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## An Enterprise Investment Scheme Opportunity with HMRC Advanced Assurance

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## EIS investment at record levels

18 May 2016, 5:54pm Kin Capital

HMRC recently issued its latest quarterly update for Enterprise Investment Scheme (EIS) funds raised. The latest stats for the year 2014-2015 show funds subscribed into EIS companies reached a new record at £1.6 billion, an increase of around 6% on the previous year and demonstrating the continued growth of EIS. Although it is yet to be confirmed how much was raised in the year just finished (2015-2016), commentators are suggesting it will be another knock-out year.

Over time, there have been obvious boosters to the initiative. The past increases in tax-relief and investment limits, combined with the arrival of renewable energy caused a huge surge in EIS investing from around £1 billion a year, up to over £1.5 billion starting in 2013-2014.

Now, the continued clamp down on pension contributions is believed to be a main driver in the increasing amount of money put into EIS funds. From this year, anyone earning £210,000 p.a. or more will only be permitted to put a meagre £10,000 a year into their pension pot.

In addition to this, the number of families affected by inheritance tax (IHT) is set to double by 2020, with around 70,000 deaths predicted. It is believed that as many as 30% of Britons thought that they are exempt from IHT.

This is not the case for many people.

HMRC's figures show that 3130 companies received EIS funding over the period 2014-15, including £880m put into businesses for the first time. Overall, almost 25,000 businesses have received more than £14bn since it launched in 1993.

Clearly EIS makes up an important part of the British economy in providing capital to businesses in need, and off the back of it investors are rewarded for the risk through the tax breaks and potential returns.

Now that renewable energy has departed the EIS market and investors have whetted their appetites for reduced tax bills, combined with recent rule changes, there is likely to be increased interest which could have an effect on availability of quality products.

On top of this, Octopus's announcement of departing the EIS market will constrain supply further. Regardless of the government repositioning EIS towards growth, surveys indicate that advisors will be directing more business towards EIS to provide client solutions.

## Record £1.7 billion pours into enterprise investment schemes

May 5, 2016 - 12:39pm - [Marina Gerner](#)

Investors poured a record £1.7 billion into the enterprise investment scheme (EIS) during the 2014/15 tax year, according to figures released by HMRC. Compared with the 2013/14 tax year, EIS investment increased by £90 million.

The record year has been put down to pensions becoming more restrictive for higher earners; those with incomes of more than £210,000 can now only put £10,000 into a pension each year.

EIS, introduced just over 20 years ago, aims to encourage investment into less mature companies that are unquoted.

Some of these businesses are new start-ups, while others are more established, but either way investors need to have a stomach for risk.

### GENEROUS TAX BREAKS

In return, however, generous tax breaks are offered. Those who invest for a minimum period of three years benefit from 30 per cent tax relief on their investment.

There is also exemption from capital gains tax (CGT) on EIS share sales, plus the opportunity to defer CGT on other assets by reinvesting the proceeds into an EIS. Investments generally also qualify for inheritance tax relief after two years.

The HMRC figures, which analysed the amount of money invested, reveal the record amount invested last year was split across 3,130 companies.

In total over £14 billion has now been invested in EIS qualifying companies since they were first launched.

Ben Yearsley, investment director at Wealth Club Ltd, says: 'The combination of investment into exciting, small, often entrepreneurial companies with generous tax breaks is compelling.'

'Tax-efficient investment has had a lot of negative publicity recently, however these are legitimate government endorsed schemes set up to help small companies grow.'

As pension rules have become more restrictive, says Yearsley, many high earners have turned to the relatively generous allowances of VCTs and EIS as an alternative.

'I expect this trend to continue as many of these individuals will now be restricted to annual pension contributions as little as £10,000. 30 per cent income tax relief, tax-free growth and inheritance tax free status are helping drive the growth in EIS investment.'

John Glencross, acting director general of the EIS Association, comments: 'EIS undoubtedly forms part of the bedrock of the growth company funding landscape, helping businesses to grow and succeed, which in turns pays dividends to the wider economy through job growth, taxes, spending and new products and treatments.'

'Finally, in a virtuous circle, the UK taxpayers who back EIS companies and funds are rewarded with generous tax reliefs and, often, attractive tax-free investment returns.'



## How to invest in enterprise investment schemes

Generous tax breaks can offset investment risks, but money must be locked in for 3-years

FEBRUARY 20, 2015 by: **Adam Palin**

It is nearing the end of the tax year. You are a high earner who likes to invest in a tax-efficient manner and have stashed the maximum amount into an [individual savings account](#) (£15,000) and reached the tax-free annual [pension allowance](#) of £40,000.

Further opportunities for minimising tax bills using aggressive schemes have shrunk in recent years but advisers are drawing investors' attention to the few legitimate tax-efficient vehicles that do not fall foul of HM Revenue & Customs.

Enterprise Investment Schemes (EIS), which were launched two decades ago to encourage investment in small UK businesses, have returned to the spotlight

### Tax advantages

To offset the high risks associated with investing in small companies, taxpayers are rewarded with generous tax breaks. Investors can put up to a total of £1m into EIS qualifying investments per year and receive tax relief upfront and on exit.

Income tax relief at 30 per cent of the cost of the shares is available for taxpayers when they make their initial investment. This relief can be "carried back" to offset income tax liabilities in the previous year. However, in order to qualify for the income tax relief the shares must be held for at least three years.

This minimum period also applies to share disposals, which are free from capital gains tax after three years. Any losses on disposal, minus the income tax relief, can offset income tax payable that year. For taxpayers with existing capital gains tax liabilities, EIS investments allow deferral of payment for up to three years.

EIS investments can also be attractive from an estate planning perspective. After they have been held for two years, EIS shares qualify for business property relief, meaning they are exempt from inheritance tax.

### The EIS market

In 2012-2013, the latest year for which official figures are available, almost 20,000 taxpayers invested a total of £881m via EISs. A further 5,000 people allocated a total of £117m in [seed EIS projects](#), which offer even larger tax breaks – including income tax relief of 50 per cent on a maximum investment of £100,000 – for investments in very early-stage companies.

Since the launch of EISs in 1993-94, more than £10.7bn has been invested in over 21,000 companies, according to HMRC figures.

For businesses to qualify for the relief – up to a maximum of £5m per year – they must have gross assets of less than £15m and no more than 250 full-time employees. Companies with assets of up to £200,000 and fewer than 25 employees can qualify for SEIS.

### **EIS investments**

Unlike venture capital trusts, another means of tax-efficient investing, EISs invest directly in businesses. Taxpayers can either invest directly in qualifying companies or through portfolio stakes.

Whereas VCT shares are listed and tend to offer regular dividends, EIS investments are much less liquid and money is often tied in for lengthy terms until gains are realised.

### **Investors to lose tax break after renewable energy abuses**

Ministers have cracked down on exploitation of a tax break meant to help early-stage companies raise finance, as figures show investors poured more than £1bn into the Enterprise Investment Scheme last year.

“EIS is not for someone who needs income or access to their capital in the short-to-medium term,” says Ben Yearsley, head of investment research at Charles Stanley Direct. “Liquidity is the greatest risk.”

Companies across most sectors can qualify for EISs, although investments have tended to focus on a handful of areas. In 2012-13, the most recent year for which official figures are available, companies from the technology, energy and business services sectors made up over 55 per cent of all EIS investment.

Sarah Wadham, director-general of the EIS Association, says that while around half of investments are made directly into companies, roughly half is now invested through a fund manager. “For the inexperienced investor, the fund route is much safer. Experienced managers taking a portfolio approach offers considerably lower risk.”

### **Fees and charges**

While there is no minimum amount that must be put into an EIS-qualifying company, fund managers will typically require a minimum subscription. These vary, of course, but are typically between £5,000 and £50,000.

Fund management charges are much higher than those charged by active managers of listed share portfolios. Higher fees support the extensive due diligence that small company investment requires, says Ms Wadham. Initial charges of 5 per cent of the value of the investment are typical, with annual management charges normally ranging between 1.5 per cent and 2.5 per cent. Performance-related fees of about 20 per cent of realised returns are also commonplace, although managers such as Octopus defer these.

### **Investment risks**

David Mott, managing partner at Oxford Capital says EIS investments are relatively high-risk and adds that they are not for everyone. However, he says the risks tend to be mitigated by the attractive tax reliefs.

Many managers, including Oxford Capital, tend to exclude companies that are still in an embryonic phase, focusing instead on inherently lower risk operational projects.

“A spread in maturity [of companies] in a portfolio means lower risks, and a spread in returns,” says Moray Wright, chief operating officer at Parkwalk Advisors, which manages funds of university spinouts.

Mr Wright says that of five to eight companies in any Parkwalk portfolio, one successful exit of an investment — on sale or public offering — could more than cover investors' money.

EIS funds marketed as lower-risk products, which have tended to focus on infrastructure-related investments, are generally aimed at tax planning rather than achieving investment gains. “Income associated with long-term contracts, which are often index-linked, offers great visibility of future cash flows,” says Mr Mott.

Renewable energy investments have proved a particularly popular outlet for EIS investment, and accounted for 62 per cent of EIS investments in 2013-14, according to Tax Efficient Review.

The majority of this was allocated to solar schemes, excluded from EIS since last July. The government has since moved also to exclude other renewable energy investments, viewed as low-risk because they are already underpinned by public subsidies.

### **Political risks**

Vehicles advertising attractive tax breaks are currently under intense scrutiny by HMRC, which is clamping down on perceived abuses and working hard to recover unpaid tax associated with disputed investments. There are fears that EISs could be next in line for HMRC scrutiny following the removal of asset-backed renewables investments from these vehicles and concerns have been voiced that investors may face demands to repay their tax breaks in the future.

“The Revenue has been quite clear that there has been some degree of abuse,” says Michael Avient, personal tax partner at UHY Hacker Young. “If an investment is found to be in breach of the rules, EIS relief will

simply be removed.”

Ms Wadham says that while there are always going to be some people pushing the rules, the EIS industry maintains the support of both HMRC and HM Treasury. This is reflected, she says, by the retrospective nature of the removal of status for renewable energy investments, where only new investments after an agreed date were excluded.

