**The Future Fund Scheme (FFS)**

**What is this FFS?**

It is a Government convertible loan scheme. Initially, the Government will make available £250 million in total through the British Business Bank. The convertible loans will range from £125,000 to £5 million in total.

**Who is this loan offering aimed at?**

High-growth tech start-ups who are struggling under the current crisis, who rely on equity investment and cannot access the Coronavirus Business Interruption Loan Scheme.

**When is it to be rolled out?**

Exact dates are unknown, but the intention is to roll it out from May through to September 2020.

**What are the eligibility requirements?**

1. The company must be an unlisted UK registered company.
2. It must have raised at least £250,000 in private funding within the last 5 years.
3. It must have a sustained economic presence in the UK.

**What are the FFS terms and conditions?**

1. The loan shall mature after a maximum period of 3 years.
2. The loan must be used only as working capital.
3. The interest will be set at a minimum of 8% and will be paid at the end of the loan term. The interest rate shall be higher if a higher rate is agreed between the company and the matched investors.
4. Eligible companies must acquire private investment to match that of the Government funding. Government investment will make up no more than 50% of the overall amount.
5. The Government shall have limited corporate government rights during the term of the loan and as a shareholder if the loan is converted into shares.
6. If the loan is converted to shares, the ‘most senior class of shares’ must be offered, comparable to the value of the loan.

**The Convertible Loan Agreement**

<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/885821/convertible-loan-agreement.pdf>