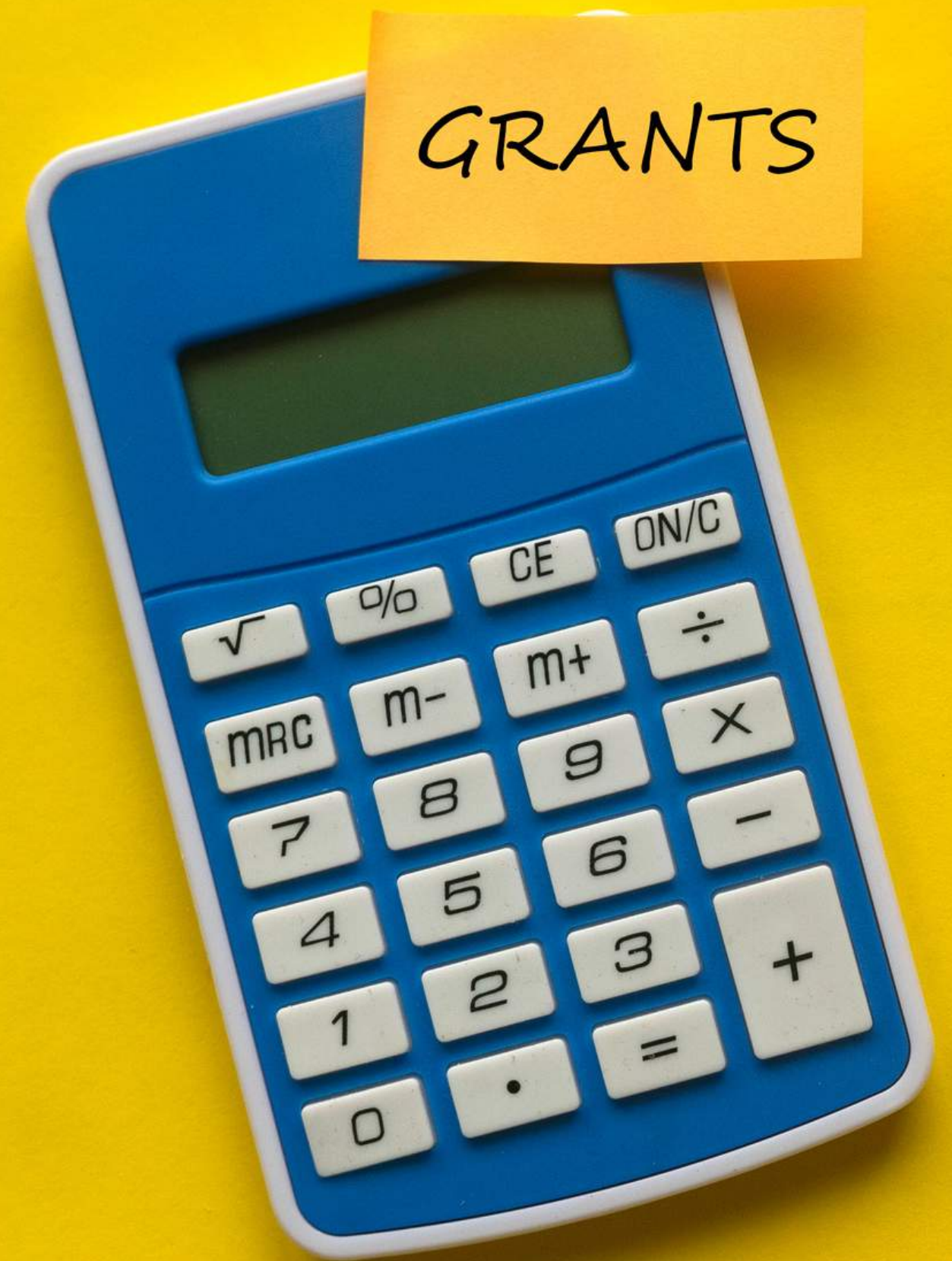


UKSTARTUPS.ORG

Guide to Getting Government Grants for your Small Business

A 'how to' guide on getting UK government grants
for your Small Business



WHAT ARE GOVERNMENT GRANTS?

Government grants are funds provided by local, regional and national governments across the UK; to help small business owners with their businesses.

The British Government relies heavily on local small businesses to ***stimulate the economy, increase employment rates and bring money to the local communities.***

In order to support them, our governments provide small businesses with funding to help business owners to cover many of the costs associated with running a business.

Doing so ensures the success of small businesses UK-wide.

Because government departments don't often promote themselves, it can be difficult to find what grants are available at any given time. With this come many misconceptions, which impact what we – the public – know of and think about when it comes to government grants.

Be sure to read on to avoid the same mistakes.

POPULAR MISCONCEPTIONS ABOUT GRANTS

THEY DON'T EXIST

False. The British Government allocates billions of pounds each year to help support small businesses with various activities ranging from going green, hiring & training staff, R&D, energy efficiency, and more.

