

An innovator's guide to

FINANCE & FUNDING



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1

INTRODUCTION

This report is a source of information and guidance for innovators looking to enter or establish themselves in the offshore wind industry. As well as containing useful insight into the finance and funding landscape, this report will also provide links to recommended websites and resources for keeping up to date with available opportunities.

2

FUNDING CONSIDERATIONS

When innovators have an idea for a new product or technology that they would like to bring to market, it is essential to consider all the available options for raising finance.

There are multiple factors to take into account when deciding on the type of funding to attract. The figure below gives three key considerations that will affect the founding sources available to an innovator's business.

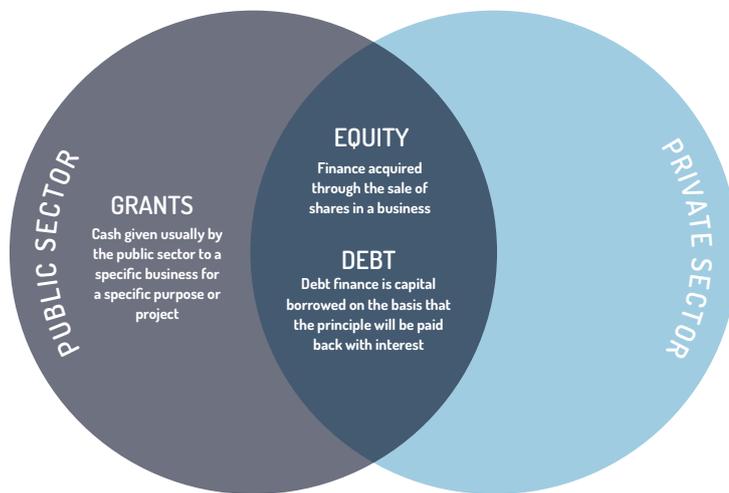
KEY CONSIDERATIONS				
BUSINESS HISTORY AND TECHNOLOGY READINESS LEVEL	AMOUNT REQUIRED	PURPOSE OF FUNDING		
How much technology and corporate risk are you expecting your funder / investors to take on?	Are you trying to raise £5,000 or £5million?	Exactly what are you looking to raise funding for?		
Investors/ funding have variable appetite for risk. Some are keen to take high risk start up companies with highly immature technology (technology readiness level) others are looking for more established companies and more proven technologies or products.	The size of investment sought will determine the type of investors interested in providing funding.	Grant funding is often linked to specific project goals, such as product demonstration, or job creation. Equity and debt finance is not usually linked to a specific part of a flexibility as to how the money is spent.		
OTHER CONSIDERATIONS				
TIMEFRAME	FINANCIAL FLEXIBILITY	LOCATION OF BUSINESS	WILLINGNESS TO COLLABORATE	REQUIRED INVESTOR INPUT
When do you need the money and for how long?	Is the company able to / willing to take on debt or sell equity?	Regional funding is available in most areas	Some public funds require collaboration with other companies in the UK or Europe	The right investor can provide strategic, market and technical support and access to market

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FUNDING OPTIONS

After addressing funding considerations, an innovator will need to decide on the type of funding they require.

Broadly speaking, there are three main types of funding: public grants, equity, and debt. These can be sourced by private or public sector bodies. These are summarised below.