Moreover, while EIS investments never receive explicit government approval, they receive so-called “advance assurance”, where EIS status is granted subject to the scheme operating as proposed to HMRC.

“EIS is the one tax incentive scheme that has its own box on the tax return,” says Mr Mott. “This shows how it’s at the heart of government policy.”

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A "sophisticated investor" is someone who has signed, or will sign, within the period of twelve months ending on the date of this document, a statement that he or she understands that he or she may receive financial promotions which have not been approved for the purposes of section 21 of the FSMA and that he or she (i) is a member of a network or syndicate of business angels and has been so for at least the six months preceding the date that such statement is made; or (ii) has made more than one investment in an unlisted company in the two years preceding such date; or (iii) is working, or has worked in the two years preceding such date, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises; or (iv) is currently, or has been in the two years preceding such date, a director of a company with an annual turnover of at least £1 million.

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Past performance is not a reliable indicator of future results. Future performance figures shown within this document are based on the internal calculations of CIDG and are subject to change at any time. Such forecasts are not a reliable indicator of future results. Furthermore, the financial projections in this document are based on, and begin from, the date on which the company receives 100% of its desired funding.

The attention of prospective investors is drawn to the contents of page 28 of this document entitled "Risk Factors".

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# Principal Definitions

Als	Alternative Investments
Board	The board of Directors of the Company
Business Plan	A document describing the total project delivery, operation anticipated returns
BPR	Business Property Relief
CIDG	<a href="http://www.compareinvestments.guru">www.compareinvestments.guru</a>
CAIDG	<a href="http://www.comparealternativeinvestments.guru">www.comparealternativeinvestments.guru</a>
Closing Date	The date the offer of subscription will be closed
CMA	Competition & Markets Authority
Directors	The Directors of the Company from time to time
EIS	Enterprise Investment Scheme
EPC	Elective Professional Client
FCA	Financial Conduct Authority
Full Subscription	The total subscription required from all Subscribers
Funds	SEIS & EIS grouping investment schemes
HNWI	High Net Worth Individual
Initial Subscription Price	The amount payable by the Initial Subscribers
IFA	Independent Financial Advisor
IP	Investment Promoter
Linux	Open- source operating system
Minimum Subscription	The minimum individual investment as decided by the Company
NFS	New Founder Shareholders
SEIS	Seed Enterprise Investment Scheme
SG LLP	The accounting firm of Simmons Gainsford LLP
Shares	Ordinary shares of 1p each in the Company
ShahDeep	ShahDeep International Inc.
SI	Sophisticated Investor
Subscribers	Those persons who subscribe for Shares in the company
SQL	Structured Query Language
ReeVoo	Reevoo Limited
VCT	Venture Capital Trusts

## Introduction

Compare Investments Dot Guru Ltd (CIDG) was originally registered as VN Carbon Capture (Oil) Ltd in April 13. The company never traded and changed its name to Compare Investments Dot Guru Ltd on the 9th December 2014.

In 2014 the Directors, (an industry recognised SEIS, EIS, BPR & VCT technical team that had previously provided objective and qualitative reviews on opportunities offered in the market), recognised an opportunity to provide a directory service for potential investors and interested parties that listed all publicly available investment products. This information would be held in a central database and made available to subscribers via an online website.

The Company raised £150,000 in a single round of funding via a 'New Founder Shareholder' offering, issuing 150 Ordinary Shares at £1000.00 per share. The proceeds were used by the Company to purchase a range of .guru domain names, design, develop, deliver the main [www.compareinvestments.guru](http://www.compareinvestments.guru) site, build and populate the comparison portal [www.comparealternativeinvestments.guru](http://www.comparealternativeinvestments.guru). Funding also maintained the business during its first year of operation whilst the FCA position was examined, the website was soft-launched and tested with 'real-time' subscribers.

After seeking specialist legal opinion re FCA rules governing this activity, the Company decided against applying for either 'Appointed Representative' status or FCA registration, having received legal advice that the company's activities were outside the current regulatory framework.

**FACT:** The SEIS-EIS-VCT-BPR alternative investment marketplace has only one objective, independent and uncompromised single point of reference listing all investments that are on offer, and that point is CAIDG. This provides investors and IFAs a 'one-stop-shop' for 'due diligence facts' pertaining to those investments, together with a simple way of researching and comparing opportunities objectively on a 'like-for-like' basis.

CIDG is raising £250,000 for 125 shares in the company, to fund the following:

1. The recruitment and funding of a new Head of Research
2. The recruitment and training of at least 3 research interns
3. Marketing & Sales campaigns to target prospective Alternative Investors and suitably qualified IFAs in publications and online
4. Further site development and report creation

This funding will enable the company to secure finances to ensure at least 3 years of operation, (on the assumption there are no subscription revenues for this period) from funding draw-down. See page 22 for more details .

'Compare Alternative Investments Dot Guru' will be marketed to all interested parties resident in UK and over the age of 18 including; IFAs, Elective Professional Clients, High Net Worth Individuals and Sophisticated Investors, via a low-cost annual subscription that provides a comparison facility, a 'Guru' scoring matrix and full technical reporting on all publically available projects.

## Advanced Assurance from HMRC for inclusion in the Enterprise Investment Scheme has been granted.

As part of both the FCA's and CMA's drive toward transparency and accountability within the financial services industry, price comparison and review websites are being used as the 'preferred' management tool, to bring these changes to bear. Payday lenders were recently targeted with proposed legislation that will see them 'forced' to sign up to price comparison websites.

The FCA rationale is that increased visibility increases transparency, and offers evidence that Product Providers are competing fairly, with any fees incurred by customers clearly displayed. ReeVoo's move into the financial services market place offers more evidence that Insurance and even price-comparison companies such as moneysupermarket.com are completely aware that reputations are won and lost on customer experiences.

CIDG is initially targeting the SEIS, EIS, BPR and VCT marketplace providing that single point of reference by listing all investments on sale in a 'multi-field' fully searchable, up to date, user friendly website.

Now that these product types are integrated into the site, the portal commercially launched and subscribers using the platform, a Round 2 raise will fund an ongoing marketing campaign an expansion of the technical, due diligence and research team to provide the company with further capability to populate the following sites with objective, unbiased and completely uncompromised reports, scoring and analysis:

- ✓ [Compare Fund Managers Dot Guru](#), with Discretionary Managed Fund and Manager comparisons provided to users
- ✓ [Compare Pensions Dot Guru](#), with straight comparisons on fees, historical returns, target returns, fund management team and Annuity Comparisons as part of a strategy to develop a completely independently rated Pensions Dashboard
- ✓ [Compare IFAs Dot Guru](#), providing historical information on the Top 100 IFAs both individual and Group performance, fees charged and client feedback
- ✓ [Compare Secondary Market Equity Investments Dot Guru](#), which will be specifically designed for individual's resident in the UK and Professionals interested in comparing Secondary Market Equity investments and listing the projected £220 Billion of asset value, soon to be released into the investment market, in a fully searchable and comparable database.

A recent survey of five asset managers found that, on average, they only valued issuer-funded research at 1.8 points out of 10, even when no other research was available. This clearly shows a huge discount for the value of research where the issuer has paid for it. A slightly more popular alternative was research paid for by a third party, such as a stock exchange, valued at 3.8 (compared with 5.6 for broker research and 9.6 for the managers' own research). The Directors believe that the market opportunity presented by these results is very exciting and could prove to be extremely profitable.

[www.compareinvestments.guru](http://www.compareinvestments.guru) will generate revenue by selling access to the Online Directory – Fact/Data Warehouses mentioned above providing a completely Transparent & Objective Comparison websites with substantiated technical reports, available for download in PDF format.

**NOTE:**

*Subscribers will not be able to purchase investments via any of the sites, nor will CIDG receive any form of financial remuneration from the product originators or promoters for displaying their product or reporting on it. In the event a subscriber proceeds to invest in one of the products listed, which they cannot do directly from any of the sites, CIDG receive no fees from the promoter or product provider.*

CIDG project work is scheduled as follows:

1. CIDG & CAIDG Sites/Database Design, Build (Completed)
2. Test - Data Correlation and Comparison Report Construction (Completed)
3. Soft FT Press launch (Completed)
4. 2015/16 marketing campaign to Investment Promoter's and IFA's (Completed)
5. Pre-registration & Site introduction to selected members of the HNWI/PI/SI communication (Completed)
6. Above & below the line marketing in specialised print & online publications (Booked)
7. 2017/18 marketing campaign to Investment Promoter's and IFA's (Booked)
8. Recruitment of new Head of Research (On funding drawdown)
9. Recruitment of 3 suitable qualified research interns (On funding draw-down)
10. Increased marketing efforts to be focused on the yearly tax-season e.g. October through to beginning of April each year as traditionally this is when most HNWI Investors investigate the Alternative Investment marketplace
11. Ongoing low-cost marketing activities and journalistic content throughout 2017, and continuing through 2018 & 2019.

## Directors, Professional Advisers and Company Information

### Directors:

Steven Strauss BSc ACA (Chairman)

Mark Gilmore (Sales & Customer Relations)

David Newman (Commercials, Portal & Marketing)

### Solicitors:

Howard Kennedy,  
19 Cavendish Square,  
London W1A 2AW

### Auditors:

Sopher & Co  
38 Berkeley Square  
London W1J 5AE

### Accountants:

Simmons Gainsford LLP  
7-10 Chandos Street,  
London W1G 9DQ

### Registered and Operations Office:

4<sup>th</sup> Floor, 7-10 Chandos Street,  
London W1G 9DQ

## Directors:

**Steven Strauss** is a Chartered Accountant and Fellow of the Institute of Chartered Accountants in England and Wales. Steven read Economics at LSE, gaining a BSc Honours Degree in 1981. He studied for his articles and qualified in 1985 receiving an associate membership of the Institute of Chartered Accountants in England and Wales later in that year.

In addition to 25-years of specialist work in the tax field, Steven has also had a significant amount of commercial experience, advising and consulting corporate entities on a wide range of matters.

Steven has been a Director of an Australian Stock Exchange Quoted company and is currently Chairman of an International payments solution company.