THEY'RE A SCAM

False. This misconception comes from those who have applied and been denied. While government grants DO exist, they are not available to just anyone. Simply being a business owner, needing money, and being a British citizen, does not guarantee you a grant.

THEY ARE FOR EVERYONE

False. Simply being a British citizen, or having a business, does not mean that you are instantly eligible for any type of funding. Each funding agency has a set of factors one must meet to be eligible.

YOU MUST MATCH THE FUNDS

False. Generally speaking, if you want to start a business, you should be prepared to spend money to get it off the ground. That said, while some grants require you have matching funds, others don't. It all depends on which grant you apply for.

TYPES OF GOVERNMENT GRANTS

ONE TIME AND RENEWABLE

One-time and renewable grants are the most common types of grants.

These programmes will provide you with a lump sum of money to use towards a specific requirement such as providing training to your staff.

The renewable part comes in so that you can keep coming back to obtain more when more training costs need to be covered.

NON REPAYABLE GRANTS

Non-repayable grants are the most sought-after grant for many business owners.

The money you obtain from this type of grant programme does not need to be paid back – unlike a loan.

Though these government grant types fund very specific needs a business may have and are provided based on those needs.

PARTIAL CONTRIBUTIONS

Partial contribution government grants are another attractive option.

The “partial contribution” implies that you provide some of your own funds in order to qualify for the grant. Sort of like a partnership.

For example: if you need £100K for equipment, the government may give you £50K to use towards your purchase but requires that you provide the other £50K.

WHAT CAN GOVERNMENT GRANTS BE USED FOR?

Each Grant programme has its own set of activities that it will offer funding for. Some of these activities include:



UKSTARTUPS.ORG



ACQUISITION



BUSINESS
DEVELOPMENT



TRAINING



CONSULTING
SERVICES



FINANCING
SERVICES



PRODUCT
DEVELOPMENT



JOB CREATING



EQUIPMENT



TRADE SHOWS



EXPLORATION



EVALUATION



BUSINESS
PLANNING



OPERATING
CAPITAL



RENOVATIONS



EXPANSION
CAPITAL



MARKETING



BUSINESS
START UP



PRODUCTIVITY



RESEARCH



WAGE
SUPPORT



RESEARCH

WHO CAN APPLY FOR GOVERNMENT GRANTS?



NEW BUSINESSES



If you have started a new business, or plan on starting up soon, you may be able to take advantage of various startup grants and funding options.

EXISTING BUSINESSES



If you have an active business and are looking to further grow your operation or to expand, you may be eligible for various government grants and expansion loans.

BUSINESS ACQUISITIONS



If you are considering purchasing a new business or a franchise, you may be eligible for certain government grants and funding options.

What you need to apply

To successfully apply for government grants, there are a few things you must be ready to provide, in order to meet the eligibility criteria by the various grant agencies.

This may include but is not limited to:

1. Having a complete and thorough business plan.
2. Providing proper financials or financial projections
3. Having an Investor Pitch Deck ready

DO YOU HAVE WHAT IT TAKES?



Don't worry, we can help you get them 😊



YOUR BUSINESS PLAN →

When applying for government grants and funding, the programme administrators will request that you provide them with your business plan in order to assess whether your business is a good candidate for their funds.

While you may "get-away" with not having a fully detailed business plan, your chances of success diminish by not providing one.

A solid business plan is **a must** if you want to follow the right path to securing a government grant for your business.





YOUR FINANCIALS →

Just like a bank, most government grant agencies will determine your eligibility for funding based on your financial statements (existing businesses), or financial projections (new businesses).

If you are an existing business, showing your balance sheet, cash flow and profit/loss statements would be sufficient to help a grant agency make a decision.

However, if you are a new business, just starting up and are in the pre-revenue stage; providing financial projections for how you expect your business to perform shows that you have researched your market and have reasonable revenue expectations for your new business.



BALANCE SHEET

Displays the company's total assets and how the assets are financed, either through either debt or equity.



CASHFLOW FORECAST

A breakdown of the money that is expected to come in and out of your business, over a given period of time.



PROFIT/LOSS STATEMENT

Lists your sales and expenses. It tells you how much profit you're making, or how much you're losing.

YOUR PITCH DECK →

In addition to having a detailed business plan, government funding agencies want to see your business' Pitch Deck.

These are brief 10 to 15 slide presentations that outline the business model, the growth strategy, funding needs, and share specifics of the business in a visually appealing format. Think Dragons Den.

This is where you get to visually explain your business and incite interest from funding agencies and potential investors.

An effective PitchDeck is very easy to share and is often the preferred introduction method to the various funding agencies and investors.

THE BENEFITS OF A PITCH DECK

- ✓ REINFORCING YOUR BUSINESS' BRANDING
- ✓ CREATING AWARENESS FOR YOUR PRODUCT OR PROJECT
- ✓ HELPING TO RAISE CAPITAL FOR YOUR BUSINESS
- ✓ GENERATING INTERESTING IN YOUR IDEA
- ✓ SENDING A POWERFUL MESSAGE



KEY FACTOR TO REMEMBER!

