

News Release

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## **START UP LOANS PROVIDES OVER £10 MILLION TO WELSH MICROBUSINESSES**

***Government-backed Start Up Loans Company has provided £10,000,000 to new businesses in Wales since 2012***

The Start Up Loans Company (SULCo) has reached a significant landmark after lending a total of £10,000,000 to help kick-start local start ups in Wales.

Since launching in 2012, the Government-backed scheme has helped support more than 40,000 business ideas across the UK, and the programme has helped over 17,000 people who were formerly unemployed or economically inactive.

In total, £250million has been provided by Start Up Loans to support new business ventures. The Department of Business, Energy and Industrial Strategy, formerly the Department of Business, Innovation and Skills, formed the company in 2012, which provides loans of up to £25,000 at a fixed rate of 6% per annum, in addition to offering a free mentoring service to each business it supports.

Cardiff-based hair salon, Goji Hair, was launched by Victoria Griffin and Greg James in May 2015 after receiving a £7,400 loan from the government-backed Start Up Loans Company. Victoria previously worked in the retail industry, and started the business with creative director, Greg, after spotting a gap in the market for an all-natural salon. The business, based in Pontcanna, Cardiff, only uses organic products.

In the last twelve months the salon has exceeded its targets, with its yearly turnover 100 per cent up on forecasts. In line with this growth, Victoria and Greg have increased their workforce to support the expansion of the business. Earlier this year in April, Goji Hair beat stiff competition to win 'Best Hair Salon' at the Cardiff Life Awards.

**Victoria Griffin, managing director at Goji Hair, said:** "After spotting a lack of organic treatments within the hairdressing industry in the Cardiff area, we wanted to create a business that focused solely on the benefits of using all-natural ingredients. To us, it was counterproductive to visit a hairdressers that uses chemical products that can often damage hair."

"The Start Up Loans Company was instrumental in kick-starting Goji Hair, and the mentoring support provided us with fantastic financial insight to ensure our accounts were in order from day one."

"I'd encourage aspiring Welsh business owners to explore all funding options, and to make the most of the financial and mentoring support available when it comes to getting a budding business idea off the ground."

**Tim Sawyer CBE, CEO at the Start Up Loans Company, said:** “Small Businesses are often referred to as the lifeblood of the economy, and start-ups play an instrumental role in this. That’s why it’s great to see such a demand for funding from potential business owners up and down the country.

“Achieving £10 million of lending in Wales is a key milestone for the Start Up Loans Company and we are keen to help many more business ideas come to fruition. Since 2012, our funding and comprehensive package of free business support has helped to create jobs and launch many great business ideas. As a result, the scheme has delivered more than £3 of value to the economy for every £1 invested. The next six months is set to be another busy period for microbusinesses in Wales and we are proud to support this growth.”

## **ENDS**

Created on behalf of The Start Up Loans Company by Citypress.

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## **Notes to editors**

### **About SULCo:**

The Start Up Loans Company (SULCo) was formed in June 2012 on behalf of the Department of Business, Energy and Industrial Strategy (BEIS), formerly the Department for Business Innovation and Skill (BIS). SULCo provides personal loans for business purposes of up to £25,000 at 6% fixed rate per annum, and offers free dedicated mentoring and support to each business.

The primary aim is to ensure that viable start-ups and early stage businesses have access to the finance and support they need in order to thrive. A network of delivery partner organisations support applicants in all regions and industries throughout the UK.

The funding for SULCo is provided by BEIS and administered by the 100% government-owned British Business Bank. The British Business Bank makes finance markets for smaller businesses work better, enabling the sector to prosper, grow and build economic activity.

In November 2015, the Chancellor committed an additional £108m of funding through to 2020 on top of the £131m already invested.

The Start Up Loans scheme is not designed to generate a commercial profit.

### **Key statistics\***

- Since 2012, Start Up Loans has delivered over 40,000 loans, providing more than £250m of funding and helping to back 28 businesses a day.
- In the financial year 2014/2015, the scheme provided almost 13,500 loans with a total value exceeding £66.5million - helping start more than 28 businesses every day of the year
- 16,500 loans have been provided to individuals formerly unemployed or economically inactive and 47% of loans to young people are helping those who were formerly NEET (not in employment, education or training)
- Approximately one in five loans go to residents in the UK's most deprived communities
- The overall return on investment of the scheme is at least £3 per £1
- Loan recipients report estimated average turnover of £49,000 in the first year

For more information about Start Up Loans, please visit: <https://www.startuploans.co.uk/>

*\*All of these statistics are gross estimates, with the exception of the return on investment numbers, and are based upon Start Up Loans CRM and externally commissioned research from two major surveys undertaken by Qa Research.*