**Mark Gilmore** is a founding Director of Viridis Navitas Capital Partners Ltd (sponsor of the CIDG) and a serial entrepreneur who has successfully managed to blend a career of high-level professional corporate roles, and an enviable track-record in start-ups. Mark brings more than 20 years successful operating experience at senior and executive level sales and operational management to CIDG.

Mark's most recent corporate role was managing COLT Managed Services strategic markets region (6 countries and 27 employees). In his last year he delivered over £30 million in revenues (118% against target) and nearly £13 million of new business bookings (122% against target). This achievement was coupled with the process of transitioning the pre-sales technical architects, with corporate incentive structures to technical consultants holding personal incentive schemes.

Prior to this Mark held a number of senior Business Development roles including: Dimension Data for over 4 years, significantly exceeding revenue, bookings and margin targets in each of the 4 years he was there; GTS Carrier Services; and TGNS S.A. In between these roles, Mark started Big Picture Interactive, a brand new digital multimedia and interactive web company and took the company from start-up to over £1m turnover in the first year, and prior to that converted an antique shop into a pub and restaurant and ran it for 2 years, before exiting.

**David Newman** is also a founding Director of Viridis Navitas Capital Partners Ltd (the sponsor of CIDG) and another highly commercial, innovative and success driven individual. He is also an entrepreneur with a strong electronic, electro-mechanical, automotive and heavy engineering background.

Following 10 years of military service operating throughout the world, David spent the next 10 learning the commercial realities of international business by apprenticing himself to the most successful business owners and companies he could find. During this time, he was tasked across a broad range of industries including, leisure, entertainment, automotive, telecoms, advertising and IT.

His corporate roles have included: Project Management, New Business Procurement, Financial Restructuring, Technical Creation and Support, IT Solution Creation & Delivery, Training Program Creation & Delivery and Change Management.

In 1999 he formed his own Telecoms consultancy and later that year created Trans Global Network Services, the world's first global fibre optic leasing operator.

After successfully exiting TGNS in 2002 with annual revenues of \$27m, David accepted the role of Commercial advisor to the then Maltese Minister of Finance, The Right Hon Mr John Dalli.

There he formed part of a 3-man team charged with redesigning the Countries FDI programme, agencies and Industrial Estate Management.

Successful completion of this project delivered a 'step change' in Government attitude toward FDI procurement, Business Promotion and even its own work force, pre-the Country's accession to Europe.

In 2004 David continued his career by taking on international consultancy roles within the restructuring IT and telecoms sector and later within the emerging renewable energy industry.

He returned to the commercial 'start-up' market place in 2008, designing and building an "outsourced" Debt Management and Cash Collection business for top 50 London accountancy practice, Simmons Gainsford LLP. SG Debt Management was initially created to assist SG client's post-recession but today has exceeded that brief. The business currently manages annual cash collections in excess of £16m and continues to attract new clients from outside the practice.

In mid-2009, David was invited to lead the design team in building an 'algae to fuel' Photo Bio Reactor for a US project. In mid-2010 working with the same US affiliates, he went on to manage the design and build of an innovative 'oleophilic membrane' crude oil recovery rig. With support from the US Department of Energy, the machine was deployed in the Gulf of Mexico and trialled as part of the Deep-Water Horizon clean-up operation.

In September 2010 David joined forces with Mark and formed Viridis Navitas Capital Partners Ltd (VN-CP) specifically to target the renewable energy start-up funding gap experienced by inventors, engineers and scientists alike.

Since inception VN-CP has delivered 9 successful funding rounds for platform technology application spinouts raising in excess of £2M via HMRC Advanced Assured Seed Enterprise Investment Schemes & Enterprise Investment Schemes. The above-mentioned experiences have allowed David to build up a broad network of contacts throughout Governments and industries alike that he leverages to the benefit any company he works with. Understanding the financial risk versus reward balance for investors, as a 'real' investor himself, he brings an unusual but extremely useful skill set to the company.

## Consultants

### Web Design Consultants:

Kurt Galea- Loop Design

### Database Consultant:

ShahDeep International Inc.

### Server Design & Hosting:

Elite UK Limited

## Executive Summary

### Company Objectives

The objective of the company is to develop a specialist online data-warehouse/directory website with subscriptions for access to the online scores, reports and commentary. This will initially be used to enable all UK residents age 18 and above access to a continuously updated directory listing of all readily-available investments within the SEIS, EIS, VCT and BPR marketplace together with full due diligence reports and product scoring. Subsequently the company intends to exploit the technology by developing 4 more sites that will offer similar facilities within the Pension, IFA, Fund Management and Secondary Market Equity Investment industries.

All of the Guru websites will be objective, independent, and uncompromised by payments from product/service providers and promoters, engendering the trust required to become the de-facto Go-To financial investment website for Investors and advisors alike.

### Initial Market Opportunity for Compare Alternative Investments Dot Guru

#### Independent Financial Advisors

Firms	Outlets	Contacts
1,383	1,539	5,850

Market Research carried out by CIDG shows that there are currently 1,383 IFA firms with 1,539 outlets that have 5,850 named professional individuals across the UK, providing advice on SEIS and EIS.

Given the complete lack of 'real-time' information and due diligence available to these individuals, it is apparent that their clients see only a very small percentage of the investments on offer. Notwithstanding that, the investment volume was still up from £545 million in 2010-11 to £1.4 billion year ending 31 March 2014.

## UK Income Tax Collection

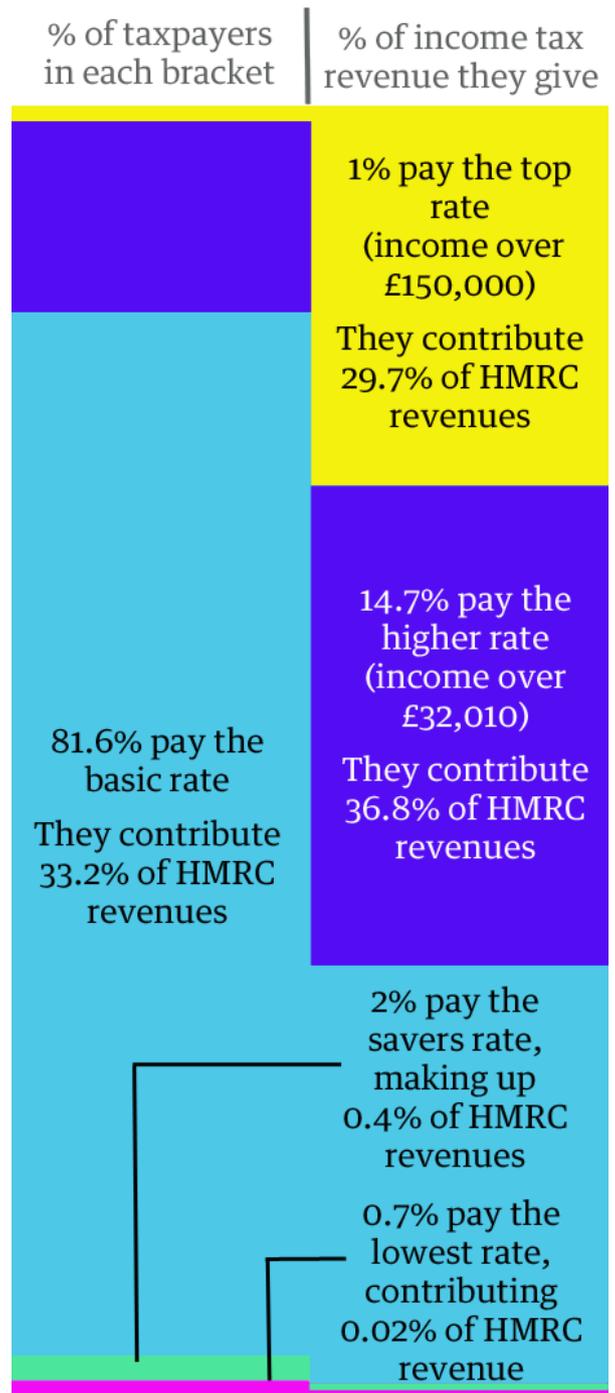
Although the highest rate of income tax (45%) only affects a small percentage of the UK's 29.9 million taxpayers, it represents 29.7% of HMRC's revenue from personal income.

Approximately 6,000 people in the UK pay tax on income over £2,000,000.

In total, 4,600,000 people pay the higher rate of tax (40%) with a further 343,000 paying the additional rate (45%) on taxable income over £150,000.

All of these individuals would be considered as HNWIs – i.e. 4.943 million people. However the CAIDG model is focussed on the 343,000 additional ratepayer's and initially the 2% of these that have declared that they self-advise.

HMRC's own data published in 2014 which showed that in 2012-2013, approximately 20,000 taxpayers invested a total of £881m via EIS, and a further 5,000 people allocated a total of £117m in SEIS projects.