"It's not about you, or your business. Each grant agency has its own mission and goals to accomplish."

What does that mean?

Each grant funding agency has its own goals and missions. This is the reason for creating the grant programme. For example: the Ministry of Tourism & Travel will create grants for projects and businesses that promote tourism and travel to a particular region.

If the programme was created to help improve employment rates in the region, your goal as a small business "when applying" should be focused on how you will accomplish this. Your funding needs in this case should be geared toward helping the grant agency accomplish that goal.

4 CRITICAL TIPS TO SUCCEED IN YOUR SEARCH FOR GRANTS



TIP #1

Have a deep understanding of what the government grant agency is looking for (why they are providing the funds?), so that you can target your application accordingly.

TIP #2

Only apply for a grant programme once your business plan has been created, funding needs explained, and financials provided.

TIP #3

The "ask amount" should only be based on what you need. It should not exceed the maximum amount the programme offers.

TIP #4

To successfully apply for a grant programme, apply 4 to 6 weeks prior to the programmes deadline, to avoid missing it.

WHAT TO AVOID WHEN SEARCHING FOR GRANTS

When looking for a grant for your small business, it's easy to be too eager and make mistakes. These mistakes, be it in your search, applications or within your business plan; can easily be the reason your grant applications are denied.



TOP 3 MISTAKES

The following are the **top 3 mistakes** made by business owners when searching and applying for small business grants.

1 APPLYING WITHOUT A BUSINESS PLAN/FINANCIALS

If you don't have a finished business plan, or financials to show, your application will be denied.

2 APPLYING AFTER THE PROGRAMME'S DEADLINE

If you submit your application days before the deadline, or past the deadline, your application may be ignored.

3 NOT BREAKING DOWN YOUR FUNDING NEEDS

If you don't breakdown your funding needs, or just show a lump sum, it is likely the grant programme will ignore or deny your request.

GOVERNMENT GRANT ALTERNATIVES



GOVERNMENT LOANS

Unlike a traditional bank loan, government loans offer different advantages and are easier to obtain.

TAX BREAKS / CREDITS

Often overlooked, tax breaks and credits are a simple and effective way to obtain funding for your business.

PRIVATE FUNDING

Private funding can offer you larger funding amounts and can be combined with government funding options.

LEARN HOW TO WORK THE SYSTEM

While grants are an attractive funding option (being free money and all), they are not the easiest to obtain. Learning how to work the system by ensuring your funding needs are aligned with the funding agencies agenda, could be the key to landing a grant for your business. Consider working with a UKStartups Expert to get help with this.

GOVERNMENT LOANS

Government loans are programmes provided by the British government as well as local and regional level agencies to help business owners obtain quick funds needed to help with their business funding needs.

Each type of government loan has its own pros and cons, however each has its own advantages that could benefit your small business as an alternative to government grants.

Speak to a funding expert to determine which loan options may be best for you.

LOW INTEREST LOANS

NO INTEREST LOANS

CONDITIONALLY REPAYABLE

GOVERNMENT GUARANTEED

TAX BREAKS & CREDITS →

Tax breaks and tax credits are incentive programmes offered by various government agencies and can be an alternative or supplementary funding option for your business.

While these programmes are often overlooked because you first have to spend the money, in order to qualify for those tax breaks or credits at the end of the year; a tax credit is quite similar to a grant – a lump sum of money given back to you for your business.

Speak to a financial expert, tax accountant or a funding specialist to get more details on available tax breaks and credit options for your business.



PRIVATE FUNDING →

In addition to any government funding, your business may also want to seek funding from Private Investment sources.

If so, take some time to familiarize your self with interest rates, repayment terms and type of collateral or share agreements are involved.

Private funds can be both an excellent source of money and industry expertise for your business, if properly managed.

When looking at private funding, there are many different types:

PRIVATE FUNDING SOURCES



FAMILY AND FRIENDS



BANK LOANS OR LINES OF CREDIT



PERSONAL CREDIT CARDS



PARTNERSHIP



PRIVATE INVESTORS



CROWDFUNDING



EQUITY TRADE

ARE YOU READY TO START YOUR FUNDING SEARCH?



GET HELP



Getting expert help to ensure you have the best chance of success is the key. A UKStartups Expert is there to help you every step of the way.

BUILD A PLAN



Your business plan is the most critical document you need. Work with a specialist to ensure your plan is up to par with what the funding agencies want to see.

FIND FUNDING



Finding the right programmes among the hundreds of options available is difficult. With expert help, you can identify the programs that match your needs.

UKSTARTUPS.ORG

READY TO GET THE FUNDING YOUR BUSINESS NEEDS?

Start your funding search with expert help.

Get in touch with UKStartups

WEBSITE

www.ukstartups.org

EXPERT HELP

020 3880 8554

EMAIL ADDRESS

info@ukstartups.org