

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT
BY SENATOR B.E. SHENTON
ANSWER TO BE TABLED ON MONDAY 12th SEPTEMBER 2011**

Question

Will the Minister confirm whether the Economic Development Department, through Jersey Enterprise or any other body, provided a grant or underwrote any loans to Home Ideas and, if so, detail the date and amount of this grant or underwriting facility?

Will the Minister also advise the amount of grants paid by Jersey Enterprise to businesses, or loans underwritten to businesses that are no longer trading?

Answer

Economic Development Department provided support to Home Ideas Ltd with a Small Firms Loan Guarantee on 30th August 2007. The Guarantee was for 75% of a loan made available to the company from a high street bank. The amount of the original loan, and the current lower outstanding balance, is commercial confidential and must be treated as such during this difficult time for all concerned.

It is extremely unfortunate for the company, its owners and creditors that the business became a casualty of the tough trading conditions. The owners did everything they could to make the business succeed and only after taking professional advice was the difficult decision to stop trading made. The Directors declared the company *en désastre* and the Viscounts Department are currently dealing with the company's affairs and liquidating assets to pay creditors. Only after the assets have been liquidated and after all other guarantees have been realised will Economic Department know if, or what value, any grant will become payable.

The nature of financial support, whether direct or by guarantee, to start up businesses involves an element of risk and it is therefore not unexpected that some businesses that receive such support fail. However it is this sector involving start up and small businesses that offer the greatest opportunity for growth and job creation.

Since 2007 Economic Development has paid out 331 grants with a value of £713,000 and underwritten 6 loans with an original value of £890,000. During this period 4 companies including Home Ideas Ltd are known to have stopped trading. To date the value of the grants paid to business that have stopped trading totals £16,000.