Enterprise made the application process quick, easy, and jargon free, and as a result we have been able to improve and expand the business by purchasing new vehicles and developing providing opportunities.

Jane Cusse, Investment Manager, Finance for Enterprise said:

“The logistics industry is typically driven by economies of scale, Dean recognised that for his business to become viable and ultimately profitable, he needed to build a fleet of lorries which could enable him to build a brighter future for himself.

“The funds provided have enabled Dean to secure fifteen new vehicles which has opened up a brand new market for this business and Motrans has already achieved a seven figure turnover, despite trading for little over three years and Dean is showing no signs of resting on his laurels just yet.

“Many new business owners are often left stunned when their request for funding is rejected by traditional high street banks. Finance For Enterprise was created to help businesses to secure the vital investments needed to grow, evolve and succeed. This approach not only helps to create new jobs, but ultimately contributes towards building a stronger local and regional economy.”



# 35 years supporting SMEs

Back in the mid-1980s, many business owners had limited options when it came to accessing practical business advice, as well as securing the funds needed to realise their entrepreneurial ambitions.

The mid 1980s saw a major transformation of Doncaster's local economy including loss of heavy industries, some which had enjoyed an association with the town for more than a century. Trading under the name Donbac, and backed by British Rail Engineering, we became one of the UK's first Enterprise Agencies, helping to nurture and support new entrepreneurs based within the borough.

We made our first loan in 1985 and although most amounts granted were relatively small amounts of money, as a not-for-profit business income generated was used to support other companies, an ethos which remains at the core of our business. Some of those businesses we helped during our early years continue to trade to today, some going on to become leading names within their industry sectors.



## 1990-2000: GROWTH AND EXPANSION

**Our combination of** business and financial support continued throughout the 1990s. We expanded our operations beyond the boundaries of Doncaster for the first time, in a bid to help business owners operating throughout South Yorkshire.



## 2000-2010: A DECADE OF CHANGE

**The early 2000s** saw a significant transformation of the South Yorkshire local economy. In 2000 South Yorkshire secured ERDF funding, which sparked a significant investment in a number key infrastructure projects across the region. Working in partnership with the South Yorkshire Investment Fund, we helped over 2,500 businesses to access financial support.

When the 2008 global financial crisis sent shockwaves through the global banking sector, many viable businesses were unable to source finance. We recognised the very real threat this posed and launched a range new lending services to support the local economy.



# 35 years supporting SMEs



## 2013: ENTERPRISE AGENCY OF THE YEAR

As a member of the National Enterprise Network, we have always been passionate about inspiring and nurturing entrepreneurs and business owners. After being highly commended the previous year, our efforts were recognised by the National Enterprise Network when we were named as Local Enterprise Agency of the year.



## 2010: £25 MILLION MILESTONE

As businesses continued to experience difficulties securing lending from traditional lenders, we stepped in to make more money available. As we celebrated 25 years since granting our first loan, we helped businesses in South Yorkshire to access £25 million of loan funding, as well as making a commitment to extend our lending reach to help the growing numbers of businesses unable to access lending from traditional high street lenders.



## 2014: A NEW NAME

As we continued to extend our geographical reach, we said farewell to our Donbac name, relaunching as Finance For Enterprise. Our maximum loans were increased from £100,000 to £250,000 in a bid to help growing businesses access the vital funds needed to create new skilled jobs within the regional economy.



## 2018: HELLO HUMBERSIDE

To help more businesses across The Humber region and Lincolnshire, we launched a new dedicated office to help SMEs in the region to access the vital financial support needed, as well as welcoming three new Investment Managers to the Finance For Enterprise team.



## 2020: A YEAR OF CHANGE

Our mission today, to help businesses secure the vital finance needed to prosper remains as much a part of our business as it did back in 1985. As part of our future growth and development plans we welcomed Andrew Austwick as our new managing director and relocated the business to new, larger headquarters. After seeing a significant rise in demand for our lending services, we reached the milestone of £50 million loaned.



## 2019: ADDITIONAL £15M LENDING TO SUPPORT SMEs

Working with Big Society Capital and Triodos Bank, Finance For Enterprise became the first alternative lending provider to secure an additional £15m of funds, intended to support businesses across Yorkshire, the Humber and the North Midlands.

# What they Said...



We have worked with Finance For Enterprise for a number of years and during this time, the financial support they have provided has enabled us to innovate, expand and invest within our company for the long term.

**April Bell, owner, Monica F Hewitt Florists Limited**



I'd found the perfect location for my business, refined the manufacturing process and all that stood in my way was sourcing the funds to purchase the essential refrigeration equipment I needed to make the business viable. Securing the lending I needed was a very straightforward process and as a result of the lending I've received from Finance For Enterprise, I'm hoping more people will be able to enjoy my range of ice creams.

**Richard Young, founder, Black Dog Ices**



I approached Finance For Enterprise to see whether my business would be eligible for financial support. At a time when I thought it would have been inevitable for us to furlough staff and scale back some of our operations, we have been able to continue developing our BERRI programme which will enable us to roll out our work across the UK.

**Dr Miriam Silver, Director of LifePsychol Limited**

## What they Said...



From my previous experience working in property and finance I was under no illusions as to the challenges facing new businesses, particularly when it came to raising funding. I knew it would be difficult to raise finance from traditional high street lenders, but when a friend mentioned the specific support provided by Finance For Enterprise to help new businesses it gave us confidence to believe in our business idea.

From the outset, Gillian Pickard, our advisor, was extremely helpful and made the whole application process quick and straightforward. The loan was quickly granted and in our account within two weeks, which helped ease our worries about renovating the property, buying new equipment, and having a healthy cash flow.

**Robert Downhall, Co-owner of The Steel Cauldron**



The support provided by Finance for Enterprise has been vital and has helped turn a dream of mine into reality.

**Claire Losada, founder, Coffee Kennel Café**



We had approached a number of lenders for help. Finance For Enterprise replied quickly and I was very impressed by the support and guidance my investment manager provided during the application process.

The support we've received from Finance For Enterprise will not only help us to improve on Frontier Modular's success to date, especially during the uncertain times caused by the current pandemic, but will enable us to support new entrepreneurs, which can only be a positive thing to the local economy.

**Lindsey Nicklin, Director, Frontier Modular**



ONLINE

CALL

[www.finance-for-enterprise.co.uk](http://www.finance-for-enterprise.co.uk)

0333 014 3455

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