

INVESTOR BULLETIN

JUNE/JULY 2006

en Investors

lining up more
**potential
winners...**



For investors looking to invest upwards of **£20,000** email: investors@envestors.co.uk or call: 020 7348 6171

For companies seeking finance of up to **£2,000,000** email: funding@envestors.co.uk or call: 020 7348 6171



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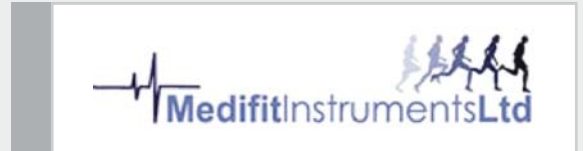
Company name KitShoe Ltd (HILO Shoes)
Sector Patented ladies fashion shoes with interchangeable heel
Location London
Stage Prototype complete. Pre-revenue
Funding required £500,000



Over the past five years, KitShoe Ltd has developed and patented a ladies fashion shoe ('HILO') with the following two key patented concepts: (i) Interchangeable heel. The wearer of HILO shoes can remove the heel for comfort or change the heel for one with a different height (ii) Flexible upper. The upper of the shoe is designed specifically to work with the interchangeable heel in order to maximise comfort. The key driver behind the business is Rosemary Wallin who has a unique combination of experience in the fashion industry as well as in both design and manufacturing technology. Founded in October 2000, KitShoe has received seed funding of £260,000 from private investors (including the Roddick family) and from NESTA (National Endowment for Science Technology and the Arts). A Proof of Principle model of the shoe has been completed and patents have been secured in the UK and Europe (patents pending for the US, Japan and China). KitShoe Ltd is looking for funding and support to produce a manufacturable product and to create and sell a range of HILO shoes through wholesale and concessions.

Contact Oliver Woolley, 020 7348 6171, oliver@envestors.co.uk **Min. Subscr** £25,000

Company name Medifit Instruments Limited (Medifit)
Sector Healthcare Diagnostics
Location Enfield, London
Stage New Technology, Early Revenue
Funding required £200,000



The ability to monitor vital signs in a non-invasive manner can assist dramatically in improving healthcare. Medifit has the first product to measure the Cardiac Vagal Tone non-invasively and integrates this information with other vital signs. The existing customers are hospitals, pharmaceutical companies and clinics in the UK, Sweden, USA and Australia, with the UK NHS being the primary customer. The end user customers are consultants and clinicians engaged in cardiology, neurology, high dependency and intensive care units. So far 16 units have been sold at prices between £15k and £20k. The business plan anticipates sales of 24, 48 and 96 over the next three years. If widely adopted there could be sales of units to every hospital and further sales to GP surgeries and ambulance trusts. The total market potential is estimated to exceed 100,000 units worldwide. The company is supported by E-Synergy, the technology investor, which commissioned two independent market reports to establish the potential of Medifit's key product, the NeuroScope™. One of the reports stated: "It is clear that the NeuroScope™ has considerable appeal amongst the clinical research community and that from such research, new and unique clinical applications are likely to arise for the NeuroScope™. The Company requires first round funding of £200,000 in order to complete the development of commercial products and to undertake the marketing and sales programme to bring the company into profitability. **Contact** Scott Haughton, 020 7348 6171, scott@envestors.co.uk **Min. Subscr** £25,000

Company name Building Dynamics (UK) Limited t/a Pad
Sector High quality modular housing systems
Location London
Stage Pre-revenue. Product fully developed
Funding required £500,000



The Pad team presented at an Envestors event in September 2005 and raised £200,000 seed finance to develop a prototype. Their innovative and flexible modular building system is patented/patent pending in the UK, Europe, North America and Japan. They have now completed their product development and are showcasing a complete house at the **Grand Designs Live** exhibition at ExCel, London on 2-4 June. A recent competition in **The Times** to 'Win a £100,000 Designer Pad House' generated over 10,500 enquiries. The team are now busy converting these enquiries into sales. Pad is initially targeting small developers and self-builders in the UK. It is estimated that the latter build 15-20,000 units per year. A Pad home offers customers the following benefits: (i) **faster build**, much faster on-site assembly than traditional building methods (ii) **lower cost**, a Pad home costs (ex-factory) around £100,000 for a bespoke three-bedroom home built to a basic specification (iii) **extra flexibility**, customers are able to configure their homes to suit their lifestyles and tastes. For example, the Grand Designs Live show house contains a Poggenpohl kitchen, bathrooms by CP Hart, a Miffy kid's bedroom, a Sony home office and a Ligne Roset living room. www.padlife.co.uk

Contact Oliver Woolley, 020 7348 6171, oliver@envestors.co.uk **Min. Subscr** £25,000

Company name Stabilitech Ltd
Sector Pharmaceuticals
Location London
Stage Start-up (patents in place)
Funding required £650,000



