

Newsletter

September 2009



TVIN Secures “high profile” New Sponsor

KEYSTONE LAW

TVIN is extremely happy to announce an exciting addition to its group of sponsors; Keystone Law, the UK's fastest growing law firm. Founded in 2002, the firm has grown continually to become a key player on the legal scene. It focuses on providing cost effective legal solutions to growing businesses and entrepreneurs and the fit with TVIN was apparent from the moment discussions commenced.

Keystone Law is different to other law firms in that its business model relies on the clever use of technology to cut out the overhead associated with large back offices, cost centres and inefficient use of available space. It only recruits senior solicitors with an impressive track record at the nation's top law firms and clients can be assured that they will be dealing with an expert in their field and not be passed on to more junior staff. The firm currently has 87 partner-level solicitors whose expertise involves early stage investments through to mature exits, and who can provide advice and counsel on a wide range of legal issues.

William Robins, a leading partner in the firm and closely associated with the completion of the sponsorship deal, said “I am excited about the opportunity to work with TVIN, its investor members and early stage businesses looking to raise investment. I have been to a few meetings and have been impressed by the drive and commitment of the entrepreneurs involved.” TVIN holds eight investment meetings each year at which 50 or so companies present their proposals to an invited audience of its members.

William noted that “it's tough out there and raising investment is a huge achievement for these companies. I want to help promising businesses get the best start. I particularly like TVIN's sense of community and Keystone Law would very much like to play its part in that.”

Leo Dunne, Network Manager of TVIN, suggested that “securing such a high profile and ambitious sponsor as Keystone Law is a great achievement for TVIN in what are particularly difficult times economically.” He went on to say that “I have been impressed by the enthusiasm, professionalism and drive of the team at Keystone Law. I think that the vision of their senior partners, William and James [Knight, Managing Partner], makes Keystone Law the ideal partners for a growing network like TVIN and complements perfectly what is already a strong sponsors panel.”



William Robins of Keystone Law, TVIN's new legal sponsor.



Augmentra “Map” out a Successful Investment

Members and regular attendees at TVIN Investment Meetings will recall Augmentra's award winning flagship product, ViewRanger (www.viewranger.com), which is a unique mapping, tracking and navigation tool that can be downloaded from the mobile internet or bought in outdoor retailers to transform a smartphone into a fully featured off-road and trail navigation system.

The business first presented in November 2008 and had a deal all-lined up only for it to fall apart at quite a late stage. A revised syndicate was formed and a new deal agreed but the company found that it was still a little short of its full requirement. Coming back to TVIN, it presented its case again in June 2009, having continued to make significant progress with the business without the benefit of the required investment. It immediately caught the attention of a number of TVIN investors and the round was fully subscribed for and closed in July.

ViewRanger has become popular with serious outdoor enthusiasts, professional users and Sunday ramblers alike, who value its ease of use, speed and additional features – available without having to buy a dedicated navigation device. As part of its growth plans, Augmentra will be bringing ViewRanger to a range of additional mobile platforms and expanding its map and data content

partner network around the globe.

Craig Wareham, CEO and co-founder of Augmentra said “We received a lot of interest from investors, despite the wider economic circumstances and we are delighted that Richard Brennan [a founding executive at Orange] and Simon Thorpe [new investor] have agreed to join our board of directors. Their insight and guidance will be highly valued during this period of rapid growth.”

“ViewRanger has already been proven in the field by professional users and keen outdoors enthusiasts alike,” said Thorpe. “Having the funds to further develop the underlying technology and deploy ViewRanger on additional mobile platforms, together with increased commercial activity, will provide greater opportunities for expansion and the development of new sales channels.”

Leo Dunne, Thames Valley Investment Network Manager, commented, “TVIN was happy to work with the team at Augmentra as we remain impressed with both their vision and drive. They had a strong commercial story to tell and the ability to tell this effectively. We are pleased that the investment has been completed and that TVIN investor members have played an important role in this. We look forward to receiving further news of their ongoing success in the future.”

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2009 Diary Dates:

Investment Meeting
4pm, Thursday
22nd October 2009
Penta Hotel, Reading

Investor Workshop
9.40am, Thursday,
29th October 2009
Mill Street, Oxford

Investment Meeting
4pm, Thursday
19th November 2009
Venue tbc

There is no doubt that the effects of the recession have started to show at the lower end of the market and are now affecting the development of early stage businesses on a number of levels. Valuations have been falling since last Autumn. This is good news if you're an investor but only if they stop falling once they've reached a reasonable level. When business valuations fall so far that entrepreneurs no longer want to raise investment because they have to relinquish what they perceive to be too great a stake in their business, then the stock of good investment opportunities begins to diminish.

