

## Information released under the Freedom of Information Act

**Information released title:** North West Transitional Loan Fund

### **Summary of information:**

1. Clarification of the criteria that were applied by the Fund for making loans
2. An indication of the level of repayments across the loan book
3. Progress with respect to the recovery of a loan made from the fund to Lucy's of Ambleside
4. The Fund's policy and record in respect of pursuing loans in default
5. A copy of the Liquidators report in respect of number 3 above
6. Purpose for which the loan in number 3 above was drawn

**Date of release:** 10 January 2012

The Transition Loan Fund was set up at the peak of the credit crunch in 2008 to help small businesses raise finance. The businesses that the fund supported were by their nature those that had been declined finance by their current bank. A credit assessment was undertaken by the fund manager at the time that a loan was agreed in order to establish that the business was viable.

Of the 36 loans granted by the NW fund, 1 has repaid in full and a further 17 are up to date with their repayments. (4 are in Administration where over half the funds have been recovered, 14 have gone into liquidation and a third of the amount lent to these 14 has been recovered already and 4 have been written off).

With regard to the recovery of the loan to the business in question, this is in the hands of the Liquidator to recover funds from the company and the Official Receiver is handling the recovery of assets from the director.

There is a policy for pursuing defaulted sums particularly because the Transition Loan Fund was part funded by European Regional Development Funds (ERDF), so all possible action has to be undertaken to recover these funds.

The Liquidator's reports are only available to the creditors of the company.

The business used the loan for the improvement of business premises and working capital.