

THE ENTERPRISE CAPITAL FUND PROGRAMME

Enterprise Capital Funds (ECFs) combine private and public money to make equity investments in high growth businesses. Our ECF programme is designed 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 British Business Bank invests alongside venture capital funds on terms that improve the outcome for private investors / fund managers when those funds are successful.

We do this to encourage venture capital funds to operate in a part of the market where smaller businesses are not able to access the growth capital they need.

This 'equity gap' arises where businesses with viable investment propositions are unable to attract investment due to a number of factors, such as sector, stage of development and location. It is precisely these situations which the British Business Bank is focused on addressing.

HOW CAN I APPLY TO RAISE AN ECF WITH THE BRITISH BUSINESS BANK?

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.

We operate a rolling investment programme for commitments to new ECFs and welcome new applications from UK fund managers.

To find out more about the ECF programme contact us at ECFteam@british-business-bank.co.uk

Apply to raise an ECF with the British Business Bank

The ECF Guidance, application and draft partnership agreement can be found on our website at:

 british-business-bank.co.uk/ourpartners/enterprise-capital-funds

KEY FACTS



We're working with **28 Fund Partners** across the UK to unlock finance for smaller businesses

28
Fund
Partners

47%
based
outside of
London



The programme has supported over **500** UK smaller businesses, **47%** of which are based outside of London

The UK Government in 2017 announced a commitment of up to **£1bn** to the Enterprise Capital Fund programme over the next 10 years



Over
£1.2bn
committed



Our ECF programme has committed more than **£1.2bn** of finance since inception, of which British Business Bank has contributed almost **£700m**

Under the geared structure of the ECF programme, private investors have seen a TVPI of **1.65x** (as at Q3 2018)



The ECF programme has helped 16 Fund managers to raise their first institutional fund and so far **63%** of these have already gone on to raise a further fund

The top five sectors currently supported by ECFs are:



SaaS



Artificial
Intelligence



Industrials



E-Commerce



Healthcare



CASE STUDY: ACTIVE PARTNERS

HOW WE WORK WITH OUR FUND PARTNERS



A selection of Active Partners' ECF-backed investments: Chick 'n' Sours, Caravan Restaurants and Cubitts.

A funder's experience of raising an Enterprise Capital Fund with the British Business Bank

Active Partners is a specialist growth capital investor in the consumer sector. The team works with founders to scale what are, without exception, leading propositions within their niches.

Active Partners was founded in 2004 by Spencer Skinner and Gavyn Davies. Spencer was an entrepreneur and Gavyn was a partner at Goldman Sachs who had founded several fund management companies. Both had a passion for the consumer sector, and they had already made initial investments into two early stage ventures, Soho House and Leon Restaurants, before they partnered with British Business Bank.

In 2014, following some success with other investments such as Rapha and Evans Cycles, the two founders took the strategic decision to evolve from a family office to a fully-fledged fund management company.

Spencer and Gavyn had heard about the British Business Bank's Enterprise Capital Fund (ECF) programme and approached British Business Bank directly. Having already raised a smaller, first fund, in 2015, it allowed them to spend time on due diligence with the ECF team at British Business Bank, and the fund - Active ECF LP - was closed in the summer of 2016.

Working in partnership with the British Business Bank was a key factor in the firm's evolution. The ECF team helped Active think more deeply about many things, including their investment strategy and how they could develop internal processes and cope with a much larger portfolio. This included developing a clear plan on how to build out the team and how to engage with portfolio

companies. This was time-consuming for the team at Active and had an impact on the launch date of the ECF, but was invaluable for them in the long run.

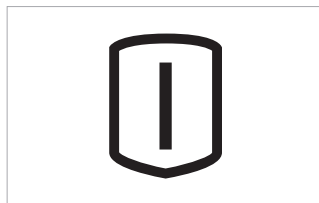
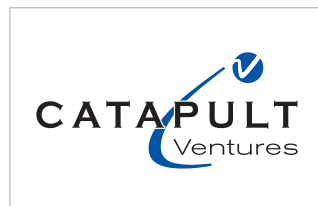
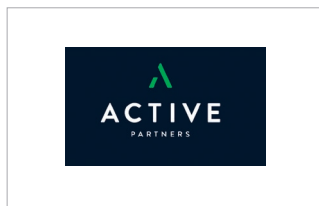
Another reason why the ECF programme appealed to the Active founders was the leverage offered for their early stage investments. It helped Active attract new Limited Partners, including Sir Charles Dunstone, one of the UK's leading consumer entrepreneurs.

Active ECF LP launched on 19 July 2016. It is a £40m fund, of which the British Business Bank invested £24m, and other existing investors / LPs, the remaining £16m. The team at Active have invested in seven companies to-date: The Fold; Caravan Restaurants; Chick'n'Sours; CHIK'N; TravelLocal; Social Entertainment Ventures and Cubitts.

“ Working with the ECF team has helped us evolve from an opportunistic family office to an entrepreneurial and nimble growth capital firm. The professionalism expected by them of us was a catalyst for real change and our business is stronger for it. We are now in the final stages of closing our third fund - Active Partners III LP - which would not have been possible without the British Business Bank.

**Spencer Skinner, Founding Partner,
Active Partners**

OUR FUND PARTNERS



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