



Network Manager's Report

Is it just me or is time flying by? We are at the beginning of a new decade but the start of my fourth year with OEI ... it only seems like yesterday.



Which brings me to my first point. Many of you have been asking about past companies. How are they doing, are they still around, have they increased their value, what are the statistics? So my new year's resolution was to try and organise some back reference for you over the coming months. You will see that I have again, tried to give an overview of how the companies that presented throughout the year are progressing. Not a bad year in to date. Of the 20 presenting companies 5 have successfully raised funding outside of the network, 2 have closed rounds that include OEI investors and a further 2 are in the final DD of closing. There are 2 in talks but early days and I believe only 2 that are mothballed rather than dissolved.

I look forward to putting together the meetings for this year and hope that I can source the next Google or 'post it' notes for you. So for my second point, can I ask that if you have any particular sector interest, thoughts or ideas on making the meetings more specific for you, let me know.

Thirdly, the past year has seen new faces at the meetings as well as very familiar ones to me. Many of you are aware that we hold a dry run before each meeting. If you are interested in participating in these, please let Heni or I know.

Finally, I look forward to seeing you at the meetings and events over the coming year. I also hope that I can meet up with you for the odd coffee ...

Eileen

Dates for diary

Wednesday, 12 May 2010

Oxford Science Park

July - date and venue tbc

Wednesday, 8 September 2010

Oxford Science Park

OEI is kindly sponsored by:



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Overview of Presenting Companies

February 2009

Burdica - Raised £114k and in profit by month 2

Statix Industries - UK patent for the process granted and the EU patent is expected in May 2010. Working with OEI member

Agile Enterprise - Still developing and talking with potential first client/collaborator

netoCiety - progressed from the beta stage and now commercialising product

Alchemy Healthcare - Raised grant funding and looking for further investment

September 2009

Taylor Innovation - **In final stages of closing investment with OEI investors**

Isaacc - Was in DD for nearly 3 months with investor outside of network, fell through and timing is now an issue.

Preonline - Raised full funding outside of network

LabMinds - Has had interest from several parties with conversations that still continue.

Mercury Media - Still in talks and DD with potential investor from network

DMD - Closed round end of September

May 2009

Yasmo Live - Raised funding through OEI, now looking for commercialisation funding

edentity - Still looking for funding

Surface Skins - company still performing DD

TwentyNinety - No further update from last time, possible grant funding

The Trike Company - Making progress on the 2nd prototype under own funding. They are getting BBC coverage in the spring

November 2009

MYSS Ltd - Had strong interest from a company interested in manufacturing and marketing. Further update needed.

Cased Dimensions - Still looking for funding

Naughty Clox - Still in talks with investors, has contract with main supplier into schools

Lindsay Golf - Declined funding from other source, continue with development



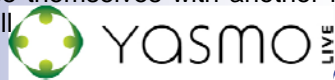
Company Updates

Yasmo Live—Published Reviews

Yasmo Live, the first real-time mobile conferencing platform for events and conferences, will premiere at the TechCrunch ChristmasCrunch on 15 December 2009...

Full article can be found on <http://meetingsreview.com/news/view?id=30229&highlight=yasmo+live>

A selected number of attendees will have the opportunity to use Yasmo Live, allowing them to see and search through the profiles of fellow attendees on their mobile phone. The software application runs on delegates' mobile phones, so they don't need to familiarise themselves with another hand held device ... To read the full article visit



www.mobilemarketingmagazine.com

LiveAps Limited—Online Web Building Software

Looking to raise Angel Investment of £100k to recruit a finance person and customer service/social media person for the team, get established in the initial 4 chosen markets, and widen the product base to make the offering truly disruptive.

The company has just entered into their first 50/50 revenue share agreement with ukvillages.com. They currently have 50,000 UK listings and email addresses of people in Livaps's target market.



Current Opportunities

Digital Recognition Systems Ltd: Digital Recognition Systems Ltd makes Automatic Numberplate Recognition (ANPR) equipment. This uses a specialist camera and software to make an instant electronic read of the number plate of passing vehicles. ANPR is used not only by the police and security forces but also increasingly for other applications like congestion charging, access control to car parks and to enhance security at large premises. The UK market is estimated to be £40m p.a. representing 30% of global sales. This demonstrates the enormous overseas growth potential. Its existing products already have major technical advantages over legacy systems used by competitors. giving DRS access to wide geographical markets. DRS has made its first sales and is targeting sales of £700k in 2010. An investment of **£240,000** is sought to fund further R&D and marketing to take the company through to profitability.