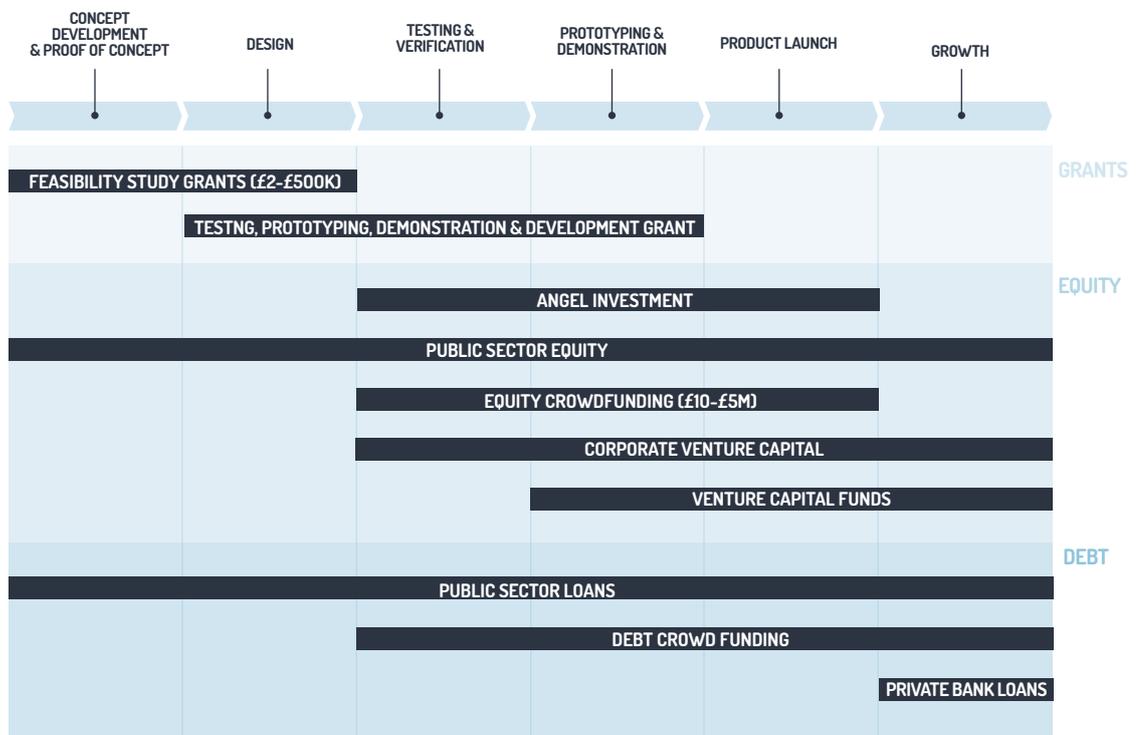


Over time businesses may acquire a mixture of grant, equity, and debt finance. The table below is designed to give a brief overview of when to consider each funding type.

Finance Type	When to consider	When not to consider
Grants	Accessible to all businesses undertaking a fixed term project with defined planned outcomes.	Not suitable for strategic purposes and other purposes which require flexibility around how the money is spent.
Equity	Equity funding is a key source of finance for businesses with aspirations of significant growth.	Not suitable for business owners that want to keep retain ownership and control of their organisation.
Debt	Debt is a valid option for businesses with predictable future revenue which would allow them to meet the payment schedule.	Businesses are unlikely to be able to secure debt finance for high risk ventures.

3.1 TYPES OF FUNDING

The three key types of funding can be broken down further.



Private bank loans and crowd debt funding are not discussed further in this report. See Section 6.2 for additional resources that discuss these finance options in more depth. Details of all other funding types above are given in section 3.2.

3

FUNDING OPTIONS

3.2 DETAILS ON DIFFERENT TYPES OF FUNDING

This section provides more detail on the financing sub-categories and provides an overview of the funding mechanisms, including pros & cons and the magnitude of finance available from different sources.

3.2.1 GRANT FUNDING

Public-sector grant funding

Grant funding is, mostly, provided by a public-sector body to a business for a specific purpose or project. Public-sector grants are often given with the requirement for the project to create jobs and new products/services in key sectors. The amount of grant funding available is often related to the purpose of the grant. The upper limit of public sector grants for feasibility studies is £500k, whereas millions may be available for testing and prototyping.

Benefits	Cons
Money given does not have to be repaid	Competitive process
Available for early stage product and service development	Limited budget in allocation rounds
SMEs can carry out most public-sector grant projects alone or collaboratively	Upfront investment needed, as monies often paid after project or milestone completion
	Risk of losing funding if project timeline and objectives are not met

Grants should be considered at all possible stages of product and business development, especially for high risk/high reward activities such as start-ups, initial research and product development, and prototyping. It is important to note that grant funds will only partially fund projects. For SMEs, this usually ranges from between 30-50% of total project costs. Companies must be able to self-fund all other costs.

COLLABORATION

Many grant funding opportunities require businesses to work in a consortium with domestic or international partners. When working in partnership with other organisations it is vital to understand how current intellectual property (background IP) is protected and how ownership of new intellectual property (foreground IP) emerging from the collaborative project will be managed

3.2.2

EQUITY

Angel investment

Angel investors are a sole or a small group of private investors who are generally high net worth individuals. Investments made by angel investors generally range from between £10k-500k.

For more information on Angel investment in the UK, please see the [UK Business Angels Association](#) website. The '[Services for entrepreneurs](#)' section is of particular interest to businesses seeking angel investments, and include guides on how to prepare for angel investment.

Benefits	Cons
Business angels may provide additional benefit, such as sector knowledge and contacts	As sole investors, it is likely they cannot provide the same level of support as Corporate Venture Capital investors
Investment in early stage concepts	Current owners decrease their equity share of the company
No repayments or interest	
An investment will provide a business with an implied valuation.	

Angel investment is to be considered when a business is looking to move into commercialising a product or service. Angel investors will often focus on one area of expertise, and invest when there are short to medium returns on investment (TRL 4-7).

Public-sector equity

Public sector funding bodies and public banks work together to invest in companies with high growth potential in exchange for partial ownership of the business. Often, public sector equity investment must be matched by private investment and it must be proven that the company is unable to generate all the funds required from private sources. Public sector equity must often be matched by private sector sources. Amounts invested range from £10k to £5m.

Benefits	Cons
Can be used to leverage further investment from the private sector	Requires significant effort to secure public and private funding
Active assistance from large public-sector support bodies	Current owners decrease or lose equity share in the business
Large amounts of finance can be raised	

Public sector equity is to be considered when a business is struggling to raise the full amount of finance required from the private sector. Most appropriate for businesses developing technology between TRL 4-7. However, there are also public-sector funds available to match the investment of angel investors. Therefore, securing equity funding is also possible for less developed organisations.