## UK Income Tax Numbers

Number of individual income taxpayers by marginal rate, gender and age, 1990-91 to 2014-15

Numbers: thousands

Year	Lower (1) or starting (2) taxpayers	"Savers" (3) rate	Basic (4) rate	Higher (5) rate	Additional (6) rate	Males rate	Females rate	Under 65's	65's and over	State Pension Age (7)	
1990-91	26,100	.	.	24,400	1,700	.	15,400	10,700	23,000	3,120	3,620
1991-92	25,700	.	.	24,100	1,620	.	15,100	10,600	22,800	2,930	3,590
1992-93	25,400	4,240	.	19,400	1,720	.	14,900	10,500	22,400	2,960	3,480
1993-94	25,000	5,390	.	17,900	1,740	.	14,600	10,300	22,000	3,040	3,570
1994-95	25,300	5,180	.	18,200	2,000	.	14,700	10,600	22,100	3,250	3,860
1995-96	25,800	5,770	.	18,000	2,130	.	15,000	10,800	22,500	3,320	3,970
1996-97	25,700	7,350	.	16,200	2,080	.	14,900	10,800	22,400	3,280	3,860
1997-98	26,200	7,690	.	16,400	2,120	.	15,200	11,000	22,800	3,390	4,000
1998-99	26,900	8,090	.	16,500	2,350	.	15,600	11,300	23,300	3,670	4,340
1999-00	27,200	2,280	954	21,400	2,510	.	15,500	11,700	23,600	3,580	4,220
2000-01	29,300	2,820	1,010	22,600	2,880	.	16,900	12,400	25,300	3,950	4,660
2001-02	28,600	3,030	857	21,700	3,000	.	16,400	12,200	24,500	4,090	4,780
2002-03	28,900	3,100	730	22,000	3,040	.	16,500	12,400	24,700	4,190	4,920
2003-04	28,500	3,220	734	21,600	2,960	.	16,100	12,400	24,500	3,950	4,700
2004-05	30,300	3,570	833	22,500	3,330	.	17,000	13,300	26,000	4,250	5,110
2005-06	31,100	3,490	866	23,100	3,590	.	17,600	13,500	26,900	4,160	5,100
2006-07	31,800	3,450	927	23,700	3,770	.	17,900	13,900	27,300	4,520	5,590
2007-08	32,500	3,440	1,070	24,100	3,870	.	18,200	14,200	27,700	4,790	5,930
2008-09 (a)	*	*	*	*	*	*	*	*	*	*	*
2009-10	30,600	163	602	26,600	3,190	.	17,100	13,500	26,000	4,530	5,690
2010-11	31,300	276	623	27,100	3,020	236	17,400	13,800	26,400	4,910	6,010
2011-12	30,800	318	621	26,000	3,570	262	17,300	13,400	25,700	5,090	5,980
2012-13 (8)	30,600	264	613	25,600	3,840	288	17,400	13,200	25,200	5,330	6,070
2013-14 (8)	29,800	245	603	24,200	4,390	311	17,200	12,600	24,200	5,630	6,170
2014-15 (8)	29,900	254	615	24,100	4,610	343	17,300	12,600	24,000	5,870	6,300

Source: Survey of Personal Incomes. Table updated April 2014

Key

. not applicable / zero

Footnotes for tables 2.1

(a) Figures for 2008-09 tax year are not currently available.

(1) Taxpayers with total taxable income below the lower rate limit and some taxpayers whose savings and dividend income took them above the lower rate limit. From 1993-94 until 1998-99 a number of taxpayers with taxable income in excess of the lower rate limit only paid tax at the lower rate. This was because it was only their dividend income and (from 1996-97) their savings income which took their taxable income above the lower rate limit, and such income was chargeable to tax at the lower rate and not the basic rate.

(2) In 1999-2000 the starting rate replaced the lower rate. Between 1999-2000 and 2007-08 taxpayers with total taxable income below the starting rate limit. From 2008-09 taxpayers with no taxable earnings and total taxable income from savings below the starting rate limit.

(3) Taxpayers with no taxable earnings and total taxable income from savings between the starting/lower rate limit and the basic rate limit and/or dividends at the 10p ordinary rate. Before 1999-2000 these taxpayers would have been classified as lower rate taxpayers.

(4) Between 1999-2000 and 2007-08 taxpayers whose total taxable income is between the starting rate limit and basic rate limit and includes income from earnings or income taxed as earnings. From 2008-09 taxpayers whose income includes earnings or other income taxed as earnings and with total taxable income below the basic rate limit.

(5) Before 2010-11 taxpayers with total taxable income above the basic rate limit. From 2010-11 taxpayers with total taxable income between the basic rate limit and the higher rate limit. (6) Taxpayers with total taxable income above the higher rate limit.

(7) Taxpayers aged 65 years or older for men and 60 years or older for women in 2009-10. The female State Pension Age is being increased gradually from April 2010 to be equalised with the male State Pension Age by November 2018. The female State Pension Age for the purposes of this table is 60 years and 6 months in 2010-11, 61 years in 2011-12, 61 years and 6 months in 2012-13, 62 years in 2013-14 and 62.5 years in 2014-15.

(8) Projected estimates based upon the 2011-12 Survey of Personal Incomes using economic assumptions consistent with the OBR's March 2014 economic and fiscal outlook.

## CAIDG Site Content

Market research shows that there are approximately 100 VCTs, EIS Funds and Individual Seed or Enterprise Investment Schemes open at any given time. Unlike current information providers CAIDG does not charge a posting fee per project, instead it has adopted the Directory approach, whereby all market offers are included in a standard reporting entry format. By doing this we ensure that the site is completely unbiased, objective and uncompromised.

CAIDG will provide full technical reports on all publically available projects. These will then be independently scored by 4 professionals using industry accepted KPI's (key performance indicators), at no cost to the promoter.

## Business Drivers

The following drivers underpin the business opportunity that CIDG seeks to exploit:

1. Governments determination to use alternative investments as a 'growth mechanism' for UK SME's
2. The CMA's and FCA's determination to bring the financial services markets back to respectability by utilising public perception as one of their metrics
3. Growing Investor interest in 'Alternative Investments' post Pension caps, ISA & SIPP contributions
4. Investor need for objective and transparent information regarding suitability, risk vs reward on exit returns, fees paid for fund management/operation, tax shelter, project management team ability, technology, market opportunity and project delivery times
5. The IFA's need (as part of the FCA's client audit process) for an easily accessible, current, accurate and comprehensive due diligence report that can be used to support their product investigation, suitability and recommendation to the client
6. The Investment Promoters' requirement to sell their products into the investment community marketplace as efficiently and cheaply as possible.

## Technology

Secure, Resilient, Scalable and Flexible are the main areas of technical focus.

CIDG is utilising one of the UK's leading commercial hosting providers, Elite UK, to provide a Hosted Data Centre. Dual-scalable hosting in two of their data centres gives us the advantage of interconnectivity via next generation, high capacity network and access to a selection of national carriers for competitive network costs.

Flexible and Scalable: Provides for growth within the CIDG portal and our customers' access needs.

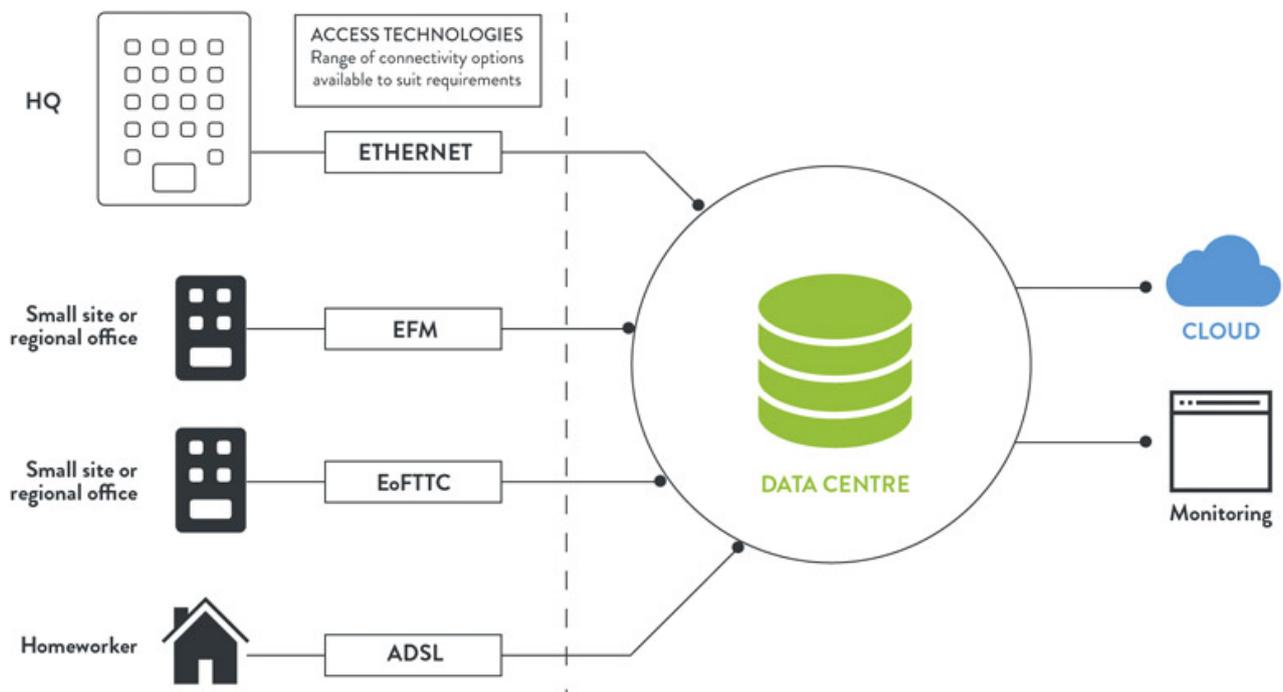
Secure: Each of the data centres are highly secured facilities, ensuring industry standard protection and peace-of-mind data storage. Placing mirrored servers in different geographical locations minimises downtime risk and ensures client access at all times.

Next Generation Network: Access to the UK's next generation high capacity networks across multiple key sites will provide our clients with immediate access to data.

## Server specification

- OS: Linux Ubuntu 32-Bit operating on dual-servers configured:
- CPU: Intel® Core™ i7 - 4 core
- RAM: 128 GB
- Storage: 2x2 TB hard drives
- External: 2x2 TB hard drives

## Hosting Schematic



## The Business Model

### Revenue Streams

There are five product lines to be leveraged in this business model:

- ✓ Annual subscription to Directory, Product Comparison and Reporting
- ✓ Specialist 'In-Depth' Due Diligence Reporting
- ✓ 'Rights of use' fees for multiple use of site featured reports by interested parties e.g. Funds, Promoters or Product Providers
- ✓ On-Site 'Brand based' Advertising
- ✓ White labelling the site to other Countries where similar business drivers & regulatory environments exist e.g. Belgium, Malta and other European countries in due course.

## CAIDG Target marketplace

The Directors have confirmed using HMRC data for the period 2014/15 that the Applicable Subscriber accessible market was estimated to be 20,000 individual investors using EIS. In this document we use the term of 'Applicable Subscribers' defined as: (1) professional clients, (2) retail clients who confirm that in relation to an investment in the Fund they have received regulated investment advice or investment management services from an authorised person, (3) retail clients who are venture capital or corporate finance contacts (4) retail clients who self-certify or are certified as sophisticated investors, (5) retail clients who are certified as high net worth investors or (6) retail clients who certify that they have not invested and will not invest more than 10% of their net investible assets in non-readily realisable securities.

