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Is there too much money in the UK early stage equity market?

Leigh Hackel – SBS (Moderator)



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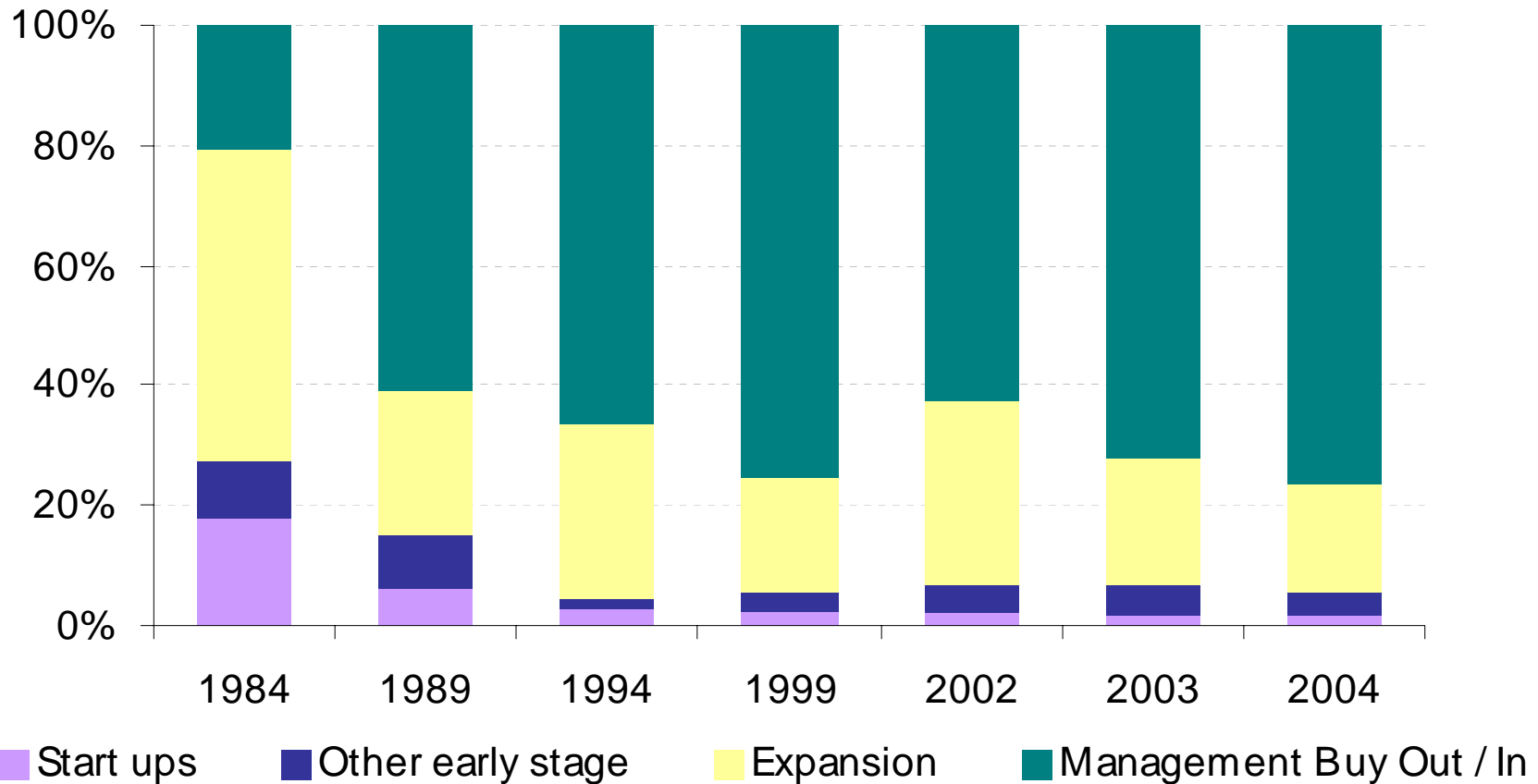
Is there an equity gap?

- A long-standing problem
- The situation is dynamic



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An Equity gap? Venture Capital Investment by Stage



Source: British Venture Capital Association



Is there an equity gap?

