



How a 0% business loan could transform your business





“The loans offered by the Carbon Trust are a great opportunity for businesses to overcome the upfront costs of installing energy efficiency measures and can help make significant cash and carbon savings.”

Richard Lambert, Director General, CBI

The best investment you'll make this year

Investing in energy efficient equipment makes sound business and environmental sense. Especially when financed with an interest free business loan from the Carbon Trust, as no capital outlay is required.

New, more efficient equipment should lower energy bills and with loan repayments calculated to be offset by anticipated energy savings the loan is designed to pay for itself.

How much can you borrow?

The value of the loan offered will be between £3,000 and £500,000, depending on the amount and type of energy saved. (Multiple loans are available up to the maximum of £500,000).

Different energy sources release different amounts of CO₂ into the atmosphere as they are consumed (this is called the CO₂ intensity). The CO₂ intensity affects the value of the loan that the Carbon Trust will offer, as it's directly correlated to energy cost.

The key benefits to your business

- ▶ Interest free loans help you overcome cost barriers associated with the purchase of capital equipment.
- ▶ The loans scheme is designed so that anticipated energy savings offset the loan repayments, which means the equipment should pay for itself and you should continue to make savings year on year.
- ▶ The loans are government funded and unsecured.
- ▶ The application process is straightforward and fast – a fully completed application will be processed in fewer than 10 working days, and you will receive a conditional offer within 24 hours.
- ▶ You can track the progress of your application online.
- ▶ The loan amount is dependent on CO₂ savings.

“The Carbon Trust’s loans scheme gives businesses access to the capital they need to unlock their future growth potential.”

Is your company eligible?

While most small and mid-sized enterprises, and some larger businesses, can qualify, there are a few things you need to check to see if your company is eligible to apply for a Carbon Trust 0% business loan.

1. Your business needs to have been trading for at least 12 months.
2. The company can not have received the limit of €200,000 (approximately £180,000) of *De Minimis* State Aid over the last three years. EU *De Minimis* State Aid rules also mean that a small number of industries, such as those active in the coal sector or export-related activities are not normally eligible for loans. You should check the Carbon Trust website for the most up to date information.
3. If you're based in Northern Ireland and meet these criteria you may be eligible for a loan and should apply, regardless of your company size.
4. If your company is based in England, Scotland or Wales, there are two ways you could qualify for a Carbon Trust 0% business loan.

First, if your business is a small or medium sized enterprise (SME), you are likely to qualify. SMEs are defined as companies that have less than 250 employees, an annual turnover of less than €50m (equivalent to around £43m) and an annual balance sheet total not exceeding €43m (equivalent to around £37m). In addition, your business must not be more than 25% owned by a non-SME.

Secondly, if your company is larger than an SME, you may still be eligible if you or your parent company doesn't qualify for the CRC Energy Efficiency Scheme. This means that to qualify for a business loan, the total half-hourly metered electricity consumption of your company or its group must be below 6,000MWh (equivalent to an electricity bill of roughly £500,000). If your company or your group doesn't have half-hourly electricity meters, you are likely to qualify for a business loan.

What next?

Once you've established you're eligible, you can then apply for a loan to purchase and install any equipment that generates an energy saving at your site. Your application needs to demonstrate that your project will provide sufficient energy cost savings to pay the loan back within five years.

Projects that may qualify include building technologies, such as pipe insulation and air conditioning, or industrial process technologies, such as compressed air fittings and refrigeration. Loans may also be used to fund combined projects, such as replacing heating and lighting.

To download an 'Eligibility Guide', find information about the application process, or apply for a loan, visit www.carbontrust.co.uk/loans

Alternatively, you can call our Loans Advice Team on 0800 917 3030.

Loans in action:
Hever Castle

Hever Castle in Kent had an oil and gas-fired heating system that was old, covered in asbestos and costing its owners a fortune.

A Carbon Trust 0% energy efficiency loan of £100,000 helped fund a new biomass boiler that's fuelled by woodchip.

It should save the castle around £50,000 every year and reduce emissions by over 360 tonnes of CO₂.

Loans in action:
Project Pub Ltd

West Yorkshire-based Project Pub operates three pubs, with an annual energy spend of approximately £115,000.

It's taken out two 0% energy efficiency loans totalling £78,000 for a climate control system and heat pumps.

The changes should save a total of £38,000 per year in energy costs and reduce CO₂ emissions by 180 tonnes per year.

Loans in action:
Serco

West Midlands-based Serco Plastic Injection Moulders is rapidly replacing its old, inefficient machines.

It's taken out three 0% energy efficiency loans in six months for a total of £123,000.

As well as a 20%-30% increase in productivity, the company expects to see a £42,000 per year saving from the new, high efficiency machines, as well as a reduction of almost 260 tonnes of CO₂ per year.

The Carbon Trust was set up by Government in 2001 as an independent company.

The Carbon Trust's mission is to accelerate the move to a low carbon economy by working with organisations to reduce carbon emissions now and develop commercial low carbon technologies for the future.

We cut carbon emissions now:

- ▶ By providing business and the public sector with expert advice, finance and accreditation.
- ▶ By stimulating demand for low carbon products and services.

We cut future carbon emissions:

- ▶ By developing new low carbon technologies through project funding and management, investment and collaboration.
- ▶ By identifying market barriers and practical ways to overcome them.

To apply for a 0% business loan call

0800 917 3030

or visit www.carbontrust.co.uk/loans

ACT ON CO₂ is the Government's initiative to help individuals understand and reduce their carbon footprint.

Visit <http://actonco2.direct.gov.uk> for more information.

The Carbon Trust is funded by the Department of Energy and Climate Change (DECC), the Department for Business, Innovation and Skills (BIS), the Scottish Government, the Welsh Assembly Government and Invest Northern Ireland.

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The Carbon Trust is a company limited by guarantee and registered in England and Wales under Company number 4190230 with its Registered Office at: 6th Floor, 5 New Street Square, London EC4A 3BF.

Printed on revive 50:50 Offset, a recycled paper containing 50% recovered waste and 50% virgin fibre and manufactured at a mill accredited with ISO14001 environmental management standard. The pulp used in this product is bleached using a Totally Chlorine Free (TCF) process. FSC Mixed Sources – Product group from well managed forests and other controlled sources.

Published in the UK: January 2010.

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LNS072

