

Business Angel Funding

Who/What are Business Angels?

Business Angels (sometimes known as 'Dragons') are typically high net-worth individuals who have often made their own wealth by building up a business that they have then sold or floated. These high net-worth individuals look to invest part of that wealth into the equity of a small number of private companies.

How do I find a Business Angel?

Business Angels are notoriously difficult to find but there is an increasing number of Business Angel Networks (BANs) operating around the UK who seek out prospective angel investors and help to bring together angel investors and the companies/management teams that are seeking angel investment funds.

How do Business Angel Networks (BANs) work?

These networks act much like a dating agency to connect prospective Business Angels with potential investment opportunities that meet the profile that the Business Angel has specified. Some BANs encourage Angels to invest in the form of syndicates where a number of Angels will take a smaller stake in the business concerned; this is especially true of larger investments (£250k upwards). The BAN will often charge for the service that they provide and the level of charges varies from network to network.

What are Business Angels looking for?

Business Angels are often looking for more than just an investment opportunity. Not untypically these individuals have a huge amount of experience, knowledge and contacts that they can bring to the table (in addition to their hard cash) and they will often be looking for investment opportunities where they can 'add value' and contribute to the development of the companies in which they invest.

Is a Business Angel investment right for you?

Business Angels typically invest between £10,000 and £500,000 in any individual investment (although investments at the higher end of this scale are infrequent). Larger amounts tend to be syndicated by groups of Angels investing together.

Business Angels will often seek an active involvement/participation in the business and some will even seek remuneration for the time that they invest in this capacity.

Many Business Angels will look favourably upon investment opportunities that offer Enterprise Investment Scheme (EIS) tax relief and some will invest through EIS or VCT funds.

What to look for in a Business Angel?

You need to make sure that the Business Angel is right for your company. The management team and the Business Angel need to be able to work together and the Business Angel's skills, experience and personality must match your company's needs.

How can Blue Sky Corporate Finance help you?

Our corporate finance professionals have considerable experience of working with Business Angels and we have formal/informal relationships with most of the Business Angel Networks operating in the UK as well as many individual Business Angels. We can help you to prepare an approach to the Business Angel community (including the Investment Proposal), we can help you to negotiate the terms with the BAN if one is engaged, we can help you to prepare your presentation to the Business Angel or syndicate, we can help you to negotiate the terms of investment with the Business Angel and we can help you to navigate through the process of securing funds from a Business Angel.



To find out how **Blue Sky Corporate Finance** can help you please call **0845 BLUE SKY** (0845 2583759) www.blueskycf.com