Possibly the largest challenge in the fight against global disease is that vaccines are not stable at room temperatures. This leads to high supply side costs – 90% of immunisation budgets are spent on logistics and 50% of vaccines are wasted. Stabilitech have developed what many consider to be the Holy Grail in the fight against disease by developing stable vaccines at ambient temperatures. This allows for effective vaccine stockpiling and transportation, and does not rely on injection as a means of delivery. Independent tests show that the technology is at least 50 times more effective than any commercial product in stabilizing live viruses – the results being indistinguishable from refrigeration. The company is currently negotiating its first licence with a leading pharmaceutical manufacturer interested in co-developing a new product to counter one of the world's most widespread infectious diseases for which – due to its inherent instability – there is currently no vaccine. The company has raised seed finance and a DTI R&D grant. It is now seeking funds to complete testing and widen its commercial activities. **Contact** Bob Taylor, 020 7348 6171, bob@envestors.co.uk **Min. Subscr** £50,000

Company name Artem Digital Ltd
Sector 3D Imaging
Location West London
Stage Existing Revenue. New Product Development
Funding required £375,000



Artem is one of Europe's leading suppliers of performance driven 3D animation. It has worked on a range of projects including major feature films such as Troy and the Harry Potter films, and had revenues of £400k in 2005. Animators already familiar with body motion capture now require similar tools for facial animation. Artem is the first company to have developed a 3D, photo-realistic, solution for facial animation. The Artem facial capture system, known as Artem 4D, enables the full subtlety of an actor's performance to be recorded in 3D - effectively creating a digital clone of the actor's face. The market for performance driven animation, especially facial animation, is set for major expansion. Video games in particular are undergoing a step change in image quality as a result of the introduction of a new generation of games consoles - Xbox 360 launched in December 2005 and Playstation 3 due to launch in late 2006. Production budgets are set to triple (from a current \$3-\$4m for a title, to nearer \$12m per title). A proportion of the extra spend will be on facial animation. www.artem-digital.com. **Contact** Oliver Woolley, 020 7348 6171, oliver@envestors.co.uk **Min. Subscr** £25,000

Company name Forever Kids Ltd
Sector Childcare centres
Location Great Yarmouth/East Anglia
Stage Early stage (first unit launched July 2005)
Funding required £300,000



Forever Kids presented at our last Envestors event on 26th April and received interest from several investors. The company provide childcare at an affordable price for parents/carers of children aged between six weeks and 14 years. The first nursery in Lowestoft made a small profit in the nine months to Mar 06 and a new freehold site has been found for the second unit in Great Yarmouth. Offering Full Day Nursery, a School Holiday Play Scheme and a Weekend 'Drop n Shop' service, the company is OFSTED registered and fulfils a growing parental need for somewhere safe and friendly to leave their children while they work, shop or play. Founder Lucy Daniels leads a well trained and motivated management team who provide a mix of services and methodology which is well received by customers and the local community. The company seeks £300,000 of private equity under EIS which together with mortgage finance of £900,000 will purchase the Yarmouth freehold site. The overall objective is a national roll-out of this innovative childcare venture throughout the UK. www.foreverkids.co.uk

Contact Nick Taylor, 020 7348 6171, nick.taylor@envestors.co.uk **Min. Subscr** £25,000

Company name ApplianSys Ltd.
Sector Network infrastructure
Location Holborn, London
Stage Early stage
Funding required £650,000 (£500,000 already secured)



ApplianSys has secured £250k from The Capital Fund (London Regional Venture Capital Fund) and £250k from The London Technology Fund (LTF). The latter requires 'match' funding and is therefore seeking £150k from private investors. Formed in 2000, ApplianSys Ltd integrates and embeds best-of-breed network application software into server hardware platforms, yielding a self configurable Local Area Network or Wide Area Network computer server. The resulting value proposition is the server's ease of installation and integration into an existing network topology, reducing upfront configuration costs, and lowering downstream maintenance expenses for IT departments within large corporations and SMEs. The Company has sold into many blue-chip companies including: Boots, BT, Financial Times, Panasonic and Warner Brothers. Full year (December 2005) revenue was £0.65m; the 2006 sales forecast is £1.48m. The CEO, Mike Clark, has served in a number of senior positions, including assignments at BP and Tarmac. Co-Founder, Ed Moore, previously served as the CTO at The Carphone Warehouse, and was the CEO at Frontiers Capital.