3

FUNDING OPTIONS

Equity crowd funding

Equity crowd funding allows business to raise finance from a disperse group of investors, each investing a small amount of money. This is usually conducted online. Hundreds of millions have been raised via crowd funding, however crowd sales are usually delivered in specific markets that are consumer facing. More recently, Initial Coin Offerings (ICOs), which are tokenised crowd funding systems, have been made popular by blockchain technology, however they are yet to be regulated and are risky for both the investor and an innovator. It is important to consider that for specific engineering solutions like offshore wind technologies, a consumer is unlikely to have the industry knowledge to make an informed investment decision. It is also more prudent to expect to be able to raise between £100k-£10m through crowdfunding.

Benefits	Cons
Increased awareness of the business through the large pool of investors and their contacts.	The set funding target must be reached. If this is not reached, money pledged is returned to investors
Lesser requirement for participation in due diligence.	Intellectual property must be protected and secured before sharing publicly.
	There is less opportunity for investor mentorship unless a key investor has participated in a pre-sale or has secured a significant stake in the business.

Crowdfunding is a useful alternative for businesses that have failed to raise money through traditional sources. Therefore, crowdfunding is more likely to be used by business in the early to mid-stages of product and services development (TRL 3-6).

Venture capital funds

Venture Capital (VC) funds pursue investment opportunities with the potential for high rewards. They make investments in a concentrated portfolio of companies to spread their risk. VC funds invest in exchange for equity during initial investment rounds, typically after seed and angel investment can no longer meet the business's requirements.

Benefits	Cons
Retain control of day-to-day business operations	Current owners sell shares in the business
No repayments, interest, or need for collateral	Sourcing and securing investment takes significant time and effort
Potential for large investments	Not suitable for small investments
Potential for mentoring and client connections to be built	Complex and costly. Your business is likely to incur legal fees during the process, regardless of the final investment decision

Venture Capital investment is the next step following initial angel investment. Venture Capital funds only engage in relatively large transactions, approximately those over £500k and should be considered for strategic purposes. Due to the sum of money invested, venture capital funds invest in multi-million-pound organisations and are unlikely to invest in SMEs developing novel technology with a long time to market, i.e. more than 5 years.

Corporate VC

Corporate Venture Capital is funding provided by large corporations in exchange for equity in a business. The amount of money available for investment will be dependent on the size of the company. Typically investments in early stage technology will range from £500k-£10m, however investment can reach as high as £50m.

Benefits	Cons
Retain control of day-to-day business operations	Current owners sell shares in the business
Investing company may provide strategic support	Sourcing and securing investment takes significant time and effort
No repayments, interest, or need for collateral	Not suitable for small investments
Potential for large investments	

Similar to investment from dedicated venture capital funds, corporate venture capital finance is a useful source of finance for established SMEs. Likely to invest in novel technology ideas which fall into their area of expertise. Corporate VC is of particular interest to businesses seeking additional support as well as finance.

Case study

Rovco is a developer of Remotely Operated Vessels (ROVs) and cutting-edge live 3D visual subsea inspection systems. Their business mission is to bring Autonomous Unmanned vehicles (UAVs) into the offshore wind market where there is a strong market need for autonomy. This case study shows how Rovco has optimised funding through a variety of sources to enable development and commercialisation.

Rovco benefitted from attending an accelerator in 2016. This gave access to mentorship, office space, and business support for 3 months, and included a grant of £2000. This allowed Rovco to develop a business plan and apply for government funding, providing a compelling case for further funding.

Building on the outputs from the accelerator, Rovco applied for IUK funding. This was successful and enabled a 12 month testing and development programme with the Offshore Renewable Energy Catapult. This project was designed to develop the technology required to produce live 3D data from challenging and extreme subsea environments. This added to the existing portfolio of Rovco services and propelled the new project past feasibility and towards commercialisation.

Working with Catapult, Rovco were able to leverage the IUK public funding to attract £150k of seed funding from sustainable ventures, before raising further private investment from a consortium of investors at the end of 2017. This second round of funding will enable Rovco to scale up and expand to supply their technology at a commercial scale. Since working with Catapult, Rovco has boosted their turnover from £60k in 2016 to an estimated £800k this year.

This case study demonstrates how appropriate funding enables future investment. The accelerator built the business case which led to the seed investment which in turn led to private funding. Rovco has tripled in size since launching less than 2 years ago and is now setting its sights on becoming a market-leader within 5 years.

3

FUNDING OPTIONS

3.2.2

DEBT

This section gives an overview of public sector loans. Alternative sources of debt are available to SMEs. These include private sector loans, debt crowd funding, bonds, and debentures.

Public-sector loans

Public sector funding bodies and public banks lend money to businesses in exchange for future repayment of the principle and interest. In many cases the business must prove that it has been unable to secure a private sector loan.

Regional UK public sources offer loans of between £5k-£5m to individual companies.

