Support2business
Over £58m raised for UK Businesses so far..

April 2014 - Focus on Government funding

1. Regional Growth Funds rounds 5 and 6
2. Growth Accelerator now sponsoring MBA
3. Are you getting he most from R&D tax credits?
4. Alternative funding in the post-bank era

17 Woodhill Avenue • Gerrards Cross
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We specialise in helping businesses create and fund their strategy for growth

Highlights

RGF News

Nick Clegg visits the Cartwright group following their £2m grant award - managed by S2b.

Growth Accelerator

GrowthAccelerator Is a government backed initiative to help achieve rapid growth in smaller companies. Already 12,000 SME's have benefited - could this be your kick start to growth?

Read more

R&D Tax Credits

Another great government initiative much mis-understood by accountants. Bob Watson explains Tax Creits and gives some examples. You might be surprised what you can get...

Read more

Alternative Finance

Banks are no longer lending... True or not, the growth in alternatives is both significant and innovative.

Read more

Regional Growth Fund grants

Regional Growth Fund programmes are schemes run by national or local organisations which have been awarded Regional Growth Fund cash to offer grants and/or loans to SMEs.

"Over £1bn made available and over 12,500 businesses have received funds."

There are 45 Regional Growth Funds (RGF) in the UK available regionally or nationally through organisations such as HSBC and Lloyds, to charities such as the Fredericks Foundation.

Size no longer matters

The RGF minimum grant has always been £1m which would exclude most SME's looking for funding, but smaller amounts (as little as £5,000) are available through intermediary organisations who have received funds for re-distribution in this way.

There is around £500m still available in these funds.

Each funding organisation has its own criteria for providing funds, based on geography, sectors or project types.

These grants are available throughout the UK, including London and the South East.Talk to us about your project and we'll find the right fund.

Are you eligible?

The stated purpose of an RGF grant is to:

- invest and strengthen their business
- create or protect jobs
- build on creativity

However, what the government is really trying to do is provide funds which:

- Drive the economy towards the private sector
- Support R&D and training (also with initiatives like R&D tax credits and the Growth Accelerator programme)
- Create sustainable jobs

Applications

The application process depends on your project and chosen funding partner and can take between 1-3 months to finalise.

S2b have already obtained several million on behalf of clients and can help you.

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"S2B are fantastic tutors; they have helped us analyse what we do and how do we do it - most importantly to realise how to increase sales by segmenting our products and target markets, and identifying areas with the greatest growth potential."

MELA SOLUTIONS

Dr Cristina Willans, Managing Director

Over 12,000 businesses in England have already joined Growth Accelerator and 96% recommend it!

The GrowthAccelerator programme has been a huge success. Available only to businesses in England employing less that 250 people and turning over less than £40m, it focuses only on companies with high growth potential - 20% pa or more...

What GrowthAccelerator offers

If your company has the potential to grow, but you need help reaching that potential, GrowthAccelerator can help. If you sign up, here's what you get:

- An initial consultancy worth up to £3,900 to help you identify your barriers to growth and to develop a strategic plan.
- Free access to a wide range of workshops aimed at helping bot your personal and business development.
- Up to 50% grants towards coaching and training costs for your management team.
- Access to Finance: Learn how to improve your investment readiness, so you are able to attract and secure investment on the right terms.

Are you eligible?

To be eligible for GrowthAccelerator, your business must be registered in the UK and based in England, have fewer than 250 employees and have a turnover of less than £40m.

More importantly, you must have the ambition to grow - targeting at least 20% per year over a three year period.

You can do it!

Common Barriers to Growth

- Lack of working capital (cash).
- Lack of management time to do the day-to-day jobs ***and*** drive growth.
- Lack of management expertise in business strategy.

The seeds of success

- Successful businesses know their strengths and weaknesses.
- They have strategic plans.
- They ensure their products and services reflect the company's abilities and meet a genuine market need.
- They create a competitive advantage.
- They achieve operational excellence.
- They are well led and their leaders constantly develop their skills.

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Science and Technology Research & Development Tax Credits

Bob Watson, Managing Director Support2business, has helped many companies reclaim Tax Credits from the Inland Revenue.

Commonly known as "R&D Tax Credits", this seems to be one of the best kept secrets in the SME world. Tens of thousands of companies are eligible to get money back from the government under this scheme, yet most companies we talk to are either ignorant of the scheme or have been misinformed about it.

Yet when their own accountants were saying it's impossible we have helped many companies get a cheque from the inland revenue ranging from £5,000 to several hundred thousand !

What is this scheme

First introduced in 2000, the scheme was set up to offer incentives to companies involved in R&D, primarily technology, on the basis that economic growth is most likely to come from this activity and that tax incentives will increase the level of innovation.

The rules are constantly changing, but currently offer a good incentive – if only you know about it and know how to apply!

- The headline rules are:-
- You employ less than 500 staff, and
- Turnover less than €100m, and
- Balance sheet not exceeding €86m
- Paying corporation tax (CT)

Not difficult for most SME's!