The Directors will also target those IFAs that actually give advice on AI's. There are 5850 that have declared to Matrix Data that they are actively involved in this marketplace and this is around 14% of the total number of IFA's recorded working in the general market. Assumptions are based on winning an initial 100 clients in Year 1 with an annual low-cost subscription fee of £299 including Vat. Whilst this is a small number, there is evidence of year-on-year growth in the alternative investment market that will see more IFAs being asked to advise. CIDG therefore believe that given the correct tools, marketing and consistent service provision, IFA subscription numbers can be increased until CAIDG becomes the industry standard within 5-years.

## Market Acquisition Strategy

Trade subscription sales will follow the IFA 'channel supplier' route with potential partners identified and marketed to 'as and when' the initial PR campaign commences. To company will buy in from certified providers, prospect marketing data and outsource email marketing to third party specialist service providers, whilst retaining in-house responsibility for database management, report construction, customer care/service and sales/marketing elements of the business.

The company will also actively pursue 'Referral' arrangements with companies that do not conflict or compromise the core principles of operation, namely:

1. No payments from financial product providers or promoters for reports
2. No introductory fees from product providers or promoters to facilitate sales of products or services reviewed on the website to subscribers
3. Complete Independence from financial influence of product providers and promoters to retain objective and uncompromised content for subscribers.

Penetration into the High Net Worth market place will be achieved using 'above the line' advertising via the financial and investor community press, and 'below the line' via financial seminars. Online activity will revolve around site placement, referrals and 'ReeVoo'-type product support.

A series of simple advertisements have been created using the 'Guru Character' with the strap line "If There Was" – "Would You Use It" & "Unlock"

Examples:



If there was a site that provided a single point of access for all current SEIS, EIS, BPR & VCT Investment opportunities, coupled with an 'Objective' Comparison, Ranking facility - Would You Use It?

[www.comparealternativeinvestments.guru](http://www.comparealternativeinvestments.guru)



Unlock the 'Real' story behind SEIS - EIS - VCT & BPR Alternative Investments this tax year via -

[www.comparealternativeinvestments.guru](http://www.comparealternativeinvestments.guru)

For a full listing of all publically promoted products, together with: Comparison - Scoring - Portfolio builder & Save and Print facilities.



If there was a site that provided you with a single point of access for all current 'Tax Incentivised Alternative Investments' - Would 'YOU' Use it?

[www.comparealternativeinvestments.guru](http://www.comparealternativeinvestments.guru)

## Competitor Listing & Analysis

All competitor pricing and offerings have been researched and are listed below

### Allenbridge (*Recently sold to MJ Hudson*)

Allenbridge Advisory Services offer tailored to institutional investors. Clients range from approximately £10 Million to £20 Billion, and include, local government pension schemes, corporate pension schemes, wealth management firms, family offices, charities; endowments and ultra-high net worth individuals.

Allenbridge publish the Tax Shelter Report (TSR) available to Professional Advisors with prices starting from £495 pa, they also offer specialist investment reports for Financial Institutions with prices rising to £10K per report. AllenbridgeIQ was launched last year and is an Integrated Questionnaire ("IQ") system, that can be used to create due diligence questionnaires, relate questionnaires to one another or any product providers, promoters, managers, funds, companies, investors or clients. Aimed primarily at the Advisor and Promoter / Provider marketplace, it has an annual subscription charge of £695 plus vat.

Allenbridge also offer investment advice and receive commissions on investments made by private investors investing on an "execution only basis" through Allenbridge Ltd. The amount of commission (usually between 2-3%) is built into the initial charge of the products.

### Churchill or TER

Martin Churchill publishes the Tax Efficient Review (TER) consisting of reviews of new VCT, EIS and BPR products together with:

- Access to the web-based reports on existing and past products that TER has reviewed
- Access to VCT performance tables on this website
- Access to Briefing Notes on VCT corporate action.

The TER is aimed specifically at the Financial Services industry *with private individuals not accepted as subscribers*. Subscription £695 + VAT per annum with no online payment gateway facilities.

### Micap (*Recently sold to The Intelligent Partnership*)

This platform was sold to The Intelligent Partnership post its unsuccessful launch in 2015. To date it has still not formally been relaunched but is aimed primarily at the IFA market place as an advisor's technical tool. It offers 'snapshot' reporting and ranking, however, it also charges for reports on investment products and it is possible to invest via the site with Micap receiving commissions for each transaction. This completely compromises its reporting and ranking facility. Subscription price is circa £699 plus Vat per annum, but with no online payment gateway facilities.

## Hardman & Co

Founded over 20 years ago, Hardman is primarily an FCA registered capital markets research and consultancy business providing a wide range of services to the UK corporate sector.

Given the upsurge in Alternative investment interest i.e. SEIS, EIS, VCT , IHT & BPR, Hardman are providing custom reporting typically covering such areas as:

- Investment Process
- Ongoing monitoring
- Track record (if available)
- Fees and their effect on returns
- Summary scheme information in an easily comparable format
- Manager information

The reports are targeted at advisers and product providers with the goal of assisting the decision-making process from the advisors point of view and adding credibility from the product provider's perspective and assistance with distribution.

Reports are individually charged depending upon the depth of research provided but range from £3,000 to £10,000 each. As well as reports, Hardman & Co provide bespoke services for advisers and wealth managers, including training and panel construction and are currently providing due diligence and reporting services for the GrowthInvest and Kuber platforms.

## The Business Strategy

The Founding Shareholders reserved the right in the Round 1 information Memorandum to hold a subsequent round of funding should the Directors decide that further marketing capital is required to gain first mover advantage.

Given the scarcity of competition in the sector there is an opportunity to accelerate the scalability and content of the data on the CIDG platform, and to accelerate revenues by selling this additional content benefit to investors through direct and indirect sales and marketing activity. This requires an expansion of CIDG's technical capability and funding for marketing.

## Operational Expenditure

CIDG Directors will take no salaries until the business is solvent.

CIDG is budgeting for fixed annual operating costs of £50K p.a. in 2017/18 (Head of Research salary), rising to £100K in 2018/19 to cover the intern research team.

This figures will remain until profitable revenues can support a higher spend on more senior salaried research personnel to broaden the CIDG research capability thus adding commensurate value to the site. Revenues will also fund a more extensive advertising spend to penetrate more targeted Investor markets for increased subscriber sign-ups.

Schedule 1 on page 34 shows additional advertising spend up to £100K per annum, as the revenue projection model shows subscription numbers at 250 in 2017/18 rising to 400 the following year, and 500 in 2019/20, giving the additional profitable revenue to fund this marketing spend

Should the projected revenues come to fruition, an accelerated recruitment programme will be implemented to ensure continuing increases in the value and volume of content on the site, as well as the ability to monetise this added value in adding customer subscriptions.

This represents a conservative revenue projection with the ability to flex the OPEX model to ensure the company is able to maintain operating whilst financially secure, and not extending its OPEX/financial risk more than is prudent or necessary.

Note – Office costs will be kept to near zero as one of the Founder Shareholders, (Simmons Gainsford LLP) will provide office space for the initial team of 4 for this first part of the company's expansion.

## Regulated Business Activities

Following consultation with both Regulated Companies offering 'Appointed Representative' status and Specialist Legal Counsel at Howard Kennedy LLP, we were given written opinion and advised that CIDG do not require regulatory permissions for the CAIDG business operation.

The activities to be initially undertaken by the business are as follows:

- ✓ Listing all publically available SEIS, EIS, VCT & BPR investments or projects on the CAIDG portal
- ✓ Undertaking independent reporting and scoring on all publically promoted SEIS, EIS, VCT & BPR investments or projects
- ✓ Publishing aforementioned reporting on the CAIDG portal
- ✓ Sales of annual portal access subscriptions to UK residents over the age of 18, who self-declare their status and understanding of the offering before subscribing
- ✓ Providing online 'Portfolio Creation' for subscribers
- ✓ Providing onsite document download & print facilities to subscribers
- ✓ Sales of additional 'reports rights of use' to Funds/Product Providers/Promoters
- ✓ Compilation & sale of technical reports on non CAIDG listed investment products/funds to Investment Houses/Banks.

The above is not advice, and individual subscribers will only access the information listed above once they have agreed to this, and accepted the sites terms and conditions.

IFAs have to supply full company details & FCA number upon registration and physically sign an IFA declaration online. CAIDG will then investigate via the FCA register before allowing site access.

Product Providers have to supply full company details & FCA number, the Company representative then physically signs a Product Provider/Promoter declaration online. Management will then investigate via the FCA register before allowing site access.

Promoters have to supply full company details & FCA number, the Company representative then physically signs a Promoter declaration online. Management will then investigate via the FCA register before allowing site access.

Fund Managers have to supply full Fund details & FCA number, the Fund representative then physically signs a Fund declaration online. Management will then investigate via the FCA register before allowing site access.

### For completeness CIDG does not allow:

- Any form of online or off-line investment transaction
- Any form of online linking to Investment providers/promoters via the portal
- Any form of direct contact to investment providers/promoters via the portal
- Any form of Client banking or investment transaction
- Any form of 'Advice' save the 'Opinion' report published on the CAIDG Portal.

### CAIDG Subscriber Base

CAIDG subscribers fall into 2 categories:

1. Free or Trial Users
2. Paid individual subscribers

### CAIDG Revenue Streams

1. Paid Commercial subscribers (Fund, Project Provider or Promoters)
2. Fund, Project Provider or Promoters purchasing 'multiple rights of replication' allowances re reports produced by CAIDG
3. Portal advertisers
4. Investment Banks/Houses purchasing CAIDG branded technical reports on non CAIDG Listed products.

