

Imperial College Innovation Fund I

Imperial Staff /Student FAQs

These FAQs should be read in the context of the press release on the Imperial website, appended below. Any questions on the detail of the Financial Conduct Authority (FCA) regulation should be directed to the fund manager (Parkwalk Advisors on icif@parkwalkadvisors.com or 020 7759 2285) and any questions on the UK tax rules or whether an investment in the Fund is suitable for you need to be directed to your financial advisor or accountant.

Why is the College doing this?

Imperial has developed a strong infrastructure and support network around its entrepreneurs with facilities and programmes that include Enterprise Lab, the White City Incubator, the Translation & Innovation Hub, the Imperial Venture Mentoring Service and the Imperial College Advanced Hackspace to help new ideas come to fruition. However, the issue of early-stage funding continues to prove an obstacle in the startup process. Many university-based startups lack the early development capital to progress to the stage where they are ready to seek capital from venture capital providers. The Fund will help fill this funding gap both by making investments and attracting co-investors.

Isn't £1 million to £2 million too small?

Imperial's approach is to provide several different types of support, such as the routine investor pitch evenings and the establishment of the Imperial Angel network, to give the Imperial community a choice of where they can go to raise funds for their startups. The intent for this fund is not to dominate the investment landscape at Imperial but to add another dimension. In this context, we are starting with a small fund targeting early stage investment.

What happens after the fund has invested all its money?

If the fund has been successful in the intent above and building value in its investments, then there is a possibility Fund II will be launched. This will be judged at that point in time.

What is Parkwalk's role in the fund?

The fund is managed by an external fund manager – Parkwalk Advisors (regulated by the FCA) – Parkwalk Advisors has wide experience in running similar funds for some of our peer universities. They are responsible for the fund-raising process and will make the final investment decisions.

Who is the key contact at Imperial regarding the fund?

The Startup team within the Enterprise Division is responsible for Imperial's interest in the fund. Any questions arising that are not addressed in this document can be addressed to a member of the [Startup team](#).

Can I invest in the fund?

In order to invest in the fund, you must fall within at least one of the categories of investor detailed at the top of column 2 of the Important Notice on page 2 of the Information Memorandum (IM) – so, most commonly, a high net worth individual or a sophisticated investor. Note that investing in early stage unquoted startups carries a high degree of risk and this opportunity will not be suitable for all investors. You should take your own independent investment and tax advice.

I am a student. Is my startup eligible?

Yes. The Fund will invest in early-stage companies developing and commercialising technology and IP formed at and/or spun out of Imperial College London, if the company has been founded by Imperial staff or students or has a research or development link with the College.

Will the fund focus on any sector or faculty?

No. The Fund will consider investing in startups based on research from any faculty.

I am thinking about forming a startup. When can I get involved in the process? Who do I talk to?

You can start a discussion with the Startup team at any stage. In the first instance you should contact Brijesh Roy (Seed Investment manager) b.roy@imperial.ac.uk

What are the selection criteria?

The objective of the Fund is to invest in early-stage, high-growth, knowledge-intensive companies spun out from Imperial College London. As long as your startup fulfils these broad criteria, and can qualify for the UK government's [SEIS](#) or [EIS](#) investment schemes, the fund will consider investing in it.

What is the selection process for College startups to get investment?

The Startup team is responsible for building a pipeline of possible investment opportunities. They will work with selected opportunities to help prepare them to pitch for investment. To be considered for the pipeline you can sign up at this [link](#).

Who makes investment decisions?

The Imperial College Innovation Fund Investment Advisory Committee will make recommendations to the Fund Manager (Parkwalk), and the Fund Manager's Investment Committee will consider those recommendations when making its own investment decisions on behalf of the Fund.

Who is on the Investment Advisory Committee?

The Investment Committee bring together a diverse and expert team with a mix of skills gained across entrepreneurial startups, venture capital, academia and technology transfer. Parkwalk is entitled to have one representative at the Committee meetings.

