



# GINEM news

Growth Investment Network

autumn 05

Mobilising wealth for business growth in the East Midlands

## Welcome

As we come to the end of our launch phase we have 26 members, including the first bank to join GINEM, Yorkshire Bank. GINEM members work together on projects to improve the quality of business propositions being presented for private equity investment. This often helps leverage traditional bank and other funding. Our profile grows on the foundation of successful deals and so far 8 have been completed raising in excess of £4m and there are many projects in the pipeline.

Value for GINEM members comes from increasing deal flow. GINEM does not provide any services directly to clients, that is all delivered by members and all funds from subscriptions are used to promote GINEM and our members' services. We are able to arrange additional PR to members who host GINEM events and to those involved in completing deals. If you would like to host a GINEM event please contact one of the GINEM directors.

We are pleased that GINEM has been featured by EMDA in their Annual Report of successes and also at the first Access To Finance Trade Fair held recently in Nottingham.

Our programme for 2006 is being arranged to include events specifically for members and if there are any topics you would like to be covered please let us know.

One of our key objectives is to attract more private investment into businesses, so we are also planning to hold events to help potential investors understand what is involved in being a business angel.

GINEM membership is for all organisations involved in raising private equity investment alongside other types of funding and supporting services. If you are not already a member and would like to join, please visit our web site [www.ginem.co.uk](http://www.ginem.co.uk) or contact Beverley Jones on 0115 941 5193 for further details. Steve Blount, Chairman, GINEM

## GINEM continues its campaign in the region



From left to right: Steve Blount, CMR (GINEM Chairman), John Stobart of Harvey Ingram LLP & Tom Yardley of East Midlands Business Angels.

GINEM successfully launched in Leicester at the Leicester City Football Club on 21st September. It was the most popular attended event yet with over 80 people from more than 50 professional organisations present. The event follows successful launches in Northampton, Melton Mowbray and Lincoln; it was co-hosted by HARVEY INGRAM LLP and EAST MIDLANDS BUSINESS ANGELS. John Stobart of Harvey Ingram LLP said: "We were delighted to host this launch event for GINEM in Leicester. GINEM is already a success and will bring great benefits to many organisations in the region. We were delighted to be involved and to be able to offer our support." Kate Blank of Freeth Cartwright LLP, at the launch said, "Well attended, thought provoking and destined to achieve its goals of joining parties who can deliver growth in the East Midlands". Patric Phelan of Vantis Numerica, who signed up for membership on the evening, commented, "GINEM is an extremely interesting, new type of effort to co-ordinate investment in the region".

### FORTHCOMING EVENTS

16/11/2005 - GINEM Launch Derby, Geldards LLP offices, Pride Park, Derby  
Open To: GINEM Members and Derbyshire-based professionals.

24/11/2005 - Connect Midlands Investment Conference, Investment Showcase Seeking up to £3.5M Location: National Motorcycle Museum Nr Solihull, West Midlands  
Open To: Members, investors & By Invitation.

November - Wine Tasting East Midlands Business Angels, Wine Tasting Evening November date to be confirmed.  
Open to EMBA investors.

15/12/2005 - End of Year Special, Social & Networking Meeting, Location: West Midlands, Open To: Sponsors, Members, Mentors & By Invitation.

### CASE STUDY - DE-PACK LTD

#### CONTRIBUTING GINEM MEMBERS - EMBA & CATAPULT

De Pack Ltd is in the business of recycling. They recently identified a technological opportunity to grow the business. The management team developed a business plan to exploit this opportunity and undertook a financial analysis, which indicated that they needed to raise significant funds to develop the business idea. De Pack pitched the idea to Banks, Venture Capitalists and Business Angels, however when they got in contact with GINEM founder member- East Midlands Business Angels, they achieved the backing they required and secured £800k of funding from EMBA and fellow founder member, Catapult. Since receiving these funds De Pack have gone from strength to strength.

### CASE STUDY - 5 STAR CAR SPA

#### CONTRIBUTING GINEM MEMBERS - CATAPULT & EMW LAW

Entrepreneur Mike Wade saw the potential for the development of self-service car wash centres in the UK. The East Midlands Regional Venture Capital Fund, managed by Catapult, has invested £250,000 out of an initial fund to help him raise the money to get his idea off the ground, and the first site at Grantham opened on 16th September. Fellow GINEM member EMW Law provided legal advice to the 5 Star Car Spa management team. Construction is due to commence on the next site to be given the Five Star treatment in October, with another due by the end of 2005.

