



**SO YOU HAVE STARTED A BUSINESS...
HOW DO YOU GROW IT FROM HERE?**

You have made a great start. You have a business. You are providing products or services that people want. You have a business plan, but now you need to scale up to take advantage of the opportunities you have.

SO WHERE DO YOU GO FOR FUNDING?

You may have started with money from your own resources, or from friends and family. But where do you go when this runs out.

Naturally there are banks and other debt providers.

And for others there is Crowdfunding.

But what other options are available to you? And is there an option that could bring on experienced angel investors and advisors and the cash you need to succeed?

It's time to talk about SEIS and EIS...

INTRODUCING SEIS AND EIS

The Enterprise Investment Scheme (EIS), and its baby brother, the Seed Enterprise Investment Scheme (SEIS) are government schemes to encourage investment into start up or growing young companies. Investors are offered a range of tax benefits, to compensate for the risks of investing in early stage companies.

SEIS is for funding up to £150,000, and offers Income Tax relief of 50%.

EIS is for funding of amounts above this, up to a maximum of £5 million p.a. and with Income Tax relief of 30%. There are also enhanced funding limits for Knowledge Intensive companies. These schemes can be set up as individual investments or as part of Funds. The investors receive shares in your company in exchange for their investment.

The starting point is to find out from HMRC if your company qualifies for 'Advance Assurance' (<https://www.gov.uk/guidance/venture-capital-schemes-apply-for-advance-assurance>). If you don't know what this entails, please contact us at EISA. You can also find out if your business is considered to be 'Knowledge Intensive'. There are a number of EISA members who can also support businesses with their Advance Assurance application and you can find them listed on our Member Directory (<https://eisa.org.uk/member-directory/>).

MORE THAN MONEY

In the simplest terms, the incentives offered by the Government encourage high numbers of experienced investors to back early-stage businesses. That's great because it means that you can access the cash you need but, more importantly, the people behind that money can make a massive difference to your business too.

Want someone with a network to open doors in your industry? Want to surround yourself with experienced businesspeople that have 'been there and bought the T-shirt'? Want access to the right people to join your business? You'll often find it in the EIS space.

Auddy Ltd raised EIS funding from Haatch Ventures. The Founder of Auddy said 'We gained enormously from our partnership with Haatch. They introduced us to new investors, and shared their experience as entrepreneurs to guide us through complex challenges, and encouraged us to engage with their community of investors to develop our products.'

AUDDY

 **haatch** ventures



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HOW TO RAISE EIS CASH

Raising money via the SEIS/EIS route is not always easy of course. Its attractiveness makes it competitive and so you need to stand out. To do so it can pay to follow the following advice from one of our members, Haatch:

1. ALWAYS hand craft your email outreach to funds and investors. Do your homework and ensure you call out why you feel there is a specific fit and why they should read on.
2. Build a short-and-sweet overview deck of no more than 8 slides that succinctly and crisply described the What, How and Why of your business and your raise. Include how you plan to spend it and where it will get you to in revenue and product terms.
3. Follow up after a few days, politely and with further insight.
4. Be patient. Great funds, and investors, get a lot of inbound requests. If yours resonates you will hear back!

It is also worth saying that not all EIS or SEIS managers are the same. They will have different areas of specialisation, ranging from digital transformation to life sciences to health tech to generalists. So if you don't know who to approach, please contact us at EISA.

Good luck!

