

Connecting investors and entrepreneurs through seed funding

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The rise of organisations connecting entrepreneurs and investors has spread across London in recent years. Inspired by TV shows such as Dragons Den, the boom in UK entrepreneurship and the tax incentives in place for investors. These organisations provide entrepreneurs with a forum for which they can source funding opportunities. [Start Up Funding Club](#) formed in 2012 by Stephen Page. Recognising the challenges for new start-ups accessing seed funding, SFC connects them with a network of angel investors to plug this gap. They hold events regularly and give selected entrepreneurs the chance to pitch their investment opportunity to a room full of investors. Alongside the angel network, SFC have invested in nearly 60 exciting businesses from its own dedicated SEIS funds, investing in a wide range of industries including tech, food & drink, pharmaceuticals, property and gaming. Focusing on the Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) which allows an individual to invest up to £100,000 per tax year, the risks associated with start-up investment is offset by the generous tax breaks on offer. Those for the SEIS include: - 50% income tax relief - 100% capital tax exemption - capital gains reinvestment relief - loss relief (in case of startup failure) - inheritance tax relief For start-ups, they can raise a maximum of £150,000 from UK based investors after meeting certain criteria and this method can alleviate a number of difficulties that hinder investment from other sources of funding. One particular success Start Up Funding Club has seen is Onfido, the provider of automated background checks, which recently raised \$25m in its series B funding round to fund their US expansion. Onfido were identified by Startup Funding Club who invested in the company at an early stage. SEIS and EIS schemes have accounted for over £12bn worth of investment since their launch, and look set to continue helping UK start-ups raise funds as they grow.