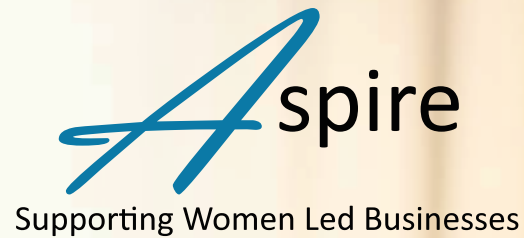


Summary

- Investment in funding rounds of between £200k and £2m (figures are for total funding round, including private investor funding, which could be equity, mezzanine or specialist debt).
- Maximum investment in a funding round by the Aspire Fund is £1m.
- The Aspire Fund will invest on the same or better terms than private investors and has to have at least £1 for £1 of matching private investment.
- Matched investment from private investors to be made on commercial terms, with CfEL to verify that reasonable due diligence has been carried out.
- The Aspire Fund may charge a fee to cover the costs of making and monitoring the investment.
- The Aspire Fund may require board representation.
- The company must fall within the EU definition of an SME. The company receiving investment must be incorporated in the UK.
- Unless otherwise stipulated at the time of investment, there are no time based restrictions on the length of investment.
- Businesses with women in lead roles, such as executives, investors or advisors are the principal target of the Aspire Fund.



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The Aspire Fund

Established in 2008, the £12.5m Aspire Fund targets support for women-led businesses across the UK. The Fund is able to make equity investments of between £100k and £1m, on a co-investment basis, in order to help strong businesses grow. It will consider start-ups where the product and market are proven. The Fund is not able to invest to rescue failing businesses.

The objective of the Fund is to increase the number of successful women-led businesses within the UK, ensuring that those with real potential to succeed are not held back through a lack of growth capital.

The Aspire Fund's co-investment approach aims to extend the range of companies that can be supported with the capital available, as well as meeting requirements for State Aid. The Fund will provide up to 50% of funding for any one investment, alongside other private investors.

Although the Fund is managed by Capital for Enterprise Ltd ('CfEL'), all investments will need to be matched and led by an experienced co-investor. Any approaches to CfEL should be made through the selected co-investor.

Who is eligible for funding?

In all cases the overall strength of the business case and the expected long term potential are the key factors that will determine whether the Aspire Fund is able to support a specific business. In addition to this there are a number of mandatory characteristics that a business must comply with in order to gain funding. The business must:

- be incorporated in the UK and fit within the EU definition of an SME
- operate entirely or substantially within the UK
- not be in receipt of an equal or higher investment from a public sector fund

What is meant by women-led businesses?

Because the Aspire Fund has been established with the intention of helping female entrepreneurs there are a number of key measures we will track for any investment, specifically:

- the composition of the board and executive team, whether or not these have more than 30% representation by women
- the ownership of the equity in the business (once third party investors, eg. VC funds and business angels, are discounted)
- the role of senior female executives within the business

Who can invest alongside the Fund?

The co-investment model operated by the Aspire Fund requires that an experienced investor is in place in order to lead the funding of a specific business. Most professional corporate finance, venture capital and business angel investors will be familiar with this mode of operation and will be able to offer guidance on the process.

If you already have a lead investor, or are in discussion with potential investors, be aware they will need to provide the following to support a request for funding:

- the case for investing in the business
- evidence that they are a strong lead investor and that they are independent from the business
- evidence of the due diligence they have carried out

Although the Aspire Fund terms require that you should have an experienced lead investor, this does not prevent you from bringing other investors in as well.

What can I expect from the Aspire Fund as an investor?

The Aspire Fund makes investments on a pari passu basis, in other words on equal terms to other private investors. The Fund does not make grants and any investment made by the Fund will need to be backed by an equity stake in the business being invested in. It may also include Preference Shares or debt as part of the overall deal.

Many private investors will be willing to offer more than just capital in support of your business, potentially providing mentoring, contacts and general advice. Be sure to take this into account when considering potential investors.

How do I apply for the Aspire Fund?

Because the Aspire Fund is a co-investment fund any investment will need to be supported by a lead investor, which in many cases will be an established venture capital firm, but could also be an experienced business angel investor. The Aspire Fund is not able to make investments directly in businesses, so any approach for funding should be made through an established investor.

If your business is currently looking for a lead investor an Investment Readiness Programme can probably assist in making appropriate introductions and developing your businesses investment proposal. Your local Business Link or Finance Wales can advise you how to access these programmes.

Investors interested in co-investment from the Aspire Fund should contact CfEL at aspire@capitalforenterprise.gov.uk or telephone 0114 206 2131.