



START UP LOANS DELIVERS OVER £300MILLION TO UK MICROBUSINESSES

***Government-backed programme has provided 46,400 loans to start ups and early stage businesses since 2012
£300m milestone passed as Start Up Loans Company announces merger with the British Business Bank***

The Start Up Loans Company (SULCo) has passed a significant milestone this week, with the amount of lending it has provided totalling £300million since its inception five years ago. Co-founders of The Oystermen, Matt Lovell, 39 and Rob Hampton, 32, took the total past the £300million mark after securing the programme's 46,400th loan to open their first oyster bar and seafood restaurant in Covent Garden.

The Start Up Loans programme provides loans of up to £25,000 at 6% fixed rate per annum, as well as offering dedicated mentoring to each business it supports. Since launching in 2012, it has supported an average of 11,200 new and early-stage businesses a year, and contributed to the creation of jobs for more than 55,700 individuals, with over 19,800 loans issued to people who were either NEET or who declared they were unemployed at the time of draw down.

Commenting on the passing of the £300 million milestone, Small Business Minister Margot James said:

"Giving the UK's small businesses the jump-start they need to grow and thrive is a key priority of our Industrial Strategy and it's great to see just how many small businesses the Government-backed Start Up Loans Company has helped in the past five years.

"We rely on small businesses for jobs as well as goods and services so I'm particularly pleased to see that Start Up Loans money has created more than 55,700 jobs and has helped over 19,000 formerly unemployed people put their business plans into action."

Tim Sawyer, CEO of the Start Up Loans Company, added: "Providing more than 46,400 loans to businesses across the UK is a testament to the drive and ambition of people throughout the country. The Oystermen is a great example of a business idea which has been brought to life with a Start Up Loan. They now have a solid business plan in place which will see them grow their footprint across London and bring oysters to more seafood lovers in the capital and beyond."

The Oystermen have experience launching restaurants across the capital, but decided they wanted to embark on their own venture and started a pop-up in South Kensington in September 2016. On the back of its success, Matt and Rob had the idea to take it to the next level and open a restaurant, 'The Oystermen Seafood Bar & Kitchen', and approached the Start Up Loans Company which provided them with £25,000 of funding each, to pay the lease deposit and support the purchase of kitchen appliances.

The business sources its fresh oysters direct from over 10 farms across the UK, spanning from Menai in Wales down to Porthilly and Fal in Cornwall, and as the business grows it looks to expand the supplier list to oyster farms throughout Ireland.

The launch of *'The Oystermen Seafood Bar & Kitchen'* will see the business employ a head chef, a sous chef, front of house and restaurant manager. The Oystermen expects to see a 300 per cent turnover growth in the next 12 months with the launch of its new restaurant. It also plans to grow its catering arm of the business and launch a packaged goods offering.

Matt Lovell, co-founder of The Oystermen, said: "We have experienced a high demand for our oysters and seafood at our pop-up store, and the next stage for our development was to take our concept and bring it to life in a restaurant environment. As a small business, access to finance can put a strain on working capital so the funding from the Start Up Loans Company was vital to enable us to push the button on our growth plans. We're now gearing up for a busy few months ahead of our official launch, and we look forward to what's to come in the near future."

Achieving the £300million milestone comes as the Start Up Loans Company announces it has merged with the British Business Bank – the UK's national business development bank – which currently supports more than 54,000 businesses, working with over 90 finance partners. The Bank and the Start Up Loans Company have been working closely since 2014. During this period, the Bank has been providing advice to Government on the Start Up Loans programme's funding, objectives and performance, and overseeing the programme on its behalf.

The merger brings a number of advantages to both organisations, including sharing of expertise, clarity for the small business community and the opportunity to combine approaches used for supporting smaller businesses. Whilst SULCo will continue to deal with borrowers and delivery partners as usual, the move will help both organisations deliver the Government's manifesto commitment to support 75,000 microbusinesses by 2020. Under the new structure, CEO of the Start Up Loans Company, Tim Sawyer, will report into Keith Morgan who will now be the Chair of SULCo board.

Commenting on the merger, Tim Sawyer, CEO of the Start Up Loans Company, said: "Since launching in 2012, the Start Up Loans Company, with support from the British Business Bank, has lent £300million to microbusinesses across the UK. This merger recognises how successful our partnership with the Bank has been and helps us improve our support for businesses who may struggle to access other forms of finance."

Keith Morgan, CEO of the British Business Bank, added: "The Bank has been working closely with the Start Up Loans Company for several years and this merger will bring the two organisations, which already have a shared sense of purpose and complementary skills, closer together. This is a natural next step, an exciting moment for everyone involved, and means we can deliver a better service for smaller businesses."

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Notes to editors

About SULCo:

The Start Up Loans Company (SULCo) was formed in June 2012. 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.

Free guides are available on the website: <https://www.startuploans.co.uk/free-start-up-guides/>

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 the Department for Business, Energy and Industrial Strategy (BEIS), formerly the Department for Business, Innovation and Skills (BIS). SULCo is now a member of the British Business Bank group. The British Business Bank makes finance markets for smaller businesses work better, enabling the sector to prosper, grow and build economic activity. Their Business Finance Guide explores finance options and the journey from start up to growth. Access the Business Finance Guide here: <http://www.thebusinessfinanceguide.co.uk/bbb>

In November 2015, the Chancellor committed an additional £166m of funding through to 2020 on top of the £131m already invested up to March 2015.

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

Key statistics

* Since 2012, SULCo has delivered over 46,000 loans, providing more than £300m of funding and helping to back 25 businesses a day.

* In the financial year 2015/2016, the scheme provided 9,141 loans with a total value exceeding £64.1m - helping start around 28 businesses every day of the year

* 19,000 loans have been provided to individuals formerly unemployed or economically inactive and 46% 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.*

British Business Bank

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About the British Business Bank

The British Business Bank is the UK's national business development bank. Established in November 2014, its mission is to make finance markets for smaller businesses work more effectively, enabling those businesses to prosper, grow and build UK economic activity. Our remit is to design, deliver and efficiently manage UK-wide smaller business access to finance programmes for the UK Government.

The British Business Bank is currently supporting more than 54,000 businesses, working with over 90 finance partners. Its programmes support over £3.4billion of finance to UK smaller businesses and participate in a further £5.1billion of finance to UK small mid-cap businesses.

British Business Bank plc is the holding company of the group operating under the trading name of British Business Bank. It is an economic development bank wholly owned by HM Government which is not authorised or regulated by the Prudential Regulation Authority (PRA) or the Financial Conduct Authority (FCA). The British Business Bank operates under its own brand name through a number of subsidiaries, one of which is authorised and regulated by the FCA. More information, including a legal structure chart for British Business Bank plc and its subsidiaries, can be found on the British Business Bank website.