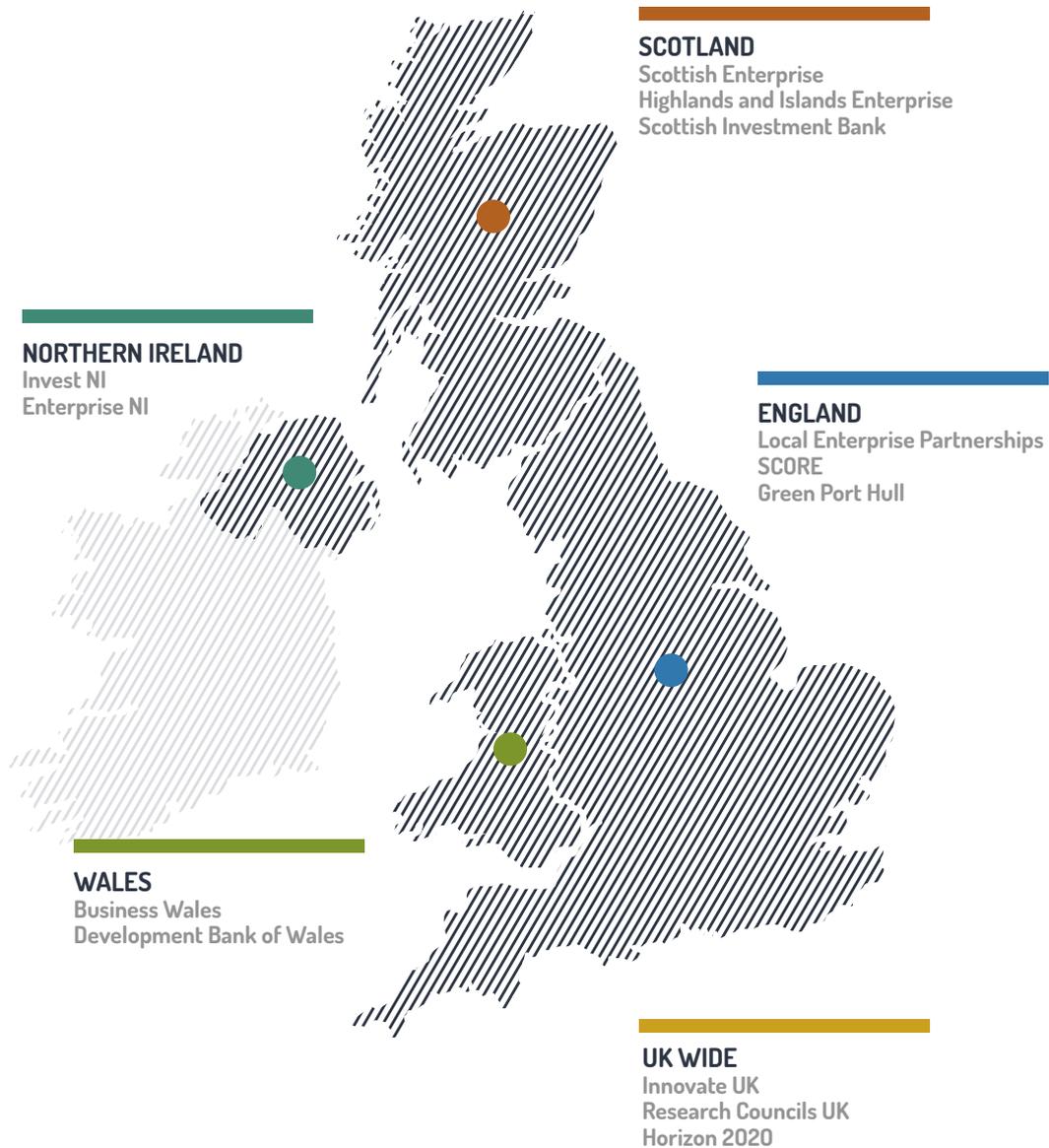
Benefits	Cons
Public sector loans often have lower interest rates than private sector loans but must still charge a rate similar to the market rate	For secured loans, the business may lose assets if the company is unable to make loan repayments.
Some are unsecured loans and often do not require a personal guarantee from the director	Cash flow constraints may limit the company's ability to pay off the loan
Current owners retain their equity share and control of the business	

Public sector loan providers offer loans ranging from thousands to millions, and therefore public-sector loans can be a viable finance option throughout the organisation's lifetime.

4

NAVIGATING PUBLIC FUNDING SOURCES

This section of the report provides guidance, for innovators considering public funding. Unlike most private sector funding, public funding available will vary depending on the location of the company, and there is a wide range of public funding sources available



4.1 UK WIDE SOURCES

This section provides details of the main funding bodies available to all business based in the UK.



Innovate UK

Innovate UK are the UK's public body for promoting economic growth through innovation. They also part fund and lead the Knowledge Transfer Network (KTN) and Catapult Centres, including the Offshore Renewable Energy Catapult.

The KTN manages Knowledge Transfer Partnerships (KTP), which supports collaborative innovation between universities and businesses. In many Innovate UK funding calls there is a reserved allocation for KTP projects.

Innovate UK produce an annual delivery plan to outline their priority areas and the main funding calls that will be opened during the year. The relevant sectors outlined in the 2017-2018 delivery plan are Emerging and Enabling Technologies, Infrastructure Systems, Manufacturing and Materials, and an Open Programme.

Innovate UK seek to fund projects that will grow the UK economy and keep/make the UK globally competitive. Key outcomes of successful projects include creating new jobs and exports.