- A long-standing problem
- The situation is dynamic
- Reasons for the gap



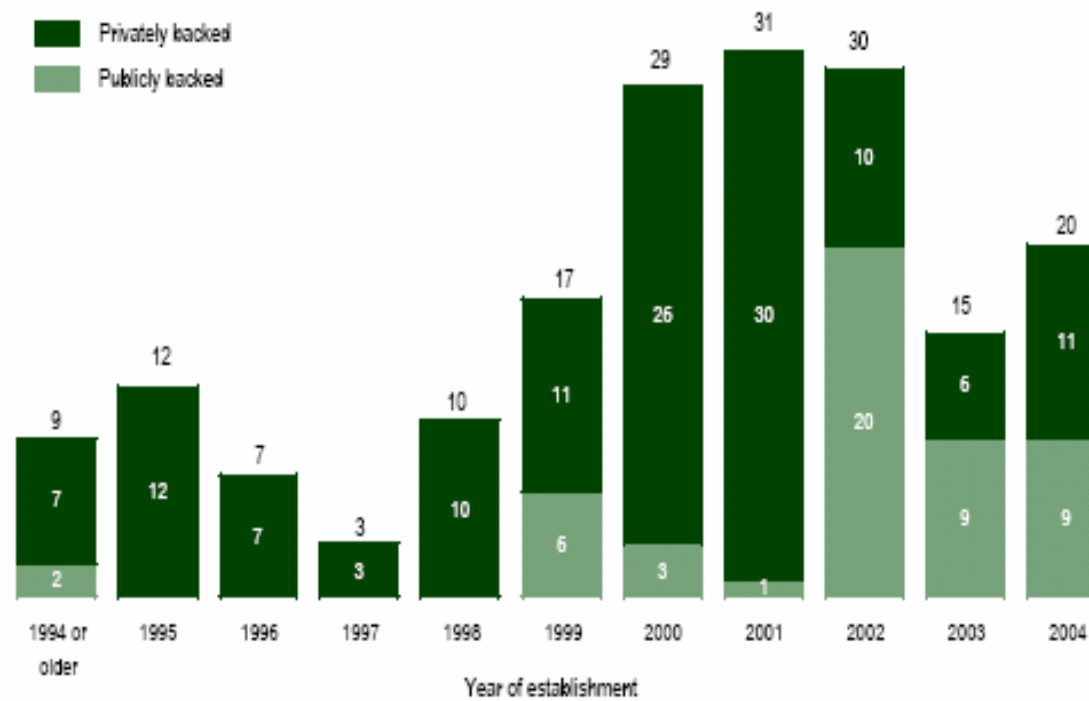
- The case for government intervention
- Main schemes
 - UK High Technology Fund
 - Regional Venture Capital Funds
 - Community Development Venture Fund
 - Early Growth Fund
 - Enterprise Capital Fund



- The case for government intervention
- Main schemes
- Types of intervention
- Impact



