

JENSON SEIS & EIS FUND

Investee Company **Frequently Asked Questions**

What are the benefits to the Investee Company?

The prime reason is funding for an Investee Company to enable it to grow.

SEIS This is an equity investment of up to £250,000 per company if it has been trading for less than two years with gross assets not exceeding £200,000 and less than 25 full-time employees. In return, the Jenson Seed EIS Fund is typically seeking a significant minority equity stake in the Investee Company of around 20% to 30% depending on the circumstances.

EIS This is an equity investment of up to £5 million per company with gross assets not exceeding £15 million and less than 250 full-time employees. The Jenson Growth EIS Fund is typically seeking a significant minority equity stake in the Investee Company of around 15% to 40% depending on the funding, circumstances and performance.

Which companies and businesses are eligible for funding?

Any UK based trading company is potentially eligible for funding but there are certain types of excluded business such as financial services, farming and property. Please review our SEIS and EIS Checklists.

What are the requirements to be met to receive this funding?

There are quite a few procedures to be completed before an investment is made. We will need to work together to complete these quickly and efficiently, especially on due diligence. The process has been summarised to help you through all these stages. Please review our Summary of Investment Procedure.

What will the investment charges be for the Investee Company?

We have worked very hard to keep fees to a minimum. Our investee charges are as follows:

- Investment Fee – SEIS 9% / EIS 6%
- Fund Administration Fee (EIS only) – £350 + VAT per month
- Due Diligence – Prior to each SEIS investment, a due diligence report will be required, this will be produced by a competent professional firm, and may be an associate business of Jenson.

We are unable to vary these charges and they only become payable on the conclusion of a successful investment in your company. There are no upfront costs to apply to the Fund.

Are there any other charges once the investment has been completed?

A key condition of the investment is that we have board representation to help advise you on your business requirements and challenges. This will typically take the form of a Jenson partner joining as the Jenson Advisor. This will form part of the support programme offering shown above however this relationship may expand on flexible mutually agreed terms as the company grows with potential additional fees payable to cover additional services provided.

What if I am not satisfied with the investment and monitoring services?

We have arrangements in place to review any concerns you have during the investment process and you have the right to decline the investment up until completion. After the investment has been completed, monitoring will become a contractual obligation. However, any concerns or complaints will be taken seriously and we will replace the Jenson Advisor if it is appropriate in the circumstances.

Will you help us report to investors after investment?

We expect to report to the investors on progress at least every quarter (we carry out a full valuation exercise on all companies in the portfolio every six months) and we will be preparing investment reports on a regular basis in consultation with the Investee Company directors.

What happens if we need more funding?

We will monitor cash flows carefully and help you secure additional funding if appropriate.

When will you consider an exit and help us achieve this?

Investors must wait for at least three years before the tax advantages are crystallized on selling their shares. There is a business consideration when realising such investments but the general expected timescale for an exit is between five to seven years. We have considerable experience of realising investments and we will advise and help manage the process for you.