Programmes	Comment
Open Funding	Innovate UK have held two open calls in the 2017-2018 delivery term, totalling £34m (not including KTP opportunities) The competition funds projects ranging from £25k to £1m could be from any sector.
Emerging and Enabling Technologies	Emerging technologies are defined as those which are emerging from early stage research in universities and company laboratories. Enabling technologies are at a later stage of research, with well-defined possible uses. The programmes priority areas potentially relevant to businesses in the offshore wind sector includes energy harvesting, new imaging technologies, data, earth observation, electronics, sensors, photonics, robotics, and autonomous systems.
Infrastructure Systems	Relevant priority areas: Energy Systems and Supply, and Smart and resilient infrastructure.
Manufacturing and Materials	Relevant priority areas: Digital technologies for manufacturing and materials, manufacturing readiness at scale, and early stage manufacturing and materials concepts.
Innovation Loans	Innovation Loans are available to UK businesses seeking to develop innovative technologies and solutions that have been unsuccessful in securing finance from alternative sources. The value of loans can range between £100k and £1m, with a repayment period of up to 10 years.

UK Research and Innovation

Research Councils UK is a public-sector body in the UK responsible for co-ordinating the research of [seven individual research councils](#) covering science, engineering, humanities, and the arts. The research councils provide funding, largely for university research and spin-outs. Individually, the UK Research Councils fund early stage research into ideas with the potential for economic or social benefit.

The Engineering and Physical Sciences Research Council (EPSRC) lead [RCUK's Energy Programme](#), which is actively seeking proposals in marine and offshore wind energy.

Research Council	Comment
The Engineering and Physical Sciences Research Council (EPSRC)	<p>EPSRC is the main body for the funding of early stage research in engineering and physical sciences. Only UK Higher Education Institutions that receive grant funding from one of the UK higher education funding bodies are eligible to receive funding from EPSRC. Open calls can be tracked using this link.</p> <p>Businesses can take advantage of EPSRC funding through Industrial Cooperative Awards in Science & Technology (CASE). Industrial CASE's allow for a business to work collaboratively with an academic partner, through a PhD candidate working on projects relevant to the company's activities. Companies must provide an additional third of the funding provided by EPSRC.</p> <p>EPSRC's Delivery Plan 2016-2020 can be found here.</p>
Science and Technology Facilities Council	<p>STFC funds early stage research into fundamental science and technology. Research areas relevant to offshore wind are:</p> <ul style="list-style-type: none"> • Engineering and Enabling Technologies – Including advanced computing, optics, and sensors. • Computational Science <p>As well as funding early stage research in universities and laboratories, STFC provide support to businesses through funds and incubators. STFC manage Bridging for Innovators, an in-kind investment fund for companies requiring large scale scientific infrastructure to tackle poor product, manufacturing, and process performance.</p>
Natural Environment Research Council (NERC)	<p>NERC's research into environmental science includes aspects of the marine environment and climate change.</p> <p>A list of current NERC funding calls is available on their website.</p>



European
Commission

Horizon 2020
European Union funding
for Research & Innovation

Horizon 2020 is the EU's largest Research and Innovation programme. The fund aims to create jobs and economic growth through projects with a focus on science, industrial, or societal change. There is also a strong emphasis on international collaboration within all EU funding.

The programme is broken into [sections](#). Of interest to SMEs in offshore wind are:

Programme Section	Sub-divisions
Excellent Science	<ul style="list-style-type: none"> • European Research Council • Future and Emerging Technologies
Industrial Leadership	<ul style="list-style-type: none"> • Leadership in Enabling and Industrial Technologies • Access to risk finance • Innovation in SMEs
Societal Challenges	<ul style="list-style-type: none"> • Climate Action, Environment, Resource Efficiency and Raw Materials • Secure, Clean & Efficient Energy, European Innovation Council
European Innovation Council (EIC)	<ul style="list-style-type: none"> • SME Instrument • Fast Track to Innovation • Future and Emerging Technologies Open • Horizon Prizes

More information on EIC funding can be found [here](#)

[The EIC Wizard](#) can help identify the most appropriate funding opportunities for your organisations.

[Eureka Eurostars](#) is a regular funding call for SMEs developing innovative technologies.

The government has said it will underwrite any EU funded projects starting before the UK leaves the EU, however there is uncertainty as to consequences of BREXIT on access to EU funding. It is unlikely that any formal changes will be made in the next few months however, UK companies are reporting challenges in finding international consortium partners for larger or longer-term projects.



4.2 REGIONAL SOURCES

4.2.1 SCOTLAND

This section provides details of the main funding bodies available to all business based in Scotland.



SCOTTISH ENTERPRISE

Scottish Enterprise (SE) is the main public body for promoting innovation and economic development in Scotland. They can provide support and financial assistance to companies based in east, central, and southern Scotland.

HIGHLANDS AND ISLANDS ENTERPRISE

Highland and Islands Enterprise (HIE) provide similar support for businesses based in Northern Scotland and the Scottish Isles.

SCOTTISH INVESTMENT BANK

HIE and SE work with the Scottish Investment Bank to make large debt and equity funds available to Scottish Businesses.

The Scottish Enterprise [Open Innovation](#) programme provides a platform for the database of innovation challenges being co-organised or funded by Scottish Enterprise with other public and private sector associations.