Le Bureau Solutions: Le Bureau has developed an innovative Personalized Learning and Course Management software product.. Athena is market ready, and has sales and reference sites. Initially focused on and sold into specific niche market segments that include: Prisons, Councils, Colleges, Education and Training providers in both the Government and Private sectors. The current market includes in excess of 4000 major organizations. The company is seeking **£200K** to build the sales, support team, and the hosting infrastructure. The directors have previously built and sold a product successfully. Athena has the potential to be the 'Product of Choice' and achieving dramatic growth in the market and provide a favourable exit in the next 5 years.

goHDR: High Definition(HD) television is not the ultimate because what we see on the screen is much less than the natural capability of our eyes. HD cannot display extremes of light and darkness, known as dynamic range. High Dynamic Range (HDR) television, in combination with HD and 3D techniques is "the ultimate technology". goHDR is a new company which is at the leading edge of this new HDR television, and is building a business around proprietary data-compression techniques, which are ideally suited to handle the large data requirements of HDR television. We have an exclusive licence to a patent describing a method of compressing a stream of HDR video by 100-fold or more. goHDR's encode/decode methods have the potential to become one of the major enabling technologies for the widespread adoption of HDR technology. Requiring **£100k of a £250k** round.

Yasmo Live: Founded by a team with strong experience in mobile development and digital marketing, Yasmo Live is a patent pending mobile communications system that allows event participants to see on the screen of their mobile phones picture based profiles of their fellow attendees as they physically walk around them, and search electronically for those they are eager to meet..Yasmo Live is currently negotiating 'Services Agreements' with RPM (www.rpmltd.com) in the UK and Freeman (www.freemanco.com) in the USA which offer event management solutions to corporate trade shows. Freeman alone organises 3,000 events per year. We are looking to secure an investment of **£100K** to bring the business to a break-even point by September 2010.



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Changes to Tax Reliefs for R & D

The tax reliefs available to companies undertaking certain R & D activities can be very generous, and, in certain circumstances, can provide a very useful cash boost. There have been a number of recent changes which improve the availability of the relief. Please contact us if you would like any help.

Ownership of IP

At present, the more generous version of the relief, which is only available to SMEs, requires that any IP deriving from the R & D be owned by the company undertaking it. It has been confirmed by HMRC that the 2010 budget will contain a measure to lift this requirement. As it was announced in the pre-budget report, the change will be backdated so that it applies to R & D expenditure incurred in any accounting period ending on or after 9 December 2009.

Qualifying Indirect Activities

This is not a change of legislation but a new interpretation by HMRC which allows certain activities, previously excluded, to be treated as R & D and the relief to be claimed on their costs. The phrase used by HMRC is "Activities which form part of the project but do not directly contribute to the resolution of the scientific or technological uncertainty". They include such things as information services, activities of staff working in support of the direct R & D function, training and feasibility studies. Because this is not a change of legislation, it means that HMRC regard this view as always having been the correct one. As a result, provided a claim is made within the normal time limits, earlier claims can be revised to increase the relief available.

Staff Costs

This is another change in interpretation. Reimbursed staff costs such as business travel, even though not taxable on the employee, are technically part of their "emoluments". Consequently, these costs – if related to the R & D activity – can be included in the claim. Reimbursed travel expenses, say, from one lab to another, might therefore be included. And again, within the time limits, earlier claims can be amended.

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Dehns leads by example and registers its own new name

In 1920, Frank Bernhard Dehn founded the firm of patent and trade mark attorneys that grew into Frank B. Dehn & Co., with offices in London, Oxford, Brighton and Munich.

The family connection ceased when his son retired several years ago but the name was retained in view of the goodwill that had been built up.

Time has moved on and as part of a re-branding exercise we changed to the trading style Dehns on 1 January 2010. Before doing this we checked that the name Dehns was available for use and registration. In advance of the launch, we filed applications to register Dehns as a trade mark, and the dehns.com domain was set up.

We would recommend similar precautions to any business intending to provide goods or services.

There have been many instances of marketing getting to an advanced stage before a trade mark conflict comes to light, leading to legal and re-branding costs. Funds are frequently limited for start up businesses, but using a professional advisor to help choose a trade mark that is available and to secure it by registration should be a priority. Simply registering a company or a domain name do not provide sufficient



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From acorn to oak

Manches thrives on inspiring entrepreneurs to achieve even greater success. An established law firm with over 170 lawyers based in offices in Oxford, Reading and London, we act for a wide variety of corporate organisations, from ambitious start-ups to established regional, national and multi-national corporations. In particular, we specialise in the technology, telecoms and life sciences sectors and have a leading reputation for this work.

We also have a national reputation for advising on the establishment and funding of university spin-outs and act for spin-out companies emerging from three of the world's top 10 universities: the University of Oxford, Imperial College London and University College London.

We remain the leading corporate practice in the Thames Valley advising investee companies on early stage funding, having advised on more than 20 funding deals in 2009, including those for Helveta, Plaxica, Cytos, Chronos Therapeutics, Prolysis, The Zero Carbon Company, Organox, Cortexica, Veryan Medical, Nexxon, Quantasol and 2 Degrees.

Patrick Baddeley, a corporate partner specialising in advising start-ups and spin-outs says: "We see many start-ups with the germ of a great idea. Our satisfaction comes from helping them realise their ambitious growth plans, via the correct company structure, funding, advising on their employee strategy, securing premises and protecting and exploiting their intellectual property. Our greatest sense of achievement comes from seeing these small operations grow into national success stories."

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