

Future Fund headlines

- Govt matches equity investment in company (new shares) with 3 year convertible loan at minimum 8%. from £125k to £5m
- Prescribed conv loan agreement must be used <https://www.british-business-bank.co.uk/wp-content/uploads/2020/05/Convertible-Loan-Agreement-FINAL-VERSION-17.5.20.pdf>
- Loan can only be repaid in certain circumstances otherwise will convert into equity upon an “event” e.g. exit or new funding round
- Conversion discount of at least 20%
- £500m available, first come first served
- Open until 30th Sept 2020
- Upto 100% match of investor funding
- Funding must not be used to repay loans, pay bonuses or dividends

Company

- Company must have raised at least £250k equity funding since 1st April 2015
- UK company, not listed (includes AIM)
- No sectors excluded
- Incorporated before 1st January 2020
- Must be parent company if in a group
- At least 50% of employees are UK based OR 50% of revenue from UK

Investors

- Broadly, FCA authorised, self cert or HNW company
- Initial indications are that investment will not qualify for EIS
- If a syndicate, lead investor must invest at least £12.5k

Process

- Investor starts process by applying on online portal, <https://www.uk-futurefund.co.uk/s/>
- Company verifies information and provides more details

NOTE: not comprehensive and not advice. See <https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-schemes/future-fund/> for full details. May 2020