

Headline Data - Equity Funds



Capital for Enterprise is pleased to present summarised and aggregated data on the Government's interests in equity funds which it manages on behalf of the Department for Business, Innovation and Skills. Data from the British Venture Capital Association is shown as a benchmark for regional activity.

The analysis below shows that:-

- Over 680 companies have received funding from the schemes so far, which have received some £396m.
- The regional spread of the recipients of funding is more widely distributed than for the venture industry as a whole. For example, in the English Regions, BVCA data indicates that around two thirds of funding goes to London and the South East; in the funds managed by CfEL, this proportion is just less than half.

Fund Sizes

Regional Venture Capital Funds (£m)	£224
Community Development Ventures Funds (Bridges) (£m)	£40
Early Growth Funds (excl coinvestment) (£m)	£27
Enterprise Capital Funds (£m)	£282
The Aspire Fund (£m)	£13
Capital for Enterprise Fund (£m)	£75
Total Fund Sizes - Aggregate (£m)	£660

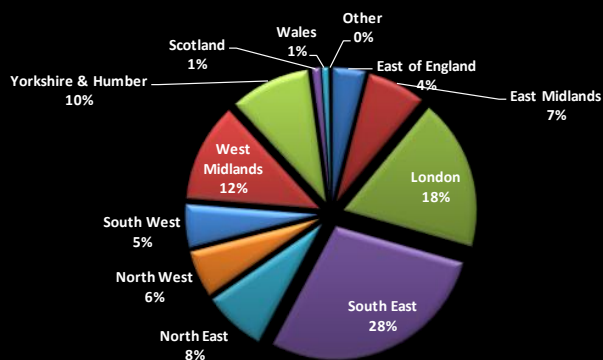
Investment Performance

No. of Companies Receiving Investment	687
Gross Amount Invested (£m)	£396
Current Cost Of Investment (£m)	£287
Current Value of Investment (£m)	£255

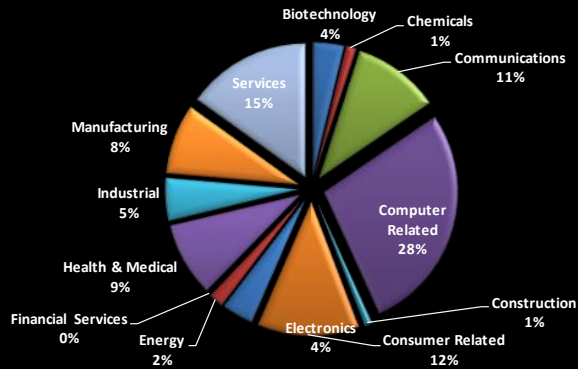
No of Companies in Current Portfolio	414
No of Investments Written Down in Value	204
Value of Investments Written Down (£m)	(£95)
No of Investments Written Up in Value	93
Value of Investments Written Up (£m)	£63

Number of Complete Exits	48
Profit Generated (£m)	£38
Number of Write Offs	226
Amount Written Off (£m)	(£65)

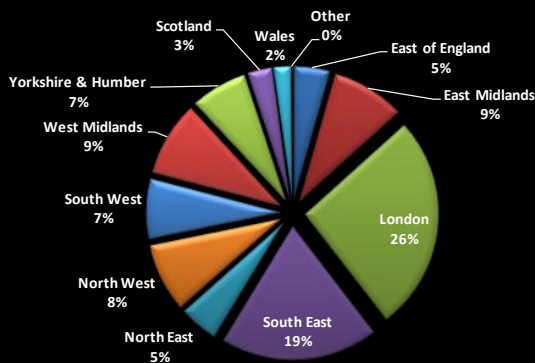
Number of Portfolio Companies By Region



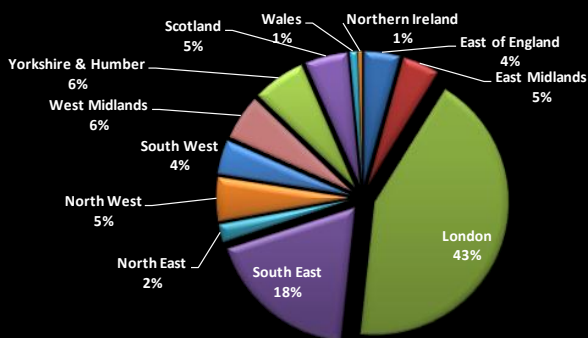
Number of Portfolio Companies by Sector



Investment (£m) by Region



BVCA DATA - Investment (£m) by Region (2006-2010)



