



# BRITISH BUSINESS BANK: ENTERPRISE CAPITAL FUNDS



IMPACT  
FOR  
SCALEUPS

FINANCE  
PROVIDED  
**395 SMEs**

FINANCE  
INVESTED  
**£448m**

FINANCE  
COMMITTED  
**£938m**

JOB CREATION  
**60%↑**

CONNECTIONS  
Investors,  
customers  
and expertise

REVENUE GROWTH  
**40-100%**

*“Securing part of the funding we need to continue our expansion both here in the UK and internationally through the British Business Bank’s Enterprise Capital Funds programme has already had an impact on the performance of the company. We know what we have to do to grow and can now finance our growth plans, which includes at least ten new hires in the UK alone.”*

**DAN KIERAN**  
CEO, Unbound

*“Funding has helped us to develop the potential of our business and has played an important part in our story as a company. Dawn has been a great partner for our company as we have grown internationally.”*

**PETER BAUER**  
CEO, Mimecast

**The Enterprise Capital Funds (ECF) programme is a significant part of the UK venture capital industry, with 24 funds facilitating access to finance for 305 SMEs (as at end September 2016). Its aim is to increase the supply of equity to UK growth companies and to lower the barriers to entry for fund managers looking to operate in the Venture Capital market. The programme makes equity investments of up to £5m in early-stage and high-growth firms. ECF funds in the programme have the capacity to provide £938m of finance to SMEs with £448m currently drawn.**

## COMBINING PRIVATE AND PUBLIC MONEY

Enterprise Capital Funds (ECFs) is the UK Government’s flagship VC scheme to address the sub-£2m equity finance gap faced by potential high growth businesses. It combines private and public money to make equity investments in high growth businesses. The British Business Bank (BBB) invests alongside venture capital funds on terms that improve the outcome for private investors when those funds are successful. It contributes investment up to two-thirds of the size of the fund. It aims to encourage venture capital funds to operate in a part of the market where scaling businesses are not able to access the growth capital they need.

The programme started in 2005, and it has been run by the BBB since November 2014. Over the life of the programme, there have been adjustments to increase the funding round size limit from £2m to £5m and to increase the maximum investment limit into an ECF from £25m to £50m.

Enterprise Capital Funds are managed by experienced fund managers from a variety

of backgrounds – including teams from the venture capital industry as well as serial entrepreneurs with a history of success in building early-stage UK companies.

Since 2005, over £938m (including third party) has been committed through the programme, including £543m from the BBB (as at end February 2017).

Almost all companies participating in the programme reported non-financial benefits, including introductions to partner investors, potential customers or suppliers, as well as the knowledge and expertise of the ECF nominee on their board.

The ECF is making significant impact in overcoming the equity gap for scaleups and generating revenue growth, employment and innovation.

### FOR FURTHER INFORMATION

For further information about the programme: <http://www.scaleupinstitute.org.uk/scale-up-programmes/>

## + CALL TO ACTION

We consider this asset class has a significant role to play in growth capital and recommend businesses get to know the Funds operating in this area as early as possible as they consider their forward-looking plans. It is an important aspect of the British Business Bank’s suite of scaleup services which we hope will expand and other investors will take advantage of.