Funds	Comment
<u>Research and Development Grant</u>	<p>To qualify for Scottish Enterprise R&D funding the project must be innovative, work cannot have already started, and no commercial contracts can be in place.</p> <p>The amount offered is at the discretion of SE. Grants above £100,000 must demonstrate a positive impact on R&D jobs in Scotland.</p>
<u>SMART Scotland</u>	<p>Feasibility studies can last between 6 and 18 months, and SE can provide up to 70% of eligible costs for SMEs.</p> <p>To qualify for R&D support the project must have a minimum cost of £75,000. The project should last between 6 and 36 months. Through SMART Scotland SE can cover 35% of eligible project costs, up to £600,000</p>
<u>Scottish Venture Fund</u>	<p>The Scottish Venture Fund invests in companies directly, usually in exchange for equity. SVF can invest £10,000 to £2 million in deals ranging from £20,000 to £10 million. Private investment must make up 50% or more of the total funding.</p>
<u>Scottish Growth Scheme</u>	<p>To qualify for the Scottish Growth Scheme a company must be an SME with offices/facilities in Scotland and have plans for further growth and international ambitions. Scottish Enterprise can invest up to £5 million in one company.</p>
<u>Scottish Co-Investment Fund</u>	<p>To apply for Scottish Co-Investment Funding a company must be a start-up or early-stage business seeking to expand. Much like the Scottish Venture Fund, this is an equity fund and Scottish Enterprise investments must be matched by the private sector. Scottish enterprise can invest £10,000 to £1.5 million, as part of a total deal size ranging from £20,000 up to £10 million.</p>

REGIONAL SOURCES

4.2.2 NORTHERN IRELAND

This section provides details of the main funding bodies available to all business based in Northern Ireland.



INVEST NI AND ENTERPRISE NI

Invest NI is the primary public body for promoting innovation and economic development in Northern Ireland. A comprehensive list of services provided by Invest NI and additional resources for starting and growing a business can be found at nibusinessinfo.co.uk, or Invest NI's '[support for business](#)' webpage. Businesses in NI can also take advantage of support from **Enterprise NI**, who operate localised growth hubs throughout NI.

To read more on business funding and support in Northern Ireland, we would recommend [Ni Access to Finance Brochure](#) and [Invest NI's Research and Development Escalator Solution](#).

Funds	Comment
NI Small Business Loan Fund	Access to unsecured loans of between £1k-£50k for private companies.
techstart NI (ERDF)	A range of funds for start-ups, university spin outs and early stage SMEs.
Growth Loan Fund	£50k-£500k loans available for businesses with high growth potential.
CoFund NI II (ERDF)	The fund co-invests in with private investors in transactions valued between £150k-£1m. Co-fund NI can provide up to 50% of the investment.
Development Funds (ERDF)	Two funds are available to facilitate the growth of SMEs in Northern Island, Crescent III and Bank of Ireland Kernel Capital Growth Fund . Investments range from between £450k-£1.2m for one investment round.
Centre for Advanced Sustainable Energy (CASE)	CASE is a research centre which focuses on collaborative R&D projects in sustainable energy between businesses and academia. Offshore Wind is a focal point of their Turbines research cluster. The most recent call for projects closed on the 9th February. Open calls can be tracked through CASE's 'Projects' page.
Northern Ireland Advanced Composites and Engineering (NIACE)	Northern Ireland's competence centre for composites, NIACE can support business through collaborative R&D projects. Projects carried out through NIACE include composites in construction & marine environments, recycling of composite materials, and composites inspection and repair.

REGIONAL SOURCES

4.2.3 WALES

This section provides details of the main funding bodies available to all business based in Wales.



BUSINESS WALES

Business Wales has an array of services and online resources to help the growth of Welsh Businesses, through direct support and knowledge systems.



DEVELOPMENT BANK OF WALES

The Development Bank of Wales (DBoW) manage the majority of Welsh specific funding mechanisms.

Two routes to the funds available through Business Wales and the Development Bank of Wales are given below, along with information on an online angel investment platform.

Funding Streams	Comment
<u>Finance for tech ventures</u>	<p>The “Finance for tech ventures” webpage outlines the types of finance available through the Development Bank of Wales. The application process will identify which of the funds managed by DBoW’s are applicable for the business’s needs. Loans and equity between £50k-£2m can be provided initially, with a cap of £5m in additional investment.</p> <p>As well as offering finance directly, the DBoW’s technology team has connections to a network of private investors, universities, and technology incubators.</p>
<u>Growing a business</u>	<p>The “growing a business” webpage outlines the finance available for businesses based in Wales seeking growth. Growth funding can be used to support developing new products and services, expansion into new markets and premises, and marketing. Loans of between £1k-£5m and equity of between £50k-£5m are available. The initial application process is a standard process used by both ‘growing a business’ and ‘finance for tech ventures’ streams.</p>
<u>Angels Invest Wales</u>	<p>Angels Invest Wales is an online platform for connecting businesses and angel investors. Businesses can upload investment proposals and business details on the portal.</p>