Don't get me wrong; good opportunities do exist if you know where to find them and businesses that can weather turbulent times and come out intact the other side are usually well placed to take advantage of any upturn in the economy. That still makes this a good time to be investing as an angel as long as you can get access to the right deals.

In essence, that is what any business angel network is about, providing its investor members with access to the right deals. Naturally enough, not every business that presents through TVIN raises the funding it seeks, but we hope to ensure that all of them have something about them that holds out that promise. We try to make sure that they have a story to tell, a market opportunity to reveal and a plan to address that opportunity. And, should they achieve something near what they set out to do, that they hold out the potential to offer substantial returns to their investors.

We do, in this current climate, see some businesses that are revenue generating but find themselves short of working capital. Profitability has reduced and they need a cash injection to tide them over. Many operate in service industries or as "middle men" in an elongated supply chain. When times are good, they may be able to grow organically and trade profitably, but their underlying ability to significantly increase the value of the business may be very limited. I have recently heard from an investor who has a 15% stake in a business that is trading profitably and paying its management quite well, but there are no available exit options other than at a discount to true value. Whilst TVIN is open to being persuaded differently, we do not see these as opportunities we should be putting to our investor members.

It is often an error early stage businesses also make; they focus on the amount of funding they need and ignore the features of that funding. Loans need to be repaid, generally starting pretty soon after they have been granted, and businesses need to be able to generate sufficient excess cash to meet this need. Grants are generally awarded not to meet the needs of the recipient of the grant (as an over riding goal) but to meet the objective of the economic, social or technical needs of that grant programme and the business will need to be able to demonstrate that it does this, whether or not that progresses its commercial development.

Investment has its own particular needs. The more risk an investment accepts, the greater the returns need to be. Where the return of capital is guaranteed, returns expected are a percentage of the amount committed. Where it is not, as in investing in early stage businesses, the returns expected are a multiple of the amount committed. TVIN continues to look to present businesses to its member that have this potential.

Our congratulations go out to Augmentra, GradFutures and Sports International for securing the investment they sought and we have our fingers crossed for those proposals that are nearing this point themselves.

A final personal note goes out to Roger Brown of Peerius, who has recently suffered an unexpected and tragic personal bereavement. Our thoughts and prayers are with you.

With kindest regards, Leo Dunne, TVIN Network Manager.

Are competitors stealing your customers via Google Search?



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A good Google ranking is vital to every business, but with AdWords, you can take a short cut. This is all well and good for legitimate advertising. However, if the ECJ follows the Opinion just issued by the Advocate General relating to a legal battle between *Louis Vuitton* and *Google*, your competitors could be able to 'hijack' your brands - even those protected by registered trademarks - and snare your customers.

Google's AdWord policy enables companies to buy specific words so that their ads appear whenever those words are entered in Google Search. The auction-based system assigns words to whichever company places the highest bid for them.

Louis Vuitton had suffered from counterfeit retailers buying its registered trademarks to appear at the top of the listings, and contested that customers might be confused. However, the Advocate General has now advised the ECJ to rule against them, saying that Google has not committed a trade mark infringement by allowing advertisers to select, in AdWords, keywords corresponding to trade marks.

Businesses need to be aware of this practice and the potential impact it could have on trade, especially during the current difficult conditions. The door is wide open for rival companies to buy words you thought were exclusively yours and draw your customers away from your brand.

SMEs should always strive to protect their business as adequately as possible, and with both the UK and EU Trade Marks Offices planning to later this year significantly reduce the cost of registering a trade mark, the time is ripe for brand owners to strengthen their IP protection. It should be remembered that whilst *Google* may have avoided infringement on this occasion, it is unlikely that those employing AdWords containing the registered trade marks of others will fare as well.

Elisabeth Murray, Mathys & Squire LLP

Lean Thinking



In these times of economic uncertainty, most businesses are trying hard to tighten their belts, maximise income and reduce expenditure. It would be commercial suicide not to unless you happen to be a business that thrives on recession such as a discount retailer. For the rest of us we simply have to look after the bottom line.

In the software development world there is much talk of adopting the motor industry's 'lean' manufacturing concepts. Toyota revolutionised the approach to making cars by changing the focus on how they produced cars – they insisted that all their parts were delivered to them just in time so they had to hold no inventory and every time there was a problem with their production line they stopped it and fixed it- the focus was on reducing waste.