If you meet these rules and are involved in innovative technology research and development to improve your products / services, you may well be eligible to claim 225% corporation tax relief against your R&D costs, including labour.

That means that if spend on R&D you could reclaim up to 32% of your R&D "qualifying" costs as tax relief. The Inland Revenue will send you a cheque…

One drawback is that you can only claim for completed tax years. However, although you are only allowed to lengthen your tax year once (e.g. have an 18 month year) you can shorten it as often as you like. So, if you are 6 or 7 months into your year when you finish a project – shorten your accounting year and claim the tax relief at once!

What to do now

You can look all this up on the government website at www.hmrc.gov.uk/ct/forms-rates/claims/randd.htm - or give us a call on **0871 218 5090**

Recent Examples

Company A

A recent start-up that developed a system testing human hair for the presence of drugs.

Two claims worth £60,200.

Company B

A printing company providing 'flyers' for a national retailer that developed a computer system enabling sales data to be overlaid with socioeconomic data in order to predict the propensity to purchase any particular offer in a specific area.

Initial claim c£55,000.

Company C

A company developing specialised systems and products for use by businesses associated with the automotive industry.

Two claims worth £215,800.

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Alternative Finance (to Banks) reaches nearly £1bn in 2013

Alternative Financing in the UK

Nesta, the University of Cambridge and the University of California, Berkeley have carried out the first intensive, comprehensive and empirical country–level study of an alternative finance market anywhere in the world.

Alternative finance activities such as crowdfunding, peer–to–peer lending and invoice trading have emerged as a significant funding mechanism and source of capital in the UK in recent years. Meeting the capital needs of both individuals and businesses, facilitating fundraising activities for civic projects and social causes, alternative finance intermediaries have become online marketplaces where individuals, rather than institutions, work collaboratively to form capital.

As the alternative finance market continues to grow in the UK and the government looks to regulate the area, this benchmarking report offers a timely snapshot of this fledgling and dynamic sector to help understand its size, growth and the fluid development of respective segments.

Market size

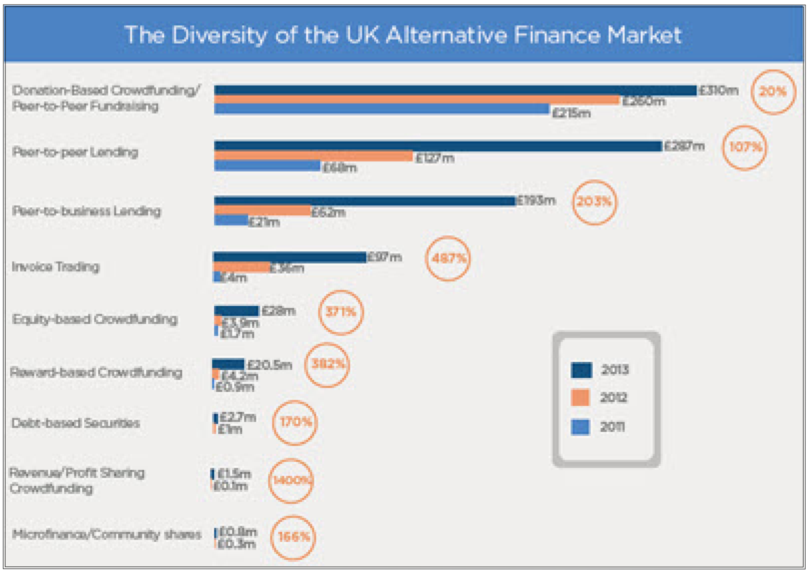
This benchmarking survey reveals that the UK alternative finance market grew by **91 per cent** from £492 million in 2012 to **£939 million in 2013.** Cumulatively, the overall market had an average growth rate of 75.1 per cent over the last three years and contributed £1.74 billion of personal, business and charitable financing to the UK economy. While the peer–to–peer charitable fundraising and donation–based crowdfunding still represents the largest segment with £310 million in 2013, the vitality and diversity of the alternative market is on full display.

Market growth

Perhaps even more impressive than their already considerable transaction volumes, their cumulative and year–on–year growth rates are high.

SME finance and future projection

Collectively, the UK alternative finance market provided £463 million worth of early–stage, growth and working capital to over 5,000 start–ups and SMEs in the UK during the period 2011–13, of which £332 million was accumulated in 2013 alone. Based on the average growth rates of between 2011 and 2013, we can cautiously predict that the UK alternative finance market will grow to £1.6 billion in 2014 and provide £840 million worth of business finance for start–ups and SMEs.



Source:

The UK Alternative Finance Benchmarking Report

Liam Collins, Nesta
Richard Swart, University of California, Berkeley
Bryan Zhang, University of Cambridge

December 2013

Nesta... Berkeley UNIVERSITY OF CALIFORNIA UNIVERSITY OF CAMBRIDGE