## The Picture Today

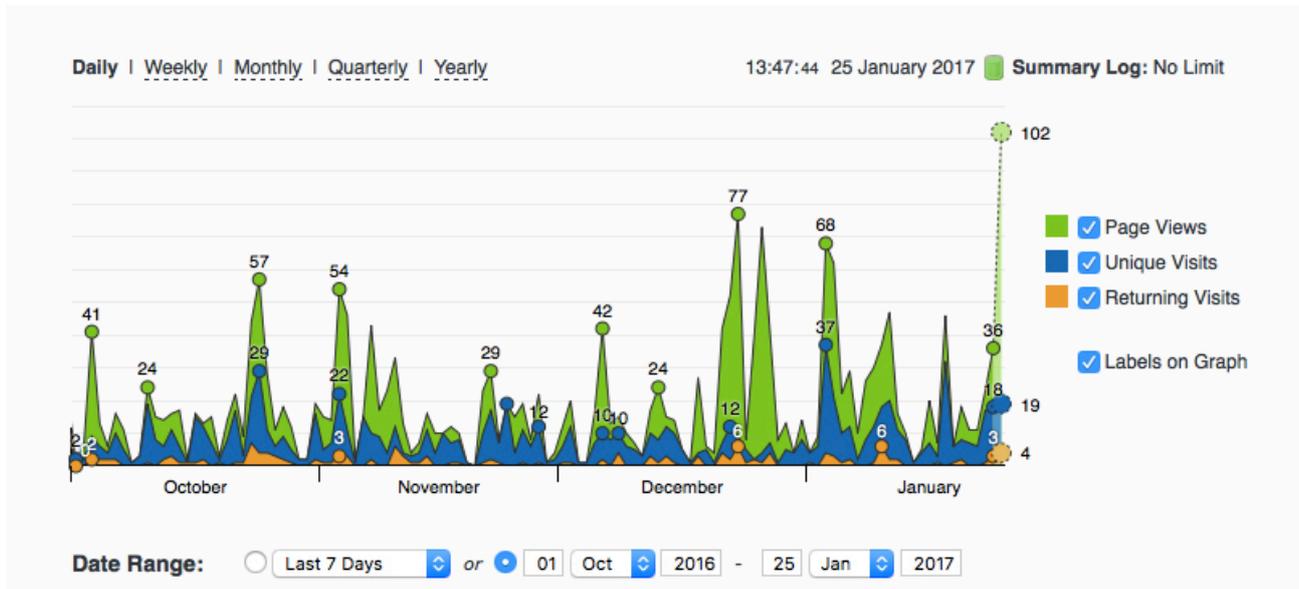
CAIDG has in excess of 200 registered users. The following graphs show how, when, and from where the site was used between 1/10/16 and 25/1/17

### Usage Numbers

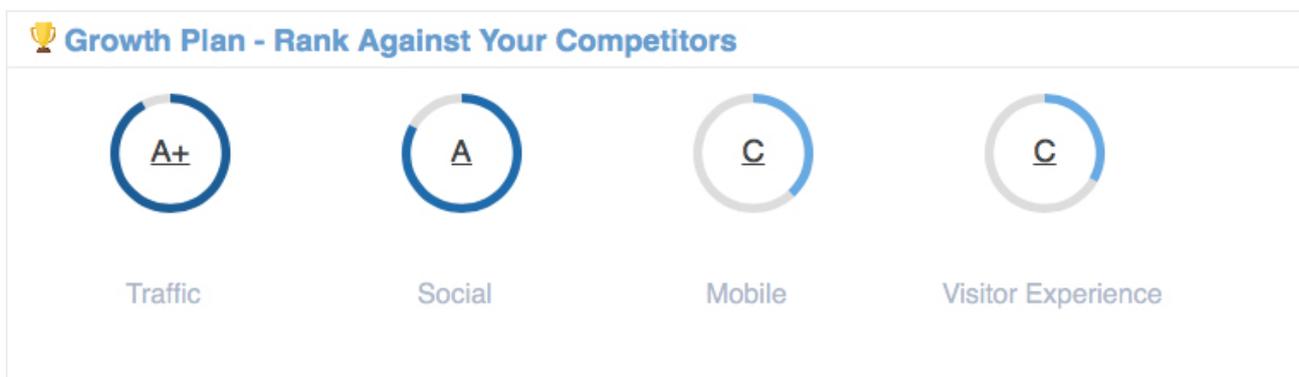
	Page Views	Unique Visits	First Time Visits	Returning Visits
Total	2,245	981	831	150
Daily Average	20	9	8	2



Visits



Industry Rankings



Subscriber Acquisition

Subscribers in categories 1 & 2 will be acquired using the marketing strategy as described on page 12.

Fund, Project Provider or Promoters purchasing 'multiple rights of replication' allowances reports produced by CAIDG will originate from the portal.

Portal advertisers will be marketed to directly by the Directors and via online advertising agencies.

Investment Banks/Houses purchasing CIDG branded technical reports on non CAIDG Listed products will originate from portal publicity and existing relationships with the CAIDG Directors.

## Financial Assumptions

1. Subscription is sold at £299 Including Vat pa per user, £249 net.
2. Cash-flow assumes a modest & staggered Individual / Corporate user growth.
3. Cash-flow assumes a 10% subscriber churn rate pa year-2 onwards.
4. No salaries will be drawn by Directors until the company can sustain those costs through profitable revenues.
5. No additional staff will be employed until the company is profitable and can sustain these additional costs.
6. The company carries a single £5k pa administration cost that covers all annual accounting and reporting.
7. The company has zero office accommodation or telecommunication costs (by way of a 5% equity consideration provided to Simmons Gainsford LLP).

## Successful Project

The project will be deemed successful when the portal is built, operating and subscription revenues are received. Investors will share in all ongoing profits resulting from Subscription sales, Consultancy or 'Rights of Use' (White labelling) revenue generated by the Company within the target industries on an annual dividend basis.

Note: Dividends paid will be subject to tax at the applicable rate relevant to investors at that time.

## Unsuccessful Project

In the event that the project is not successful or it is determined that it is not commercially viable to continue with the sales and development effort post commencement of operation, the Directors undertake that the Company will not incur creditor liability beyond the amount raised in the two funding rounds, therefore;

- a) The company may be sold to a third party for the value of any residual assets and the proceeds distributed to the investors
- b) The Company may be put into liquidation, the liquidated assets sold and the proceeds distributed to the investors
- c) In either of the above situations, the disposals will require shareholder approval to a special resolution on the action to be taken.

## Compare Investments Guru Ltd Balance Sheet as at 31st March 2015

	£	2015 £	£	2014 £
FIXED ASSETS				
Tangible assets		37,282.00		
CURRENT ASSETS				
Debtors			10.00	
Cash at bank	68,074.00			
		<u>68,074.00</u>		
CREDITORS: amounts falling due within one year	-1,450.00			
NET ASSETS		<u>66,624.00</u>		<u>10.00</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		103,906.00		<u>10.00</u>
CAPITAL & RESERVES				
Called up share capital		12.00		10.00
Share premium account	149,998.00			
Profit and loss account	<u>-46,104.00</u>			
SHAREHOLDERS FUNDS		<u>103,906.00</u>		<u>10.00</u>

## Structure for Investment in the Company

The Founder Shareholders will therefore issue a further 125 shares priced at a minimum of £2,000 per share.

Upon the successful closing of the Round 2 funding, the Founding Shareholders (FS) will have been diluted to 78.44%, Round 1 New Founder Share Holders (NFSH) to 11.76%. The Round 2 Shareholders (R2S) will hold 9.8%.

All new subscribed funds will be used to pay for the following:

1. Recruitment and funding of new Head of Research
2. The recruitment and training of at least 3 research Interns
3. Marketing and Sales campaigns to target prospective parties interested in Alternative investment and suitable qualified IFAs in publications and online
4. Further site development and report creation.

This funding will enable the company to secure finances to ensure at least 3 years of operation, as per description on page 23.

Projected development and operating costs	£226,000
Capital raising, Project assembly, Legal and Accounting costs	£ 24,000
Total	£250,000

Note: The Company has budgeted for a distribution fee equal to 6% of the capital raised by the Company through the issue of the Shares, less any amount payable by the Company in respect of any introductory fees payable to authorised third parties.

## Exit Strategy and Projected returns to Investors

The company intends to pay dividends to the investors targeted to deliver a minimum of 10% pa return on their investment after the statutory investment-holding period required to maintain the initial tax benefits. The Directors will also consider 3 options on the most appropriate method to realise investor gains in the form of an exit:

- Refinancing/Restructuring/MBO of the company to deliver an exit to Investors commensurate with the projected gains mentioned on page 24 of the IM
- Initial Public Offering
- Trade sale.

The Directors research suggests that a significant multiple on the initial investment may be achieved for subscribers at this point. Successful online media and directories with annual subscriptions, currently trade on an EBITDA multiple of between 11 and 20.

No guaranteed forecast can be given of the likely or potential returns to Subscribers upon the successful delivery of the project, however, market research carried out by CIDG lead the Directors to believe that the annual projections are extremely conservative.

CIDG is budgeting for fixed annual operating costs of £50,000 pa in 2017/18, rising to £100,000 pa in 2018/19 and 2019/20, as per page 15 & 16 of this document.

The staffing costs increase thereafter will be commensurate with market penetration figures and thus income.

Schedule 1 on page 34 shows additional advertising spend up to £100K per annum, as the revenue projection model shows subscription numbers at 250 in 2016/17 rising to 400 the following year, and 500 in 2018/19, giving the additional profitable revenue to fund this marketing spend.

### Projected Revenues

- ✓ 2017/18 Sales 1% of IFA & Applicable Subscriber designated market or £74,750
- ✓ 2018/19 Sales 2% of IFA & Applicable Subscriber designated market or £149,500
- ✓ 2019/20 Sales 3% of IFA & Applicable Subscriber designated market or £224,250
- ✓ 2020/21 Sales 4% of IFA & Applicable Subscriber designated market or £299,000
- ✓ 2021/22 Sales 5% of IFA & Applicable Subscriber designated market or £388,700

The following tables demonstrate possible investor returns 2020/21 given a varying range of market uptake.

1. 3,336 subscribers or 5% of market
2. 5,004 subscribers or 7.5% of market
3. 6,672 subscribers or 10% of market
4. 13,344 subscribers or 20% of market

Note: No allowance for investor growth in EIS has been assumed in these projection.

