### \*\*STRICTLY EMBARGOED UNTIL 12.30PM 13<sup>TH</sup> MARCH 2013\*\*

# START-UP LOANS EXCEED EXPECTATIONS AS 2,000 YOUNG ENTREPRENEURS GET THEIR BUSINESS DREAMS BACKED

The Start-Up Loans scheme has exceeded expectations as 2,000 aspirational young entrepreneurs have now received support to help get their business venture off the ground, in a boost to growth and the UK's efforts to get ahead in the global race.

The Start-Up Loans Company, which administers the scheme and is chaired by Dragon's Den entrepreneur James Caan, has helped to start 1,000 new businesses in the last month alone.

The success of the Start-Up loan scheme, which helps young people get their business ideas off the ground with a loan of typically around £4,500 and mentoring support, demonstrates the strong demand amongst 18-30 year olds for self-employment. The scheme has already reached its £10m pilot spend following high demand, and an immediate £5.5m injection of funding was approved yesterday in Parliament to fulfil its pipeline of young businesses until the end of the month. The Government has made £117.5m available to fund the Start-Up Loans scheme up to 2015.

#### Prime Minister David Cameron said:

"Start-Up Loans are now helping thousands of aspiring young entrepreneurs get the finance and support to strike out on their own and launch their own business. The success of this scheme shows that young people have got the ideas, the ambition and sheer commitment to get ahead – and it is by backing them, and backing their aspirations that we will be able to compete and thrive in the global race."

Budding entrepreneur and mother of two, Alissa Koopal, 26 from Liverpool has used her loan to help launch her company, Izzy Melody, which produces innovative, eco-friendly baby products manufactured in the UK.

"After making the difficult decision to take the plunge and make my business concept a reality, my loan application was rejected by the bank so didn't think I'd ever be able to establish Izzy Melody."

Alissa was introduced to the Start-Up Loans scheme by her Delivery Partner, Merseyside Investment Fund. "Within six days of applying for a Start-Up Loan, I was granted the £2,500 I really needed to launch my business and assigned a mentor who has provided me with vital guidance and support".

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Start-Up Loans is not just proving to be popular with budding entrepreneurs. His Royal Highness, the Duke of York, has demonstrated his support for the scheme by hosting an event at Buckingham Palace in February to launch the schemes Student Ambassador Programme. Renowned entrepreneur Elle McPherson has also backed the scheme and described Start-Up Loans as "an inspiring initiative to support up and coming business men and women" and has encouraged people to embrace their entrepreneurial spirit.

Business Minister Michael Fallon said:

"Start-Up Loans are firing up thousands of aspiring young entrepreneurs' business ideas. This scheme is really motoring and its high demand and popularity shows no sign of abating. This is about encouraging and unlocking the great entrepreneurial spirit we have in the UK."

Chairman James Caan said:

"Whilst we are well ahead of our target numbers, I believe that we are only scratching the surface. 2000 young, ambitious and highly motivated people have taken their future into their own hands. At the moment 40 people a day are choosing to start their own business thanks to Start-Up Loans.

"I am very proud of what we have achieved thus far. We have built a fantastic team that is committed to the success of Start-Up Loans. As an entrepreneur myself who has built businesses, I am very conscious that maintaining our own costs when we are spending money on behalf of the country is absolutely vital in the current economic environment. Using our own entrepreneurial approach, I'm pleased to see that we have come in under budget for expenditure. "

For more information, please contact Hanah Caan, hc@hbpe.com

#### Notes to Editors

- 1. Regional case studies are available on request
- 2. Start-Up Loans are available to 18 30 year olds in England to start a business. Criteria and FAQs can be found on www.startuploans.co.uk/faqs
- 3. The Start-Up Loans Company is a private business, established and chaired by James Caan and funded by Government and global partners who bring additional value to the table through free and discounted offers on products and services. All proceeds from repaid loans are recycled to the benefit of the programme.
- 4. Start-Up Loans has over 40 Delivery Partners to administer loans and mentoring, operating across England. A list can be found here: www.startuploans.co.uk/where-can-you-get-a-loan/
- 5. Government has made £117.5m available to fund Start-Up Loans up to 2015. This is broken down into: £10million for the pilot phase 2012/2013, plus an additional £5.5m

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- confirmed yesterday to meet ongoing demand to the end of the year; £42million for Year 2 2013/2014; £60million for Year 3 2014/2015.
- 6. Before the pilot, it was envisaged that the average loan size would be £2,500, although the key was meeting identified and affordable business need. The pilot has indicated that £4,000 5,000 is more in line with what is required, although we have made loans for as little as £500.
- 7. Start-Up Loans has received more than 10,000 approaches from people wanting to start a business. To date, 2,000 businesses have been approved for funding.
- 8. Alongside the start-up loan, the programme also provides funding to enable business support and on-going mentoring. This is an essential part of the approach to help our businesses thrive and survive.