

## **PRESS RELEASE**

# **True entrepreneurs will thrive despite VAT and cuts worries**

**A survey carried out by UnLtd, the Foundation for Social Entrepreneurs, has revealed that the majority of social entrepreneurs are unsure of what to expect following the emergency budget announcements last week, with 3 in 4 expecting their venture to be affected.\***

With news of the Government planning spending cuts of £30bn by 2014/15, **39% of respondents are feeling less confident as a result**, with **45% believing it will create a negative effect on their venture**. One respondent said, 'Our main customer is the public sector. Take that away and our business will suffer by more than 25%.'

Social entrepreneurs expect the key taxation measures that will affect them most will be the increase in VAT to 20%, with **69% expecting the rise to have a negative effect on their venture**. However, the decrease in income tax for low earners is welcomed with 48% expecting a positive effect as a result of this.

Some believe that the emergency budget announcements will be worse for early start-up social entrepreneurs and the less well-off who will now have less funding or resources available. Despite more opportunities being presented in terms of social problems and the need for innovative solutions, those without their own money to start up will find it difficult to get off the ground.

The survey reveals the Coalition Government is met by a general sense of uncertainty with **44% not knowing if they will affect their venture for the better or the worse or indeed make any difference**. Many respondents are unsure about the level of support the Government will show in supporting social entrepreneurs, many of them feeling that any improvements to their ventures will be down to their own efforts and working with others to find 'synergies with complementary organisations'.

**Despite these uncertainties and the challenges ahead, the survey indicates the value of social entrepreneurship will be even greater;** presenting an opportunity for determined, creative and resourceful social entrepreneurs prepared to take risks and respond to a changing environment. The Emergency Budget announcements reinforces the need for 'greater emphasis on getting the community to do things for the community' and the ability 'to merge with others to deliver social change.' One respondent said, 'Social Entrepreneurs are driven by passion and belief. The sort of person who worries about changes in the economy or government would probably never become one.'

Cliff Prior, CEO at UnLtd said: 'UnLtd's survey shows social entrepreneurs are alert to market changes and realistic about facing greater social needs with less public money. They know there will be challenges with VAT and cuts, and that the full picture has not yet emerged. But they are determined to survive and thrive'.

UnLtd, the Foundation for Social Entrepreneurs, are a charity who provide the world's largest programme of support to individuals in setting up business ventures with a positive social impact. Each year, UnLtd provides support to over 1,000 individuals based in the UK and the projects of these individuals have a positive impact on many tens of thousands more. UnLtd operates a unique model by investing directly in individuals and offering a complete package of resources; from awards of funding between £500 and £15,000 to ongoing advice, networking and practical support.

\*Statistics taken from feedback given by 130 respondents from all over the UK. HEADLINE REF: 75% of social entrepreneurs expect the Emergency Budget cuts to affect them.

For more information about the support offered by UnLtd, please visit: [www.UnLtd.org.uk](http://www.UnLtd.org.uk)

#### **Notes to editors:**

**For more information, please contact the UnLtd Communications Team on Tel: 020 7566 1137 or email Comms@UnLtd.org.uk**

#### **About UnLtd:**

UnLtd is the leading provider of support to social entrepreneurs in the UK and offers the largest such network in the world. UnLtd resources over 1,000 individuals each year through its core Awards programme.

UnLtd operates a unique model by investing directly in individuals and offering a complete package of resources; from awards of funding between £500 and £15,000 to ongoing advice, networking and practical support.

UnLtd supports individuals who have their ventures firmly rooted in delivering positive social change.

The Global Entrepreneurship Monitor (Harding and Harding 2008) found that there were 1.7m people leading social organisations in the UK, 238,000 trying to start one, and that 35% of all nascent (early stage) entrepreneurs were starting with social ventures.

UnLtd Ventures - provides long term specialist support to a number of outstanding entrepreneurs.

UnLtd Research - leads on inspiring and informing action, policy and social change.

UnLtd Connect - brings together experienced professionals able to offer pro-bono support and those who are growing social ventures.

UnLtd Advantage - is the premier investment readiness programme for social entrepreneurs and those investing in them.

Live UnLtd - is transforming how society views young people and how young people view themselves.

UnLtdWorld.com - connects you to the people, tools and information you need to change the world.

For more information about the support offered by UnLtd, please visit: [www.UnLtd.org.uk](http://www.UnLtd.org.uk)