[www.ginem.co.uk](http://www.ginem.co.uk)

## BORROWING MONEY TAX EFFICIENTLY - THE ENTERPRISE INVESTMENT SCHEME (EIS)

What does EIS do for Investors?

EIS enables private investors to invest tax efficiently between £500 and £200,000 per tax year in qualifying businesses and receive tax relief (20per cent) on the amount invested. In addition, no capital gains tax is payable on sales

of the shares if they are held for at least 3 years. Capital gains tax reinvestment relief may also be available. Under the EIS an investor can become a paid director which encourages investment by business angels who may be able to provide valuable management expertise.

### Qualifying Companies

A business must have no more than £15 m worth of assets, and be a trading company that carries out its trade wholly or mainly in the UK. The company must not be a subsidiary of

another company. Also excluded are businesses that spend more than 20% of time dealing in land, commodities, or futures in shares and other financial securities; providing accountancy or legal services; working in property development; holding or managing woodlands or operating in farming or market gardens; owning or managing hotels, guest houses, nursing homes, or residential care facilities. The share holding limit is 30 percent. **Article is courtesy of Business Link & East Midlands Business Angels Ltd.** For further information visit [www.businesslink.gov.uk](http://www.businesslink.gov.uk) or [www.em-ba.co.uk](http://www.em-ba.co.uk) or [www.eisa.org.uk](http://www.eisa.org.uk)

## PROFILE



### East Midlands Business Angels Ltd

East Midlands Business Angels Ltd (EMBA) raises investment capital for growing companies. Investments completed range from £20,000 to over £1 million. Their investors back talented, committed managers running businesses with potential for strong growth.

**Investors** - EMBA runs an investor's club for investors looking to make investments in private unquoted companies. Attractive tax reliefs are available to registered investors who have access to screened investment opportunities in companies with innovative products or services. EMBA co-ordinates investor syndicates and also handles buy-in situations, replacement capital and outright sales.

**Companies** - For management teams with the ambition and tenacity to grow their business, EMBA investors provide: -

1. An injection of share capital, which will strengthen the balance sheet and so unlock additional sources of finance.
  2. Additional management expertise at a strategic or operational level, entrepreneurial experience and business contacts adding creditability and value to the business.
- Visit [www.em-ba.co.uk](http://www.em-ba.co.uk)

## PROFILE



Harvey Ingram LLP, Leicestershire's largest full-service law firm, is a founder member of GINEM and a strong supporter of new business ventures in the East Midlands. The firm has 30 partners and almost 100 fee earners across a range of disciplines, but focuses heavily on the Owner Managed Business sector, offering advice from start up to sale.

Harvey Ingram's extensive experience both within and beyond the East Midlands region, gives it unrivalled expertise in the field of business funding for growth and expansion. It can offer invaluable guidance to help entrepreneurs and small businesses locate and secure the funding needed to take their business idea forward.

Harvey Ingram has expanded rapidly over the last few years and is now ranked amongst the top 20 law firms in the Midlands. Over the last 12 months alone it has seen a 33% increase in turnover in relation to Corporate and Commercial work. Visit [www.harveyingram.com](http://www.harveyingram.com)

## Founder Members



## GINEM WEBSITE DEVELOPMENTS

The website will significantly change during the course of the next six months to provide a more marketing driven facility with enhanced signposting mechanisms. With the imminent launch of the GINEM E-news mailer the site will also be geared to capture information of interested Professionals, High-Growth SME's and Investors. If you have not already viewed the press coverage GINEM has received from successful regional launches and completed deals follow the link from the Home Page. A comprehensive list of events and workshops are also featured on the website, many of these events are free to GINEM Members. If you are a GINEM member and would like to promote your GINEM related events and news please send all details directly to [marketing@ginem.co.uk](mailto:marketing@ginem.co.uk).

### Members Joined Since Launch



emw law

Hotbed

DEVELOP LINCOLNSHIRE

Howes Percival

DNG Dove Naish



BerrymanShacklock



Yorkshire Bank

shoosmiths

Geldards LLP law firm

Grant Thornton

secantor

VANTIS



If you are a professional organisation involved in preparing projects for investment and are interested in becoming a member of GINEM please either visit the website [www.ginem.co.uk](http://www.ginem.co.uk) for an application form or contact Beverley Jones on 0115 941 5193 or email her at [beverleyjones@spiritaba.co.uk](mailto:beverleyjones@spiritaba.co.uk)