Source: BVCA Private Equity and Venture Capital Report on Investment Activity 2010 - Table 11: Investment by region (UK) 2006 -

Please note that the analysis below does not include:-

- The Enterprise Finance Guarantee debt programme or its predecessor (SFLG)
- Recently announced programmes such as the UK Innovation Investment Fund
- Enterprise Capital Funds that have been awarded but not closed
- Funds managed by Departments other than the Department for Business, Innovation and Skills
- Funds created and managed by other organisations such as the Regional Development Agencies
- The UK High Technology Fund, which has a different structure

Information prepared in January 2012 using fund information from 30 September 2011 and 30th June 2011 as appropriate. This sheet will be updated twice each year as new fund reports are received.

Summary of Schemes - Equity Funds



Scheme Name	Objectives	Year commenced	Fund Sizes (Note 1)	Govt Commitment	Max Investment
UK High Technology Fund (Note 2)	<p>Demonstrate to investors and the venture capital industry that commercial returns can be made on early stage, high technology investments.</p> <p>Attract new institutional investors into the technology sector and encourage their longer term interest.</p>	2000 - fund of funds 2000 - five underlying funds 2001 - three underlying funds 2002 - one underlying fund	£126.1m	£20m	No Limit
Regional Venture Capital Funds	<p>Establish a programme of regionally based venture capital funds where the majority of investment is provided by the private sector.</p> <p>Demonstrate to potential investors that commercial returns can be made by funds investing in the equity gap such that future funds could have less Government subordination.</p> <p>Increase risk capital to growing small businesses without displacing other activity in this part of the market.</p>	2002 – seven funds 2003 – two funds	Individual funds range from £12m-46m Total raised £226.5m, subsequently reduced to £224m (see note 5)	£74.4m	£500,000
Community Development Ventures Funds (Bridges)	<p>Provide venture capital to commercially-viable businesses that operate within or have links to the 25 per cent most under-invested (disadvantaged) areas of England</p>	2002 – two funds, A and B	A) £28m B) £12m	A) £14m B) £6m	A) £500,000 B) no limit
Early Growth Funds (Note 3)	<p>Demonstrate to private investors that commercial returns can be achieved by investing in early growth businesses.</p> <p>Encourage risk funding for start-ups or early growth businesses.</p>	2002 – one fund 2003 – two funds 2004 – three funds	Individual funds range from £3m-£5m Total raised - £89.5m at company level, £26.5m at fund level (see note 4).	£26.5m	£100,000
Enterprise Capital Funds	<p>Increase flow of new fund managers entering the early stage market.</p> <p>Attract more entrepreneurial investors to the market.</p> <p>Be a self-financing programme over the medium term.</p>	2006 – five funds 2007 – one fund 2008 – two funds 2010 - one fund 2011 - one fund	Individual funds range from £10m-£37.5m Total raised – £281.6m	£156.2m	£2m
The Aspire Fund	<p>Increase the number of successful women-led businesses within the UK.</p> <p>Act as beacon to women entrepreneurs, where they can demonstrate high growth potential.</p> <p>Improve linkages between sources of funds and providers of investment readiness support.</p>	2008 – one fund	£12.5m May raise up to £25m in co-investment	£12.5m	£1m

Capital for Enterprise Fund	Support viable businesses, enable them to raise new long-term finance and take advantage of business opportunities even in difficult trading conditions. Support businesses that find it difficult to finance their current business plans, where the business is over-leveraged.	2009 – fund-of-funds, two underlying funds	Individual funds of between £32m and £35m plus a co-investment provision of £8m Total raised – £75m	£50m	£2m
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Notes

- 1 Fund size relates to amounts committed by the Department and other investors or raised through co-investment, and not to current valuation.
- 2 The primary role of a fund-of-funds manager is to invest in other funds offering support to businesses meeting the Department's criteria.
- 3 This figure excludes a hybrid Early Growth Fund which incorporates debt and equity options to which the Government has committed £5m.
- 4 The figure for Early Growth Funds includes £67.8m of co-investment at company level.
- 5 One fund was subsequently reduced by £2.5m

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