

For the attention of Julian Todd
<mailto:request-24325-aa8dc75d@whatdotheyknow.com>

2 June 2010



Freedom of Information Request IR/09/1879

Thank you for your e mail of 21 January 2010 requesting an internal review following the response to your Freedom of Information Request for copies of all Investee Summary Sheets from SMEs seeking investment from an Enterprise Capital Fund (ECF) along with a copy of any master spreadsheet or database into which information from these sheets is keyed in.

I apologise for the delay in responding but as advised previously, this request raised public interest considerations which required further detailed investigation. The Department for Business Innovation and Skills (BIS) has now conducted a review and the decision not to release either the individual investee company summary sheets or any aggregated data on investee companies is upheld for the following reasons:

In our response to your Freedom of Information request dated 21 January 2010 we confirmed that :-

- Capital for Enterprise Limited (CfEL), the arms length body which manages the Department's equity programmes, holds Investee Summary Sheets for SMEs seeking investment from an Enterprise Capital Fund on behalf of BIS.
- We considered such information was exempt under section 43 of the Freedom of Information Act and was therefore being withheld.

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[http://www.bis.gov.uk/](http://www.bis.gov.uk)

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We directed you to both CfEL and BIS websites which provide information about the ECFs and information about the support offered through this scheme:-
<http://www.capitalforenterprise.gov.uk/>;
<http://www.berr.gov.uk/whatwedo/enterprise/finance/enterprise-capital-funds/pages37473.html>

The information provided by an SME seeking funding from an ECF has been given on the expectation that this will be treated in confidence and not passed onto any other third parties (except under strict control conditions for use in any evaluation of the ECF programme and the Government's analysis of the equity gap). This is sensitive commercial information to the company and they would not be prepared for this to be placed in the public domain.

The ECFs are aimed at small and medium sized business and the rules state that the Fund Managers cannot make an initial investment in a listed company (ie listed on the Stock Market). Therefore, in making the individual Investee summary sheets or any summary spreadsheets publicly available we would be releasing commercial in confidence information which is not already in the public domain.

BIS invests in an ECF alongside private investors and all investors are bound by the terms of the Limited Partnership Agreement governing the Fund. In signing the Agreement BIS along with other investors in the Fund has agreed to use reasonable endeavours to ensure information relating to portfolio companies is kept confidential. Investors are explicitly prohibited from publicly disclosing information that may be detrimental to portfolio companies.

You should be aware that the Public Accounts Committee following the National Audit Office Review of Venture Capital to Small Businesses has stated that it is concerned about the confidentiality agreements and the level of information available in the public domain.

This Department has subsequently reviewed the confidentiality agreements that are signed and concluded that the clauses are a commercial requirement which protects small and medium sized companies that have been invested by preventing detailed information on their performance, which would not otherwise be in the public domain, being made available to competitors. The Committee acknowledged CfEL were constrained in their ability to publish data on individual companies but stated that more information should be made available on fund performance.

CFEL has now provided information concerning the amount of investment made by the department in the separate funds. There are also links to the websites of the Fund Managers that prospective investors can contact. CFEL has also included aggregate information about the investments broken down by region and sector. BIS has also published details of its interim review of the early investments which can be found at www.berr.gov.uk/files/file53943.doc

I realise that this information does not fully address your concerns, in that we cannot provide information at the company level, but it does provide further details of the investments made.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at :-

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Yours sincerely



Philip Rycroft
Director General Innovation & Enterprise Group
& Chief Executive Better Regulation Executive