Funds	Comments
Wales Capital Growth Fund	<p>The Wales Capital Growth Fund provides loans of between £50,000 and £2 million with repayment periods of between 12 and 18 months.</p>
Wales Technology Investment Fund	<p>SMEs with fewer than 250 employees and that are developing new technologies may apply for between £50k-£2m in loans and equity investment.</p>
Wales Technology Seed Fund	<p>The technology seed fund makes equity investments of between £50k-£150k in Welsh-based businesses at the proof of concept stage of technology development. It is usually required that funds raised are matched by alternative sources.</p>
Wales Flexible Investment Fund	<p>£25k-£5m available through loans, mezzanine finance, and equity investments for businesses that can secure high levels of private sector co-investment.</p>
Wales Business Fund	<p>£50k-£2m available through loans, mezzanine finance, and equity investments (1-7 year terms). The fund is open to SMEs based in Wales or relocating to Wales. Match funding is often required.</p>

REGIONAL SOURCES

4.2.3 ENGLAND

This section provides details of the main funding bodies available to all business based in England.



LOCAL ENTERPRISE PARTNERSHIPS

There are 38 Local Enterprise Partnerships in England, providing business support and finance to businesses with the aim of creating jobs and increasing economic production within their region. The financial support offered varies across LEPs, however most provide Grant and Loan funding to SMEs. Each LEP has local economic priorities, and therefore support specifically for offshore wind related activities will be dependent on the LEPs location. Humber LEP and New Anglia LEP have a history of prioritising offshore wind related activities.

SCORE AND GREEN PORT HULL

Supply Chain Innovation for Offshore Renewable Energy (SCORE) is an innovation fund and support organisation dedicated to offshore wind. Support is available for businesses based in England, however projects must provide economic benefit in Cambridgeshire, Essex, Norfolk or Suffolk. Green Port Hull is a similar organisation providing support for organisations in Hull and the East Riding of Yorkshire.

RESEARCH ENGLAND

Research England began in April 2018. Funding from Research England will be predominately for early stage research carried out at Universities and other higher education institutions. For more information visit the research England website.

Programmes	Comment
LEP Growth Hubs	Each LEP has a Growth Hub used to support start-ups and SMEs seeking growth. They provide a centralised system of providing support, as well as identifying external support and funding sources.
<u>LEP Enterprise Zones</u>	Businesses that relocate to enterprise zones can benefit from business rate discounts, among other incentives and additional support.
SCORE - <u>Grant Funding</u>	<p>SCORE provide grants of up between £2,500-£50k to SMEs developing solutions that aim to benefit to offshore wind projects in the east of England.</p> <p>Businesses must have fewer than 250 employees and less than €50million in assets to apply. Guidance on eligible projects is given on their website.</p>

5

BEING INVESTOR READY

Whether public or private, in order to make an investment decision, investors need to understand the technology, the current state of the business, the long-term aspiration or exit strategy and delivery plan. Therefore, being well prepared for investment allows for a thorough and speedy due diligence process or grant application process and will significantly increase an innovator's chances of securing investment.

What would an investor expect to see?

The level of detail of information provided to an investor will vary depending on the amount of money potentially being invested. In broad terms the investor is interested in three questions.

- How much investment is required?
- What will be done with money?
- Why should they invest in this particular technology or company?

Investors will want information that provides them with evidence that an innovator has adequately considered and covered key elements of technology development, financial modelling and routes to market. In most cases, they are less interested in the technology itself than the business case and the company capability.

Depending on the level of investment typical documents a company would be expected to produce during an investment discussion include:

- Pitch – quick overview of company technology and why the investor should invest.
- Investor Memorandum (IM) – Giving an overview of the technology, company and business plan.
- Business Model Canvas – Covering key financial information, route to market, delivery plan, target markets and team.
- CVs of key team members

HOW DOES THIS DIFFER FROM PUBLIC SECTOR GRANTS?

Public sector grant applications are usually more prescriptive than private sector investment investor pitching but cover many of the same areas. Typically, for innovation grants more attention is given to the technology than for private investors. In addition, public grants often take into account the impact of the technology either on a given sector or on the UK economy. Being generally investor ready will ensure the company can submit best possible grant applications.

If the engagement with the investor progresses, an innovator may be asked to undertake full technical and financial due diligence. If this occurs, more detailed information may need to be presented including:

Technology	Market	Business Financials & Operations
<ul style="list-style-type: none">• Technology/service readiness• Deployment record• Engineering process• Performance – Including comparison against similar technology• Cost reduction strategy	<ul style="list-style-type: none">• Competitor analysis• USPs• Substitution risk• Route to market• Market size• Potential market share	<ul style="list-style-type: none">• Financial model – revenue and cost• Facilities and manufacturing capability• Team capability• Supply chain• QHSE• IP strategy

There are a range of resources online that will provide guidance on how to become investor ready. These, and information about agencies that can support in this process are outlined in section. 6.

6

ADDITIONAL SUPPORT

This section of the report outlines the various sources of business support provided by, predominately, public sector sources. This will include active business support and guidance, online resources, and websites for keeping on track of the latest funding opportunities.

6.1 ACTIVE SUPPORT

The following organisations provide active support to a range of organisations. Some have offshore wind specific functions, while others specialise in business development and funding identification.