At iMeta Technologies, we are adopting some of these theories and as a result we have started to reduce our waste and streamline our approaches and whilst doing so we have come to realise that much of this lean thinking can be applied to all aspects of a business.

A simple value stream map is worth doing across any process in your business. Value stream mapping helps you identify where you are spending time adding value and where you have barriers to efficiency therefore diluting your value.

For further reading: "Implementing Lean Software Development." Mary and Tom Poppendieck

Anthony Gardiner, iMeta Technologies

Leaving the nest – first steps after investment or on leaving an incubator

KEYSTONE LAW

It's tough being a start up; there is too much to do and not enough time or money. The bad news is things get even more testing as you progress to the next stage.

After an initial round of investment or when leaving an incubator there are even more demands on your time and resources. You need more man power, so do you hire, get in a contractor, send work overseas, or may be use an intern? You need a base, do you rent, buy, take a serviced office or may be just take desk space? You need to start trading, but what terms and conditions can you accept and should you offer?

These and many other decisions will need to be taken at this time while still running and developing your business. These and other such decisions are crucial and you should understand their practical and legal consequences.

At Keystone Law we have been advising early stage companies for years and we can help you through this tricky time. We are cleverly structured to offer unbeatable rates and fixed fees, we quote in advance and we don't exceed our quotes. We understand that your budget might not run to legal advice, even us!

For this reason we have put together a series of simple legal fact sheets to point you in the right direction. Of course it's no substitute for legal advice, but it will point out most of the pit falls for the unwary. These articles will be published on 8th October 2009 under the title 'Key Notes'. For soft copies and more details see www.meetup.com/Key-Notes . For hard copies please email Keynotes@keystonelaw.co.uk.

William Robins, Keystone Law

May 2009

Betternest has built a software solution enabling home-owners to understand the potential to add space and value to their property, whether loft conversions, side returns or rear extensions, without the need for planning permission. Betternest currently generates revenues through Report sales and additional architectural services. www.betternest.co.uk

The Business Voice (BVo) has launched a WebTV platform, providing a powerful new way of delivering strategic business content and training. The company produces its own high quality business content and has already secured contributions from many business gurus. This content replaces the need to go to expensive conferences with all the costs and travel associated. www.bvo.com

Crowdbass uses the power of the internet to bring bands and fans together to solve the problems of labels and artists alike - funding the promotion of their work. It is a simple, clear and transparent online investment exchange for music. If the artist a Crowdbass user chooses achieves a chart position then they get a return on their money. www.crowdbass.com

The Business Software Centre provides an e-commerce service to enable the distribution of application software on a subscription basis. TBSC has established sales partnerships with a number of high profile software publishers and routes to market organisations in the SME market. The sales pipeline is very strong and economic conditions favour rental as a method of improving cash flow. www.businesssoftwarecentre.com

Liquitec has developed an automated draft beer dispenser which operates as a standalone vending machine, has a capacity of 1,936 pints and serves up to four products. The Company operates in the events markets and is planning to enter the fixed installation market, including sports stadia and exhibition centres. www.liquitec.co.uk

Seghire is the UK's largest company offering Segway hire, corporate entertainment, events, gift voucher experiences and Segway rides for theme parks. The service is also sold through a reseller scheme. The team includes management with decades of experience in the leisure industry at board level and spheres of influence in key areas of the business. www.seghire.com

June 2009

Groove Media is an online entertainment platform and an independent record label. It enables unsigned artists to upload their music videos and compete for a record deal. The commercial model includes a number of revenue sources from e-commerce, m-commerce to digital music downloads, album sales and music event organisation. www.improject.co.uk

Medical Explorer have two complimentary offerings: 1) Establishing UK clinics where medical travellers (consumers who travel overseas for treatment) can undergo consultations with visiting dentists. 2) Providing medical travel packages to UK (and global) consumers at 15% commission on total treatment costs. www.medicalexplorer.com

Augmentra develops ViewRanger, an off-road satnav software application for mobile phones for the outdoors activity market. ViewRanger makes it easy for users to explore the countryside: they can map, navigate, track and share their outdoor experiences. ViewRanger is the smart revolution in outdoor GPS. www.viewranger.com

Guru Travel is an online/offline regional holiday home provider for the mid to high value end of the travel market. It concentrates on the South West France area and, by being a niche provider offering a high quality customer service, aims to grow into a highly attractive operator which can successfully compete with the large tour operators.