External members are:

Dr. Iris Good (Entrepreneur and mentor); Brent Hoberman (Founder and Chair of Founders Factory); Alex van Someren (Managing Partner of the Early Stage Funds at Amadeus); Alice Bentick MBE (Co-founder of Entrepreneur First) and Dr John Burt (successful life sciences CEO including 2 Imperial startups)

Internal Members are:

Prof. King Kuok (Mimi) Hii (Dept Chemistry); Prof. Emma McCoy (Dept Mathematics); Prof. Eric Yeatman (Dept Electrical & Electronic Engineering); Dr. Simon Hepworth (Director of Enterprise and Dr Govind Pindoria (Associate Director Startup Formations and Investment)

What is the typical investment value?

The fund expects to invest between £100,000 and £250,000 into each company. It expects this to be at most 50% of the value of the investment round, and sometimes a smaller proportion.

What are the terms?

As is usual in early stage investing the investment terms for a startup will be decided on a case by case basis.

What is the risk profile?

The fund will consider investing into any early-stage Imperial startup and may also invest into scale up opportunities. Any risk profile will be considered as long as the startup has a potential to create impact in the world and an investment return to the fund.

Is there a difference if the startup is founders driven or jointly driven?

No. Any startup is eligible to be considered irrespective of the Founders Choice option they have chosen.

Innovation fund for Imperial staff and student startups launches

by [Gavin Reed](#) 09 March 2020

Imperial College London has launched its first Innovation Fund to invest in early-stage, high-growth, knowledge-intensive companies.

The Fund offers alumni and investors the opportunity to support the commercial development of Imperial's discoveries into tomorrow's solutions in medicine, engineering, biochemistry, genetics, materials, quantum computing, data science and beyond.

Imperial has a long history of producing ground-breaking scientific research and disruptive technologies, as well as a flourishing entrepreneurial ecosystem.

In the last five years, startups have doubled in number, attracting approximately £800m of new investment. Notable successes include GraphicsFuzz, sold to Google in 2018, and Magic Pony, an AI startup acquired by Twitter in 2016.

The Innovation Fund will invest in opportunities related to Imperial - whether founded by a member of staff or a student, or with a research or development link - to build a portfolio of (S)EIS-qualifying investing companies. It will invest at early-stage and provide follow-on funding, and will work with other investors. It may also seek matched grant funding from suitable institutions.

Imperial has developed a strong infrastructure and support network around its entrepreneurs. Aside from the commitment and backing of the faculty and strong industry networks, Imperial has introduced facilities and programmes including the [Enterprise Lab](#), the [White City Incubator](#), the [Translation & Innovation Hub](#), the [Imperial Venture Mentoring Service](#), and the [Imperial College Advanced Hackspace](#) to help support new ideas. In 2019, Imperial took control of its technology transfer, to provide the wider investor community direct access to the College's most innovative entrepreneurs, their ideas, and startups.

The Innovation Fund will be managed by Parkwalk, which over the past five years has been the UK's most active investor in world-changing technologies emerging from the UK's leading universities and research institutions.

University spinouts are a unique asset class in early-stage and growth investing, because they typically have years of research and development underpinning their technologies before they seek investment to commercialise. They are well tested, with strong IP protection, developed by the leading experts in their field, and are often seeking to solve the world's greatest challenges. This provides derisked, high-quality opportunities with a significantly lower failure rate than the wider startup community.

Professor Ian Walmsley, Provost of Imperial College London, said: "Early stage investment really matters for deep science and technology startups. The Imperial College Innovation Fund will provide invaluable support to Imperial founded companies at this critical stage in their growth.

"Imperial's thriving entrepreneurial ecosystem is unrivalled in the UK. Our staff and students are founding companies that move markets, disrupt industries, and address societal challenges. We are immensely proud of the economic and social impact they deliver for the world. This bold step will offer new ways for investors to engage with Imperial's groundswell of entrepreneurial talent, while amplifying the impact of our work."

Moray Wright, CEO of Parkwalk, commented: "We are delighted to be managing the Imperial College Innovation Fund on behalf of Imperial College London. Imperial is one of the world's great universities, with a particularly strong reputation in deep science and technology. Its startup companies are developing disruptive technologies that can have global impact and benefit wider society, as well as create the potential for significant investor returns."

If you are interested in the fund please contact the Parkwalk team on icif@parkwalkadvisors.com or 020 7759 2285
