

British Business Bank backs £50 million fund for tech start-ups

A £50 million [fund](#) has been launched to help get British [tech start-ups](#) off the ground.

Launched by venture capital business Concept Ventures, the fund will back at least 60 [start-ups](#) in the UK over four years, with investments ranging from £100k up to £600k.

The fund includes a £30 million commitment from government-owned economic development investor the [British Business Bank](#). It is the largest dedicated pre-seed fund in the UK and is aimed at plugging an investment gap between ‘[angel](#)’ funding – typically a £30k commitment – and later stage venture capital funding.

Concept Ventures founder Reece Chowdhry told the Standard: “As VCs have moved up the market, what you see is people come to London and set up offices but they’re often focused on later-stage funding – no one’s really focused or specialised on this pre-seed stage funding.

“It’s incredibly important – it’s the earliest stage, you have to give founders a chance.

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71% of Concept Ventures' investments successfully make it through to subsequent funding rounds. Over 80% of the fund's investors are ethnic minorities, while 18% are women.

"Typically all the return from VCs come from one or two companies, so by having so many companies we're investing in we're reducing the risk of that portfolio," Chowdhry said.

The announcement comes after research found smaller start-ups are struggling to secure funding, with less and less investment going into early-stage businesses relative to their more mature peers.

Out of a study of 50 companies analysed by consultants Oresa, the largest seven raised an average of \$1.23bn, almost ten times the average amount raised by the remaining 43 in the group at \$123.8 million.

Analyst at Oresa Will King said: "A lot of investment is quite speculative – as the economic situation is shifting, we're seeing less appetite for that kind of speculation.

"The lack of seed funding at the lack of lower round funding will have a knock-on effect for smaller companies' ability to grow."