
COULD YOUR BUSINESS USE HELP FROM AN ANGEL?

(Or maybe you'd like to be an Angel yourself?)

Many businesses around the world have been helped by Angels. There's nothing spiritual or mystical about it – it's a straightforward financial arrangement. And it could happen here. John Turner at Burgh House explains.

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Angels, or more properly Angel Investors, supply funding to businesses. Usually at start-up, but possibly at any time in the life of the business when it needs extra capital, perhaps to invest in a new project.

They put in money in exchange for shares, or options on shares. But unlike most shareholders, they usually don't demand to participate in the day to day running of the business. You run your business as you did before. Some will be willing to offer advice if you need it; most are completely hands-off.

In some ways it's like having a rich and generous relative, although in practice it is a hard-headed business arrangement. They expect the business to grow as a result of their investment, making their shares more valuable, so that when they sell they make a profit.

Unlike a bank loan, there is no interest to pay or monthly repayments to meet. If the business makes a profit they may expect a share, in proportion to their shareholding, but many are quite happy to invest for the growth in share value alone. And at some time in the future, usually as arranged with you beforehand, they will sell their shares and take their profit.

Could your business benefit through support from an Angel? For the right business in the right situation it can be the best way to raise that additional capital to expand and grow.

If you want to discuss Angel Investment for your business, or if you would like to consider becoming an Angel Investor yourself, please contact me at Burgh House Limited.

John Turner

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