## Round 1 SEIS @ £1000 per share (CLOSED)

SEIS Round 1 Minimum Investment £20,000 = 20 Shares

Subscription Seat Fees £249 Plus Vat

Potential return on Investment

Year	Subscribers	Revenue	Opex	EBITDA	Sales Projections	Potential return on Investment			FT's Industry P/E 1-8-2016
						P/E	P/E	P/E	
						7	10	12	20.8
2020/21	3336	£830,664	£250,000	£580,664	Scenario 1	£70,725	£101,036	£121,243	£218,237
2020/21	5004	£1,245,996	£250,000	£995,996	Scenario 2	£121,312	£173,303	£207,964	£374,335
2020/21	6672	£1,661,328	£250,000	£1,411,328	Scenario 3	£171,900	£245,571	£294,685	£530,434
2020/21	13344	£3,322,656	£250,000	£3,072,656	Scenario 4	£374,250	£534,642	£641,571	£1,154,827

## Round 2 EIS @ £2000 per share (OPEN)

EIS Round 2 Minimum Investment £20,000 = 10 Shares

Subscription Seat Fees £249 Plus Vat

Potential return on Investment

Year	Subscribers	Revenue	Opex	EBITDA	Sales Projections	Potential return on Investment			FT's Industry P/E 1/8/2016
						P/E	P/E	P/E	
						7	10	12	20.8
2020/21	3336	£830,664	£250,000	£580,664	Scenario 1	£32,111	£45,872	£55,047	£95,415
2020/21	5004	£1,245,996	£250,000	£995,996	Scenario 2	£55,079	£78,684	£94,420	£163,662
202-/21	6672	£1,661,328	£250,000	£1,411,328	Scenario 3	£78,046	£111,495	£133,794	£231,909
2020/21	13344	£3,322,656	£250,000	£3,072,656	Scenario 4	£169,918	£242,740	£291,288	£504,899

The potential investor returns assume the following:

1. A minimum Investment of £20,000
2. Shares in the company are offered for sale to the public
3. Market penetration assumption numbers 1 to 4 above are met
4. Shares in the company trade at a significant multiple of the underlying earnings per share
5. Full subscription at Round 2 is completed.

Note: The figures contained in this section are not guaranteed as they rely on a range of assumptions that may ultimately prove to be inaccurate. Accordingly, subscribers should not rely on these figures, which are not guaranteed by the company, when making a decision to subscribe for shares.

These figures were prepared using P/E ratios considered by the Directors to be relevant and conservative in today's market.

The FT indices for media companies as at 1<sup>st</sup> August 2016 shows a P/E ratio of 20.87. See: <http://markets.ft.com/RESEARCH/markets/DataArchiveFetchReport?Category=EQ&Type=FTUK&Date=1/8/2016>

*NOTE\* The revenue streams projected above feature only the Compare Alternative Investments Dot Guru Domain. It is the Directors intention to operate a further 4/5 Comparison Sites, each with its own revenue stream.*

## Terms, Conditions and Procedures for Subscription in Round 2– EIS Shareholder Raise

1. Subscriptions for the Shares are subject to the terms and conditions set out below.
2. Subscribers will subscribe for Ordinary 1p shares in the Company at a premium of £1999.99 per share, giving a subscription price per share of £2,000.00.
3. The Minimum Individual Amount of £20,000 will be a subscription for 10 shares. The Directors retain the power to vary the amount of the Minimum Individual Amount.
4. The full subscription of £250,000 under this offer, as satisfied wholly through the proceeds derived from the allotment of the Round 3 shares, will be a subscription for 125 shares representing 9.8% of the Company's issued shares upon closing. At the time that these shares are issued, the total issued shares of the Company will be 1275 shares, of which the Founding Shareholders will hold 78.44% via their 1,000 shares, the New Founder Shareholders 11.76% and 2<sup>nd</sup> Round Shareholders 9.8%.
5. The subscription offer will be closed immediately on the receipt of applications for the full amount required by the Company or such earlier date as the Directors may decide by any changes in circumstances that may affect the start date of the project, including but not limited to; any commercial offering of co-funding, a negotiated reduction of the Stage 2 development budget, operational availability of the technical partners, legislative or regulatory requirements.
6. The Directors at their absolute discretion will determine the basis of allotment. The Letter of Subscription should be completed in full and sent or delivered to the Company, as set out in the Letter of Subscription together with the due payment to be made by bank transfer to the designated " client bank account" set up for CIDG and operated by Simmons Gainsford LLP.  
The Directors may have to scale down applications or they may accept them on a first come, first served basis or otherwise.

7. Upon completing and delivering the Letter of Subscription at the end of this Information Memorandum, a fourteen-day period shall commence (cooling-off period) during which the Subscriber may withdraw the Letter of Subscription.
8. If the Letter of Subscription is not so withdrawn, the Subscriber undertakes and confirms as follows:
  - a) To subscribe for the amount of Shares specified in the Letter of Subscription on the terms of, and subject to, the conditions set out in this Information Memorandum and the Company's Articles of Association, including these terms and conditions
  - b) That a subscription for the Shares shall be deemed to be an offer to subscribe up to the value of the Subscriber's subscription and that such offer shall be deemed to take effect on dispatch by post of the Letter of Subscription
  - c) To accept such Shares as may be allotted to the Subscriber in accordance with the Letter of Subscription or such smaller amount as the Directors may determine prior to the allotment of the Shares
  - d) That all subscriptions, acceptances, allotments and contracts arising from the Letter of Subscription will be governed by and construed in accordance with English law and the English courts will have exclusive jurisdiction to determine any disputes
  - e) That the Subscriber is not under the age of 18 and that if the Subscriber signs the Letter of Subscription on behalf of somebody else, or a corporation, that the Subscriber has the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of subscription
  - f) The Subscriber authorises the Company or any of its respective agents to send by post certificates for the amount of Shares for which his subscription is accepted, to his or her address (or that of the first named Subscriber) as set out in the Letter of Subscription and to procure that his name(s) (together with the name(s) of any other joint Subscriber(s) is/are placed on the Share register of the Company in respect of such Shares
  - g) That the Subscriber is not relying on any information or representation other than those contained in this Information Memorandum and accordingly he or she agrees that neither the Company nor any person responsible solely or jointly for this Information Memorandum or any part thereof shall have any liability for any such other information or representation in the absence of fraud

- h) That the Subscriber is a person in one or more of the categories listed in the Important Regulatory Notice on the first page inside the front cover of this Information Memorandum, namely a Certified High Net Worth Investor, a Sophisticated Investor or a Self-Certified Sophisticated Investor
  - i) That the advisers to the Company named in this Information Memorandum are acting for the Company and not acting for the Subscriber and that accordingly, they will not be responsible to the Subscriber for providing protections afforded to their clients for advising the Subscriber on the information in this Information Memorandum or ensuring that the Shares are suitable for the Subscriber
  - j) That the Subscriber has read and complied with the Terms, Conditions and Procedures for Subscription.
9. No person receiving a copy of this Information Memorandum and Letter of Subscription in any other territory (other than the United Kingdom) may treat the same as constituting an invitation to him or her to subscribe, nor should he or her in any event use such Letter of Subscription, unless in the relevant territory such an invitation could lawfully be made to him or her and such Letter of Subscription could lawfully be used without contravention of any regulation or other legal requirements.
10. It is a condition of any subscription by any such person outside the United Kingdom that he or she has satisfied themselves as to the full observance of the laws of any relevant territory, including the obtaining of any governmental or other consents which may be required and has observed any other formalities in such territory and paid any issue, transfer or other taxes due in such territory.
11. The Company reserves the right to request Subscribers to produce evidence satisfactory to them of their right to subscribe for the Shares and that such subscription would not result in the Company, its advisers or the Directors being in breach of any laws or regulations of the relevant jurisdiction.
12. The Company reserves the right to treat any subscription, which does not comply strictly with the terms and conditions of the subscription as nevertheless valid.
13. Subscriptions will be irrevocable.
14. By completing and delivering a Letter of Subscription, the Subscriber declares that he has read, understood and agreed to the terms and conditions contained in this Information Memorandum (including the Risk Factors), the Letter of Subscription, and where applicable, these Terms and Conditions for subscription and that he or she has taken all appropriate professional advice which he considers necessary before submitting the Letter of Subscription and that he is aware of the special risks involved and he understands that his subscription is made upon the terms of the aforementioned documents.

## Risk Factors

### Share Liquidity and Currency

There is no established market in the shares. Accordingly, any subscriber may be unable to dispose of their shares.

Potential subscribers are reminded that this investment may not be suitable for all recipients of this Information Memorandum and are accordingly advised to consult an investment adviser who is authorised under the Financial Services and Markets Act 2000 before making the decision to subscribe.

The ability of the project to pay costs which are in a currency other than sterling may be impaired by an adverse exchange rate.

The Company's Stage 2 business roll out involves a degree of risk inasmuch as:

1. Whilst it has access to a substantial amount of research and data which has been compiled regarding the market opportunity, there is no guarantee that the market will react in the way forecasted within this Information Memorandum
2. The 'Comparison' concept is not 'copyright' protected and therefore anyone can copy the business model and compete in the same space
3. Although best endeavour has been used to verify all of the market research, potential client/channel feedback, online polls and purchased data that the company is relying on for this project may transpire not to be reliable or relevant to this offering
4. Market timing is always key to project success or failure and market uptake for a 'Compare Investments Dot Guru' type product is unproven. The project is driven in one part by legislation and regulations that are currently being considered or put into place, and in the second the IFAs genuine desire to offer his/her clients market opportunities that to date he/she has been unable to recommend due to lack of transparency and auditable material to support that recommendation
5. Estimates of potential value and costs may not be reliable inasmuch as:
  - The potential subscription income values are illustrations based upon available comparable industry information
  - The estimates are subject to market input variables that cannot be determined until the portal is developed and marketed widely
  - The illustrations of potential income value in this Information Memorandum may accordingly be unreliable despite the Directors best efforts to judge them accurately.

## Enterprise Investment Scheme

A condition of HMRC's approval of EIS is that the conditions relating to the Company and its trade have to be complied with throughout the three-year period following the issue of the Shares. Although it is the intention that the Company's activities should qualify under the EIS, if the conditions are not complied with, the Company would have breached the EIS legislation and EIS income tax relief would be withdrawn.