Contact Bob Taylor, 020 7348 6171, bob@envestors.co.uk **Min. Subscr** £25,000

Company name Creativity Software Ltd.
Sector Mobile and broadband software
Location Kingston, London
Stage Development (trading since 2001)
Funding required £400,000



Creativity Software presented at our last Envestors event on 26th April and received interest from several investors. The company produces programmes for the rapidly growing mobile and broadband sectors and achieved sales of £200k in 05/06. Creativity Software's vision is to dominate "Mobile Travel" and to become as synonymous with that phrase as Google are with "online search". One of the company's key new products is "Rough Guides Mobile" which has the licence to deliver the Rough Guides book content in bite-sized chunks, via a map-based interface, to mobile phones. This is to be sold to handset manufacturers and the company is in the closing stages of agreeing a contract with Motorola. The other core product is "Find Your Child", which enables parents, to locate their children via their mobile phone. Already operational, it is currently being marketed as a hosted service to mobile and broadband network operators and a contract has been signed with Walt Disney. The company requires funds to deliver existing contracts and to market to new clients. **Contact** Oliver Woolley, 020 7348 6171, oliver@envestors.co.uk **Min. Subscr** £25,000

“How to Invest as a Business Angel”

Investors and Coutts are putting on an entertaining evening for those interested in investing £20,000 plus in unquoted, early stage businesses, under the Enterprise Investment Scheme (EIS). As well as helpful tips and hints on how to build a portfolio of investments, there will be tales of successes and mistakes from experienced business angels. The talk will be from 6pm to 8pm, after which there will be drinks and canapés. As an optional extra after the event, you are also welcome to join us in watching live the first of the FIFA World Cup Semi-Final ties. **Date:** Tuesday 4th July, **Time:** 5.30pm for 6pm, **Place:** Coutts Bank, 440 Strand, London WC2R 0QS.



evening hosted
by Coutts Bank

Numbers are strictly limited to 40 guests, so please book early by contacting Scott Haughton at scott@investors.co.uk or 020 7348 6171.

Other News

Investors successful in bid to deliver the Access to Finance Programme through Business Link for London: The programme will enable Investors to provide corporate finance advice to up to 55 early-stage ventures in London, to assist them in their fundraising endeavours. For further information, please contact Scott Haughton scott@investors.co.uk or 020 7348 6171.

BBA conference: Investors is a member of the British Business Angels Association (BBA), which is having its second Annual Conference on 12th and 13th June 2006 at Royal Bank of Scotland in Bishopsgate London EC2M 4RB. The conference is for those interested in the promotion and growth of Business Angel investment and SME equity finance up to £2m. The conference will offer the opportunity to review current developments in the informal investment market, to look at new emerging models and trends in angel/equity finance and will focus on the linkages between angel finance and the VC market.

For further information, please contact Oliver Woolley oliver@investors.co.uk or 020 7348 6171, or Liz Carrington at Liz@bba.org.uk.

Diary

"The Next Big Thing" event, Wednesday 14th June 2006, 6.30pm to 9pm, presentations from 7pm (sharp) to 8pm. **Place:** Kingsway Hall, Great Queens Street, London WC2B 5BX, **Nearest Tube:** Holborn

- The event will feature up to six companies looking to raise finance; each one will make an eight minute investment pitch, with two minutes Q&A.
- There will be wine & canapés and a chance to mix with other investors as well as meet the companies themselves.
- Numbers are strictly limited to 80 guests, so please book early by contacting pattie@investors.co.uk or 020 7348 6171.



Drop and see us at our new offices

As of 12th June 2006, we are moving to our new offices, 1 Lancaster Place, London WC2E 7ED The offices are situated just off the Strand, towards Waterloo Bridge, opposite Somerset House and overlooking the Thames. We are having an informal 'open day' on Friday 30th June from 2pm to 6pm, and we welcome any new or existing investor members who wish to come and see us.

For more information please contact Nick Taylor, [e: nick.taylor@investors.co.uk](mailto:nick.taylor@investors.co.uk) **t: 020 7348 6171**



About Investors

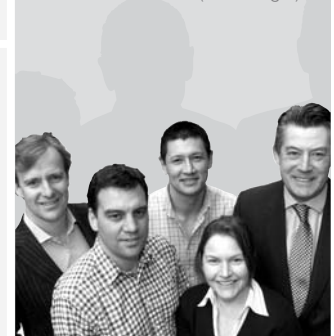
Investors LLP is authorised and regulated by the Financial Services Authority and comprises:

Investors Private Investor Club which is a growing private network of individuals looking to invest between £20,000 and £2m in early-stage, high growth potential companies.

Investors Corporate Finance which helps businesses get 'investment ready' and raise finance of up to £2m.

ENVESTORS: THE TEAM

Oliver Woolley,
Scott Haughton,
Bob Taylor,
Pattie Mason
and Nick Taylor
(Left to right)



Circulation

Private investors	301
Investment fund managers and business angel networks	58
Banks	17
Professionals e.g. accountants and lawyers	83
No of business plans reviewed in February/March '06	92

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