UK WIDE

<u>Offshore Renewable Energy Catapult</u>	Offshore wind specialists, providing technical and commercial support to SMEs seeking growth in the marine energy industry. ORE-Catapult can also provide access to test facilities, such as those for blades and drivetrain components.
<u>High Value Manufacturing Catapult</u>	Specialists in manufacturing processes including the manufacturing of composites and electronics, as well as casting, high temperature processing, designing for manufacture, and process automation.
<u>Knowledge Transfer Network</u>	KTN is a network of businesses, investors, and universities organised by Innovate UK. KTN operate Special Interest Groups to drive innovation in specific areas. They also organise the Venturefest a network bringing together innovators and investors.
<u>Knowledge Transfer Partnership</u>	KTPs allow businesses to work collaboratively with universities. A university graduate is employed by the university and works for the business with the support of academics for a given project length (between 12-36 months). KTP is an initiative from Innovate UK. Additional funding is available in many Innovate UK calls for companies working with KTP.
<u>Enterprise Europe Network</u>	A European network for SMEs with the aim of working internationally. EEN can provide support for innovation and advice for international growth .

ENGLAND

Local Enterprise Partnerships	LEPs provide business support to organisations within their regions. Services provided are often focused around identifying and securing funding, including how to prepare for private sector investment.
Supply Chain innovation for Offshore Renewable Energy (SCORE)	Through SCORE Innovation Support, Nautilus and ORE Catapult provide sector insight, technical and business support.
Green Port Hull	Green Port Hull provide support to businesses based in Hull and the East Riding of Yorkshire in an array of areas including: Employment and Skills Developments, Business Support and Advice, and Research, Development, & Innovation.

SCOTLAND

Scottish Enterprise	As well as providing general business advice and support, SE fund and co-ordinate the Offshore Wind Expert Support Programme. Scottish based SMEs can gain free of charge or heavily discounted access to a maximum of six days of support from offshore wind specialists through the Offshore Wind Programme. Scottish Enterprise deploy account managers for many businesses to provide active support and a primary contact for securing additional support.
Business Gateway	Business Gateway, additionally to a range of online guides, provide active support to organisations based in Scotland. Business Gateway organise workshops and their businesses advisers can provide bespoke support in employment, finance, and marketing.
Energy Technology Partnership	ETP is a Scottish based research and development organisation with a focus on the energy sector. Through the Knowledge Exchange Network, businesses can work with universities to delivery industrial projects carried out by senior academics or students. ETP also provide business support and assistance in sourcing and securing funding and can provide funding directly to Scottish based SMEs.

WALES

Business Wales	Business Wales provide a range of support services to business in Wales. Services include general business advice, innovation, marketing, business planning, and training.
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NORTHERN IRELAND

Invest NI	Northern Ireland's equivalent of Scottish Enterprise and Business Wales.
Enterprise NI	The national body representing 28 Local Enterprise Agencies in Wales. The local bodies provide support to start-ups by providing flexible reduced-cost workspaces, and access to mentors and networking events.

6

ADDITIONAL SUPPORT

6.2 ONLINE RESOURCES

Below are suggested researches for deepening knowledge on funding sources and how to be prepared for investment.

Business Finance Guide

Funding Guide further explaining a range of finance options. Produced by the British Business Bank.

[Read now](#) 

Business is Great - Finance

Online guide of funding types, how to secure them, and additional resources.

[Read now](#) 

Funding Options Knowledge

Funding Options is a British Business Bank backed initiative which helps businesses identify suitable funding opportunities. Their Knowledge page provides useful guides on various financing options and their requirements.

[Read now](#) 

Ways of funding your business or idea - Scottish Government

Although targeted at Scottish based enterprises, this guide provides useful information for all businesses considering their finance options.

[Read now](#) 

Types of finance and how to apply - Business Wales

As left, but with a Welsh focus.

[Read now](#) 

6.3 FUNDING DATABASES

The online tools below can be used to keep on track of live funding opportunities throughout the UK.

Offshore Wind Innovation Hub's funding page

OWIH's database of offshore wind related funding streams that are accessible by UK businesses, with a focus on grant funding. Funding bodies tracked includes Innovate UK, Horizon 2020, and SCORE.

www.offshorewindinnovationhub.com/funding

BEIS's funding portal

Database and search tool for finding UK wide and regional public-sector finance opportunities.

www.gov.uk/business-finance-support

Innovate UK open calls

Search tool specifically for open Innovate UK competitions

www.apply-for-innovation-funding.service.gov.uk/competition/search

Better Business Finance

Search tool for public and private finance. Searchable by region, amount of finance required, and purpose of the finance.

www.betterbusinessfinance.co.uk

Funding Options

Funding Options is an initiative backed by the British Business Bank. Much like the Better Business Finance search tool, Funding Option's database can be searched by amount required and purpose of the funding.

www.fundingoptions.com

Scottish EU funding portal

Funding database of all EU funding accessible by Scottish based businesses.

www.funding-portal.eu

Business Wales Finance Locator

Public sector finance locator tool for businesses based in Wales. Covers local and national public funding available to Welsh companies.

www.businesswales.gov.wales/businessfinance/finance-locator

Business NI's Business Support Finder

Public sector finance locator tool for businesses based in Northern Ireland.

www.nibusinessinfo.co.uk/business-support

ORE Catapult



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O&M Centre of Excellence

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