

Ashley Monroe
By email

Reference: FOI -2020 Ashley Monroe

21 February 2020

Dear Ashley Monroe

FOI request: your e-mail 03 February 2020

In reply to your questions:

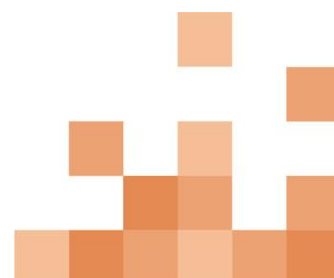
- 1) How many scientific or engineering based start-up companies and spin out companies have been created each year for the last 5 years?
- 2) Of these companies, how many of them received private investment of over £100,000 within 1 year of starting up?
- 3) What is the typical % share of equity that you have taken in Spin Out companies each year for the last 5 years? Is this negotiable?

Cambridge Enterprise Limited is a wholly owned subsidiary of the University of Cambridge and our role is to commercialise the research results from the University of Cambridge for the benefit of society. In order to do this, we have 3 business units dealing with business creation, the licensing of intellectual property and consultancy services. Subject to sponsors right none of the services provided by Cambridge Enterprise are mandated by the University of Cambridge Intellectual Property Rights policy and in such circumstances creators would be free to commercialise.

Item 1

Cambridge Enterprise has been involved with the formation of 67 scientific or engineering based companies in the financial years 2014/15 through to 2018/19 (Cambridge Enterprise financial year:1 August to 31 July).

Financial Year	Science or engineering based start-up and spin out companies created
2014/15	7
2015/16	14
2016/17	17
2017/18	15
2018/19	14
Total	67



Note: Other companies may have been created by staff or students at the University without the involvement of Cambridge Enterprise.

Item 2

Our records show, 40 of these companies received private investment of over £100,000 within 1 year of starting up (not limited to private investors and including investment from the University Seed Funds managed by Cambridge Enterprise).

In total, since 1995, our portfolio companies have raised over £1.8Bn in follow on funding (investments and grants).

Item 3

The University of Cambridge Intellectual Property Rights policy can be found here:

<http://www.admin.cam.ac.uk/univ/so/pdfs/2019/ordinance13.pdf>

Under the policy the University does not negotiate ownership of equity in a new start-up or spin-out company at the time of its formation. The University, through Cambridge Enterprise, may negotiate an equity share in return for granting the company a licence of intellectual property rights; or may acquire equity through direct investment (as would any financial investor).

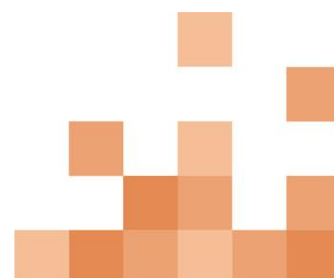
In answering this question, we have considered equity received by Cambridge Enterprise in return for a licence of intellectual property rights only. Unless other arrangements have been made, any revenues received from these equity stakes are then shared with the inventors of the Intellectual Property according to the above policy.

Financial Year	Mean	Median	Number of companies
2014/15	20.8%	7.2%	3
2015/16	27.4%	15.2%	8
2016/17	11.8%	10.0%	6
2017/18	23.7%	24.8%	4
2018/19	0.0%	0.0%	0

The majority (12 of the 14) companies created in 2018/19 are pre-seed and have not yet been granted licences.

After dilution from the first funding round, the average stake held by Cambridge Enterprise (across all years) is 8.4%, with a median figure of 6%.

If you are unhappy with the service you have received in relation to your request and wish to make a complaint or request an internal review of this decision, you should contact us quoting the reference number above. Cambridge Enterprise would normally expect to receive your request for an internal review within 40 working days of the date of this letter and reserves the right not to review a decision where there has been undue delay in raising a complaint. If you are not content with the outcome of your review, you may apply directly to the Information Commissioner for a decision. Generally, the Information Commissioner cannot make a decision unless you have



exhausted the complaints procedure provided by Cambridge Enterprise. The Information Commissioner may be contacted at: The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF (<https://ico.org.uk/>).

Yours sincerely

Dr Paul Seabright
Deputy Director
paul.seabright@enterprise.cam.ac.uk