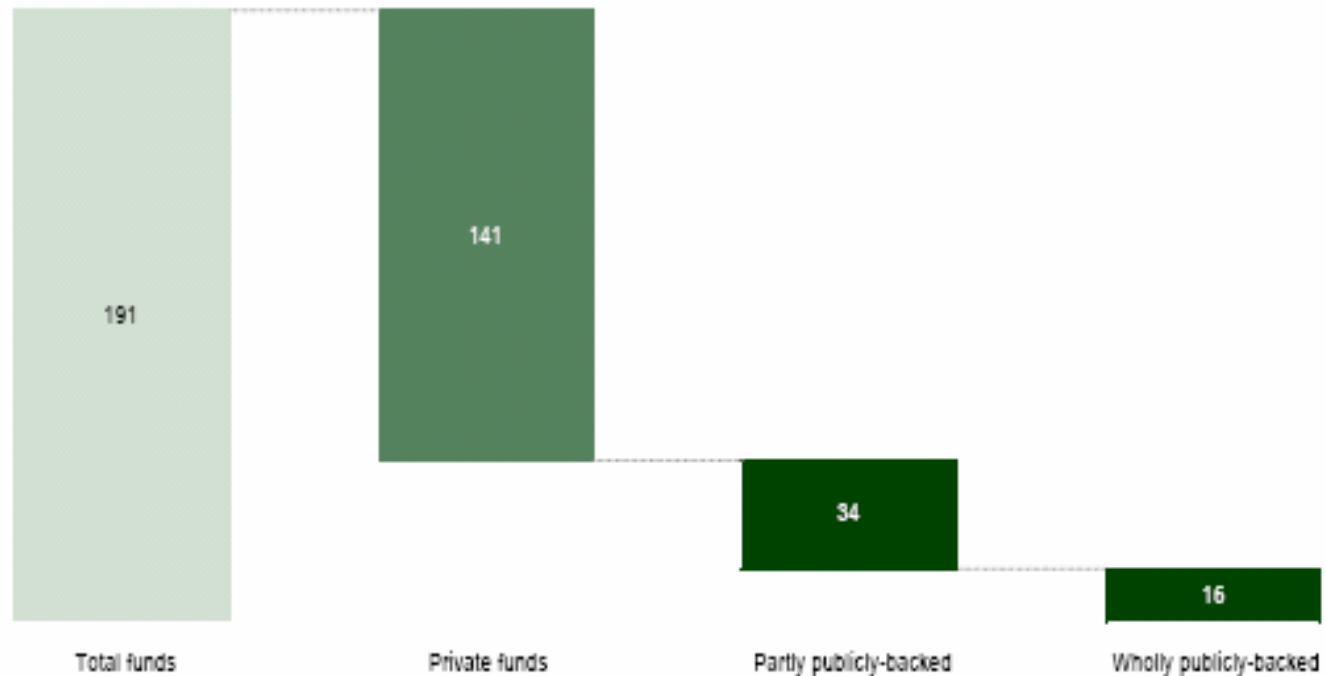
Chart 4: Active funds, by year of establishment



Source: Almeida Capital research



Chart 20: Breakdown of funds with some public sector capital



Source: Almeida Capital research



- Investment readiness
- Large, diversified funds
- Developing the business angel infrastructure



George Whitehead – Nesta

Derek King – South-East Growth Fund

David Beer – Beer & Partners Ltd.

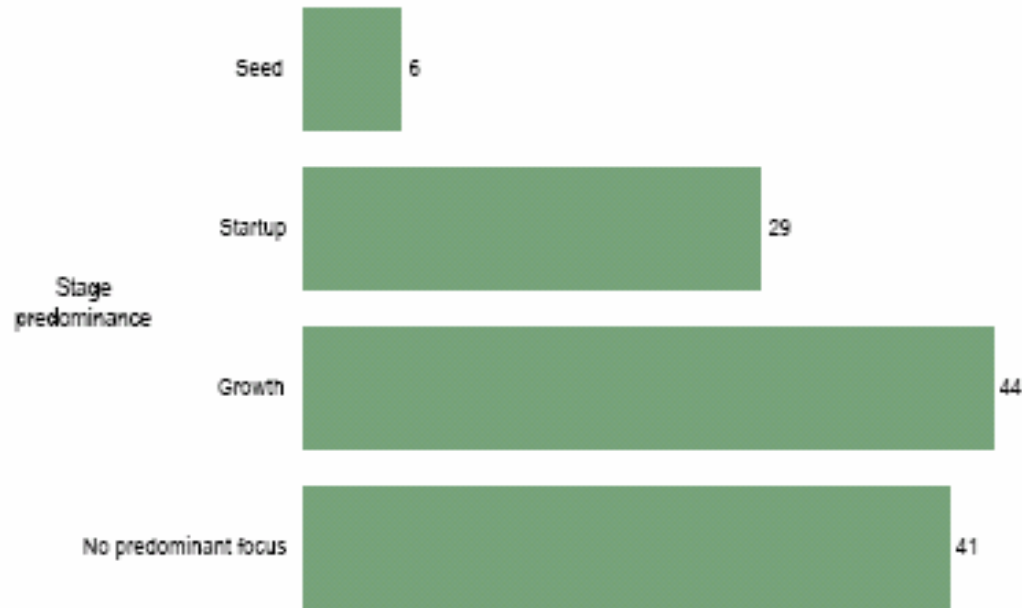
Vivienne Upcott-Gill - TEChINVEST



- Can we bridge the equity gap?
- What are the most effective measures?
- Can public and private sectors co-exist?
- What can we learn from abroad?



Chart 16: Average size of fund by stage predominance (£m)



Source: Almeida Capital research