Growth Engineering developed a web-based training academy platform and operates a recurring per person subscription business model, often with upfront payments to create a branded look for each customer. The product has a zero marginal cost of delivery for each incremental user and is independent of training subject. www.growthengineering.co.uk

ARK Mobile Finance is establishing itself as the leader of behaviour-based customer insight for Mobile Telecoms and Banks in Africa and Asia. ARK core technology is a series of proprietary algorithms that run analysis over large mobile and banking transactional databases to produce 'Responsive Customer Profiling.' www.arkmf.com

September 2009

Buyonetoo places ecommerce within a community environment, enabling multi-unit trading opportunities for retailers, one-stop shopping for consumers, and controlled revenues for community-owners. Buyonetoo has a launch customer, solid interest from a large UK national charity, and has a letter of intent from a 600k-user outdoor pursuit community wanting to capitalise on its position. www.buyonetoo.co.uk

RemCare has been established to address valuable security and care markets. RemCare's first market will be vulnerable households - about 8m people in the UK. For this market, RemCare's services have been defined in discussions with key statutory agencies, who actively support RemCare and will act as sales channels. www.myremcare.com

CentraStage owns and develops CentraStage, computer management software for organisations providing managed IT services. It is an IT support technology that makes the support of PCs and servers faster, simpler and cheaper. Over the Internet the service provider has visibility and control of the entire IT environment that they support. With revenues of over £350,000 to date, CentraStage sell the software into Local Government and the private sector. www.centrastage.com

PathMotion helps high-value job seekers (40 million graduates of the top 500 universities worldwide) define their career priorities and identify the right job. Revenue comes from lead generation for job listings (cost-per-click); premium services for end users; recruiter advertising and access to passive job seekers (£2 billion market); and subscriptions from university career services and alumni affairs offices (£300 million market). www.pathmotion.co.uk

PM3 is a technology company which enables businesses to connect to and transact with their customers more easily - for a spontaneous purchase, a customer service question, an on-demand phone-based interpreting service, a donation phone line or just a change of doctor's appointment. The revenue model is monthly subscription plus transaction fees or revenue share. www.pm3.co.uk



Lovestruck

Mar-09



Lovestruck is the online dating site with a difference in that it matches city-based workers with potential partners who also work nearby. The hassle of arranging a get together is greatly reduced as meetings can be scheduled around the working day. The company has made excellent progress with its current fundraising round. Indicative commitment has been received from investors which would provide all of the £250,000 sought and negotiations are nearing completion. www.lovestruck.com



ARK Mobile Finance

Jun-09



Peter Grindrod and Dan Marmar presented their investment proposition at the TVIN meeting held in Slough in June and attracted quite strong interest from a number of TVIN investors. The business uses “disruptive data analytics” to model target markets and to apply this to associated sectors. Subsequent to the TVIN meeting, the business decided to focus its attention on investors that were prepared to make a substantive capital commitment to the company, and are currently looking to achieve the £500,000 sought from a small group of no more than 4 or 5 investors.



The Business Voice (Bvo)

May-09



BVO continue to add global leaders to their library of business gurus providing wisdom and inspiration at your desktop. The list now includes ex-Dragon's Den investor Doug Richard, who is Chairman of the Conservative Party Small Business Task Force, who talks about his experiences and explains how to identify the next major market opportunity. The business is still seeking investment and is happy to discuss its plans with those interested. The website is well worth a visit. www.bvo.com



GradFutures

Mar-09



GradFutures has recently announced that it has secured funding from the South East Seed Fund, managed by Finance South East, the Cascade Fund and a group of angel investors. Demetrios Zoppos, the company's CEO, stated that the completion of the sought after cash injection would enable the company to undertake a major expansion of its activities with the goal of revolutionising the UK graduate recruitment business. www.gradfutures.com



The Smallholder Series

Jan-09



The business successfully completed and launched its first series of instructional DVD's entitled “Sheep on your Smallholding”. Carole Youngs and Robin Smurthwaite have forged ahead with their plans and are busy preparing for the filming of the second series. The business attracted interest from a small group of TVIN investors but discussions failed to deliver a deal that was agreeable to all parties. As they are so busy, Carole and Robin have decided to concentrate on further production and to withdraw from fund raising at the present time. www.smallholderseries.co.uk



