

Finance South East

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**Funding Options for Companies in the
South East**

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Introduction

- Finance South East – early stage funding organisation “Transformative Funding”. Backed by regional development agency (SEEDA)
- Publicly backed – private sector ethos. Independent Board
- Established 2002 - team of 30 people
- Achieved FSA authorisation in 2006
- c.£40m of funds under management – National and regional player
- Taking risks where private sector unable or unwilling to do so

The Vision

- Creation of the South East Funding Escalator – a series of interlinking and complimentary early stage funds
- Integrated and simplified funding journey for ambitious entrepreneurs from pre-start to expansion (Filling the Equity Gap)
- Investment coupled with hands-on support. Pro-active approach to fund management
- Mentoring, coaching, non exec support, introduction to other forms of business support

Funds Under Management

- 2004: Establishment of the Accelerator Fund - £10m revolving mezzanine fund. Funded 50:50 by BERR and Clydesdale Bank. 140 offers of finance (£12.5m), 3 AIM Flotations
- 2004: Establishment of South East Capital Alliance - Business Angel Network (SECA) 225 Investors
- 2004 - 2005: Established various “proof of concept” and early stage funds (SEPOC, PockeT, Catalyst etc) - combined to form:
- 2007: South East Commercialisation Fund - £3m. Fund for proof of concept/market entry activities. Funded by SEEDA

Funds Under Management

- 2007: South East Seed Fund - £5m Fund for equity investment. Funded by SEEDA, Universities and Private Investor
- 2008: Transitional Loan Fund - £3m Fund to assist companies with “credit crunch” recession issues
- 2009: Transfer of Management of Business Grants schemes from SEEDA to FSE. Annual budget of approx £5m
- 2009: Launch of National Collaboration Fund funded by Engineering and Physical Sciences Research Council

Performance over past 12 months

- 85 new investments made from Proof of Concept to Growth
- Maintenance of Investment Portfolio of c.300 businesses
- £3.5m of direct investment which provided £17.5m of private sector leverage
- 2 new Funds launched

What do we look for?

- No sector bias, but natural preferences because of South East economy
- Approx 40% of portfolio ICT related
- Ambitious growth businesses with identified leader (Not necessarily full management team) Not all “high-tech”
- Scaleable, international presence, capable of adding value to South East economy

Responding to the 'Credit Crunch' / Recession

- Taking a bold approach
- Willing to share risk / business as usual
- Back good ideas and ambitious enterprises
- Building the South East economy for the longer term
- Lobbying government (local, regional, National) for meaningful support

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