



Investment & Working Capital in the West Midlands

Paul Heaven
Blue Sky Corporate Finance Ltd

Blue Sky Corporate Finance

- Since 1998
- Start Up's & Early Stage Finance
- Specialist Advisors up to £5 Million
- Disposals/Buy-Outs/Buy-Ins and Growth Capital
- Members of the Regional Finance Forum
- Member of the Bham/Solihull LEP Board
- Investment Readiness
- Help Preparing Business Plans
- Equity/Debt/Grants/Business Support

What are the Options?

■ Grants

■ Debt

■ Equity

Grants

- TSB – R&D Grants
 - Advanced Engineering Supply Chain Grants
 - National Programmes – 39
 - Regional Programmes – 57
 - Amounts £1,500 – £500,000
 - Hard to Get
 - Relative Merit
 - Jobs Driver
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Local Debt

- Community Development Finance Institutions (CDFI's)
 - ART, BCRS, CWRT, Impetus and Others
 - Loans of up to £50k (Lower Viability Threshold)
- Birmingham City Council – Business Loan Fund (up to £1 m)
- British Coal/ British Steel Enterprise Funds (up to £1 m)
- Michelin Development Fund – Unsecured Loans £5k +
- Princes Trust (£5k) and Others
- Business Loan Fund – P2P – www.thincats.com

The Business Loan Network

ThinCats.com



National Debt

- **Enterprise Finance Guarantee Scheme (EFGS)**
 - **Business Growth Fund (£2 - £10M) Debt/Equity/Mezzanine**
 - **The Green Bank - £3 Billion (initial focus on large projects)**
 - **The Big Society Bank (Social Enterprise)**
 - **National P2P Portals (Thin Cats/Funding Circle etc)**
 - **The Advanced Engineering Supply Chain Fund**
 - **The Regional Growth Fund Backed Schemes**
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Equity

- Ownership/Participation = Interference
 - High Growth & Exit Plans
 - Like IPR Based Business
 - High Risk – High Return Expectations
 - Expensive to Arrange
 - Modest Service Costs
 - Investment Agreement
 - Non-Executive Director
 - £50k to £Gazillions
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Types of Equity Investment

- **Seed/Start-Up (F, F & F)**
- **Business Angels “Dragons” (£50k+)**
- **Regional Govt Backed Equity Funds (£50k to £1m)**
- **National Govt Backed Equity Funds (£1m to £2m)**
- **EIS Funds (£500k+)**
- **VCT Funds (£2m+)**
- **Venture Capital (£5m+)**
- **AIM (£5m+)**

Local Business Angel Networks

■ www.abangels.com

■ www.cebangers.com

■ www.beerandpartners.com

■ www.minerva.uk.net



Local Equity Funds

- Early Advantage Fund
 - £18 Million Fund
 - Up to £250k Matched Investments (£750k Total)
 - Fund managed by Midven



- Exceed Midlands Advantage Fund
 - £18 Million
 - Up to £250 to £750
 - Fund managed by Midven



- Advantage Creative Fund
 - Up to £250k
 - Creative Industry Focus



- Mercia Technology Fund
 - £50k to £1 Million
 - High Technology Focus
 - In the process of raising a new fund



mercia fund management

National Govt Backed Equity Funds

■ Enterprise Capital Funds

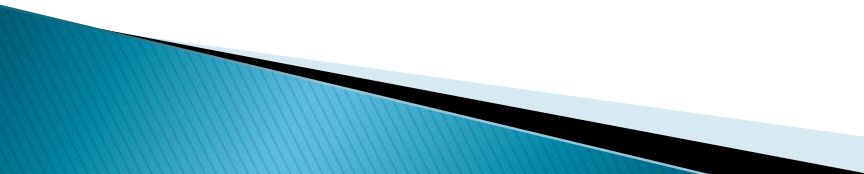
■ £500k to £2 Million Equity

- IQ Capital Fund
- 21st Century Sustainable Technology Growth Fund
- The Seraphim Capital Fund
- The Amadeus Enterprise Fund
- The Catapult Growth Fund
- Dawn Capital ECF
- Oxford Technology Management ECF
- MMC Venture Managers
- Panoramic Growth Equity

Political Landscape

- So What is Happening at National/Local Govt Level?
 - Regional Development Agencies (RDA's) abolished
 - Local Enterprise Partnerships (LEP's) formed
 - West Midlands to have 2 Enterprise Zones
 - Birmingham/Solihull
 - Black Country
 - Business Link – Closed Nov 2011
 - Manufacturing Advisory Service – Survives
 - National – Growth Accelerator Programme Launched – April 2012
 - GB&S LEP (and others) – ERDF Funding for Business Support
 - Private Sector Programmes – ICAEW/Goldman Sachs
 - Support Harder to Find but it is out there

How to get to the Money?

- ▣ Invariably it is Structured!
 - ▣ Rarely a Single Answer
 - ▣ What is the Right Type of Finance for the Company/Owners?
 - ▣ High Growth/Ownership/Control/Exit Strategy/Lifestyle Business
 - ▣ What is the Art of the Possible?
 - ▣ Asset Finance
 - ▣ Trade Finance (Factoring/CID/Payroll/Inventory)
 - ▣ Loans
 - ▣ Equity
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Thank You

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