Hot Paws and Trogg

Feb-09



Hot Paws and Trogg design and distribute a unique range of printed textile products that have received significant media coverage from local and national media outlets. The company presented to TVIN members in February and held a number of discussions with interested parties. A range of funding options were examined but a deal was not concluded. Lydia McCormick continues to work hard on developing the business, is launching a new range of products based on “Artful Angel” the Cat and has decided to suspend fundraising activities at the present time. www.hotpawsandtrogg.com



Arturi Films

Sep-07



David Pearson and Elizabeth Morgan Hemlock presented their project, “Mugabe & the White African” to TVIN members back in September 2007. The production is now complete and will premiere at the London Film Festival 2009. The feature-length documentary charts one family's extraordinary courage in the face of a relentless campaign of state-sanctioned terror and has won the Sterling 'World Feature' Grand Jury Prize at the Discovery Channels Silverdocs Documentary Film Festival in June 2009. www.arturifilms.com / www.mugabeandthewhiteafrican.com



Sports International

Mar-09



Peter Janes, CEO, reports that the company are very close to completing their funding round. Details are still commercially sensitive but it is hoped that the investment in the business will be completed and secured by the end of September. www.sportpost.com

TVIN Investment Meeting

**Thursday, 22nd October 2009
4.00pm**

Penta Hotel, Reading

TVIN's next Investment Meeting is to be held at a new venue, the Penta Hotel in Reading (10 minute walk from the station). Agenda and full details will be sent out to members and guests in due course.

Attendance at TVIN meetings are by invitation only but if anyone who is not a member, sponsor or associate of the Network would like to attend, please contact Heni for further details.



The British Business Angel Association are seeking help with a survey they are undertaking in partnership with NESTA, the BVCA, ACCA and LINC Scotland. The UK Government is keen to support and promote angel investment but, by its own admission, it knows very little about business angels and what they do. The survey itself is available online, consists of 6 questions and will take about 2 minutes to complete. To access the survey please

[click here.](#)

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TVIN Annual Dinner

The scheduled date for the 2009 TVIN Annual Dinner was the 8th October at the picturesque setting of the Leander Club in Henley-on-Thames. Unfortunately, the date proved to be inconvenient for many of our members who expressed a desire to attend. In the circumstances, we felt it appropriate to postpone the dinner until a later date.

We must apologise for any inconvenience this has caused those who had already registered but we will, of course, advise you of the new arrangements as soon as we can.

Oxford Innovation has recently secured the management of two contracts to work with high growth potential businesses based in **Cornwall**. Would any member with an interest in considering investment in a business based in the county, please contact Leo.

TVIN Dry Run Venues

TVIN is looking for a Thames Valley based organisation to host and participate in the dry run sessions attended by companies due to present at TVIN Investment Meetings. At each dry run session, between 4 and 8 companies deliver their 10 minute presentation to an invited panel of between five and seven members. The panel is generally formed from TVIN sponsors, guests, investor members and the Network Manager. Anybody interested or aware of an organisation that may be interested, please make contact for further details.

Sponsorship Opportunities

If you are interested in exploring how you or your company can become involved with TVIN, please contact the Network Manager, Leo Dunne, for an initial informal discussion.

TVIN is happy to include any items of business or personal news in this section from any of its members. Please contact Heni or Leo for further details.

Investor Workshop

**29th October 2009
Mill Street Oxford
09:40 - 12:00**

“Term Sheet and areas of Negotiation”

OION Ltd, through its three networks and their Sponsors, will be organising a series of workshops and seminars covering a range of topics over the coming year. These seminars and workshops will be of interest to inexperienced investors, as an introduction, and to experienced investors as a reminder of the key elements essential to the investment process. The first of these seminars is being hosted by OION and looks at Term Sheets and their use from both a legal and practical point of view.

Attendance is free and open to members of OION, TVIN and OEI. Further details are available from Heni on the contact details below.

Dry Run Panels

TVIN members who would like to form part of the dry run panel that provides help and guidance to companies on the style, format and content of presentations before Investment Meetings are invited to contact the Network Manager for more details.

TVIN Contacts: For further information on TVIN, please contact either:

Leo Dunne—Network Manager
Tel: 01865 811167
Email: ldunne@oxin.co.uk

Heni Sanislova —Network Administrator
Tel: 01865 812048
Email: h.sanislova@oxin.co.uk

TVIN is managed by Oxford Innovation Ltd (www.oxin.co.uk), the UK's leading operator of innovation centre premises for start-up companies.