## EIS Relief information

### Highlights

- An individual can invest annually up to £1 million in EIS companies and obtain a tax credit equal to 30% of the cash investment.
- For EIS it is possible to invest up to £1 million in 2015/16 and carry back £1 million to 2015/16, provided certain conditions are met.
- Certain types of trade do not qualify for EIS relief. These include certain financial activities, property development, hotels and providing legal or accountancy services.
- A 'disqualifying arrangements' test has been introduced to exclude VCTs, EIS or SEIS that do not invest in qualifying companies and are set up solely for the purpose of giving investors tax relief.

The following sections analyse the main features:

- Income tax credit on the amount invested and when it may be withdrawn
- The capital gains tax exemption and/or utilisation of capital losses on the disposal of the shares
- Deferral relief, provided the relevant conditions (explained below) are met and
- Business Property Relief (BPR) from inheritance tax (IHT), where certain conditions are met.

### Income tax

- Income tax credit at 30% of the amount invested in subscribing for new shares (maximum annual investment of £1 million).
- By election, where an EIS investment is made in one year it can be treated as though it was an investment made in the immediately preceding tax year, subject to the overall limit for that year.
- Dividends paid on EIS shares are taxable.
- Where the EIS shares are sold within 3 years, the EIS investor receives value or an option is placed over the shares, then the EIS tax credit is clawed back.
- The claw-back amount is the lower of:
  - Original income tax credit; and 30% x sale proceeds received (only applicable if sold for a loss)
  - There can also be a claw-back if the company loses its EIS status within 3 years.

## Capital Gains Tax (CGT) Relief

- An EIS investor is entitled to exemption from CGT on a disposal of those shares, provided he has held them for three years. Therefore, any growth in value is effectively tax-free.

## Relief for Capital Losses on Disposals

- Relief is given for allowable losses arising on the disposal of the shares against either income of the tax year of disposal (or of the previous tax year) or chargeable gains, provided all the relevant conditions referred to below are met.
- Any income tax relief obtained under EIS, which was not withdrawn, reduces the capital loss.

## CGT Deferral relief

- The tax due on a gain on any asset can be deferred by subscribing for shares in EIS qualifying companies, in a period beginning one year before and three years after the disposal of the original asset.

## Business Property Relief

- Shares in EIS companies held for at least two years will normally qualify for 100% BPR for IHT purposes.

## EIS Conditions

For EIS purposes, both the investee company invested and the investor need to meet certain conditions:

Conditions to be met by the company:

- The company's gross assets must not exceed £15 million immediately before the shares are issued and £16 million immediately afterwards
- The Investee Company must be unquoted when the shares are issued and there must, broadly, be no arrangements for it to become quoted. A company admitted to AIM will not be regarded as quoted for these purposes
- The Company must exist to carry on a qualifying trade (i.e. conducted on a commercial basis with a view to making profits; and the trade does not include, to a substantial extent (20% or more), excluded activities such as property development, leasing, dealing in land, shares and/or commodities etc.)
- The company must not be a 51% subsidiary of another company
- The Company must not have any subsidiaries that are not 51% subsidiaries
- The issuing company must either be a UK resident company carrying on a trade in the UK or be an overseas company with a UK permanent establishment carrying on a trade

- The Company must not be in financial difficulty
- The Investee Company must have fewer than 250 full-time employees
- The Investee Company cannot raise more than £5 million in total over a 12-month period under the EIS and the VCT scheme.

### Conditions to be met by the investor:

The key conditions are as follows:

- The subscription must be in newly issued, ordinary shares and paid for in cash, as well as being for genuine commercial reasons and not for tax avoidance purposes
- To retain the income tax relief and to be exempt from capital gains tax, the shares must be held for at least three years
- The investor must not be connected for EIS purposes with the company. Investors who are connected with the company cannot claim income tax relief but may still qualify for capital gains tax deferral relief
- An investor will be connected with the company if he, either on his own or with associates, possesses or is entitled to acquire more than 30% of the issued share capital, voting power or assets of the company or any subsidiary on a winding up
- An investor will also be connected if he or she is an employee of the company or its group. They can be directors provided they meet certain conditions. An investor must not receive any amount of remuneration as a director that is excessive in comparison to the services performed. Relief will be withdrawn if the investee company, or a person connected with the company makes a payment to the investor (which is not "insignificant") up to one year before, and three years after, the share issue.

## Statement of Certified High Net Worth for Individuals

I declare that I am a certified high net worth individual for the purposes of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

I understand that this means: -

- a) I can receive financial promotions that may not have been approved by a person authorised by the Financial Conduct Authority
- b) The content of such financial promotions may not conform to rules issued by the Financial Conduct Authority
- c) By signing this statement I may lose significant rights
- d) I may have no right to complain to either of the following:

- (i) The Financial Conduct Authority or
- (ii) The Financial Ombudsman Service

e) I may have no right to seek compensation from the Financial Services Compensation Scheme.

I am a certified high net worth individual because at least one of the following applies: -

- a) I had, during the financial year immediately preceding the date below, an annual income to the value of £100,000 or more; or,
- b) I held, throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more.

Net assets for these purposes do not include:

- (i) The property which is my primary residence or any loan secured on that residence; or
- (ii) Any rights of mine under a qualifying contract of insurance within the meaning of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or
- (iii) Any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependants are), or may be, entitled.

I accept that I can lose my property and other assets from making investment decisions based on financial promotions.

I am aware that it is open to me to seek advice from someone who specialises in advising on investments.

Name.....

Address:.....

.....  
Please print in block capitals

Signature: .....

Date: .....

Please sign here

Please Date

## Letter of Subscription

To: The Directors of Compare Investments Dot Guru Limited  
C/o Simmons Gainsford LLP,  
4<sup>th</sup> floor, 7/10 Chandos Street,  
London, W1G 9DQ

Dear Sirs,

OFFER FOR SUBSCRIPTION – 125 Ordinary Shares of 1p each in the Company @ £2000 per share

I request and authorise you to register any allotted Shares for which this application is accepted in the name(s) set out below in the Company's Share Register and to forward the definitive certificate or any moneys returnable by post to the first named person below at his/her risk.

Any capitalised term, which is not defined in this letter, has the same meaning given to that term in the Information Memorandum.

I refer to the Information Memorandum issued by the company dated January 2017 (the "Information Memorandum") and confirm I am Certified High Net Worth individual within the meaning of The Financial Services and Markets Act 2000.

I agree to provide the Company (and its professional advisers) with such evidence, as, in its absolute discretion, it requires as to my identity or that of any persons on whose behalf I am acting for the purpose of all money laundering rules and regulations currently in force in the United Kingdom.

I have arranged for payment of the full amount of the subscription for the Shares to be made to the Company c/o the designated client account set up and operated by Simmons Gainsford LLP representing the Company.

I declare that I am resident in the United Kingdom.

Compare Investments Dot Guru Limited

SUBSCRIPTION FOR ORDINARY SHARES OF 1P EACH IN THE COMPANY

Please complete using block capitals:

I..... hereby offer to subscribe for ..... Shares in the capital of the Company on the Terms, Conditions and Procedures for Subscription contained in the Information Memorandum and the Memorandum and Articles of Association of the Company, with a total subscription consideration of £.....

Any term, which is not defined in this letter, has the same meaning given to that term in the Information Memorandum.

Yours faithfully

.....  
(Signature of Subscriber/Applicant)

Date.....

Address.....

.....

## Schedule 1: Financials

Year	2017/18	2018/19	2019/20	2020/21	2021/22
New Retail Subscriptions	200	400	500	600	700
New Corporate Subscriptions	50	100	150	200	300
Total New Subscriptions	250	500	650	800	1000
Renewed Subscriptions (assumes 10% churn)		225	653	1172	1775
Total Live Subscriptions	250	725	1303	1972	2775
Seat Cost	£249	£249	£249	£249	£249
Total New Subscription Revenue	£74,750	£149,500	£194,350	£239,200	£299,000
Renewals Income (assumes 10% churn)	£0	£56,025	£162,473	£291,890	£441,981
Gross Income	£74,750	£205,525	£356,823	£531,090	£740,981
Opex	£50,000	£100,000	£100,000	£150,000	£150,000
Advertising	£100,000	£100,000	£100,000	£100,000	£100,000
Total Costs	£150,000	£200,000	£200,000	£250,000	£250,000
EBITDA	-£75,250	£5,525	£156,823	£281,090	£490,981

## Schedule 2: HMRC Round 2 EIS Advanced Assurance Confirmation

 <b>HM Revenue &amp; Customs</b>	<b>Small Company Enterprise Centre Cardiff</b> Wealthy & Mid-sized Business Compliance Mid-sized Business S0970 Newcastle NE98 1ZZ
David Newman Viridis Navitas Capital Partners 4 <sup>th</sup> Floor 7/10 Chandos Street LONDON W1G 9DQ	<b>Phone</b> 0300 123 1083 <b>Fax</b> 03000 582 456 <b>Email</b> enterprise.centre@hmrc.gsi.gov.uk
<b>Date</b> 26 September 2016 <b>Our ref</b> WMBC/MSB/S0970/7403126057/SCEC <b>Your ref</b>	<b>Web</b> www.hmrc.gov.uk

Dear Sir

**VN Aerotoxic Detection Solutions Ltd - Enterprise Investment Scheme**

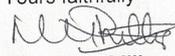
Thank you for your application dated 01 September 2016.

I am pleased to confirm that, on the basis of the information supplied, I would be able to authorise the company to issue certificates under Section 204(1) ITA 2007 in respect of Ordinary Shares issued to individuals, following receipt of a properly completed form EIS1 within the time limit prescribed by Section 205(4) ITA 2007.

You are reminded that:

- Responsibility for the accuracy of the information supplied and considered by me rests wholly with the company.
- This provisional assurance is based solely on the information supplied in and with the clearance application and will not apply in circumstances that vary from those described therein. You are therefore advised to forward particulars of any proposed changes, and the draft of any shareholders subscription, investment or similar agreement, for clearance prior to the issue of shares.
- This clearance does not guarantee the availability of any form of relief under the Enterprise Investment Scheme to any particular subscriber.

This assurance is given on the basis of the legislation as enacted at the date of this letter. In the event of any changes to the legislation which take effect on or before the date of any share issue, the assurances given may not continue to apply.

Yours faithfully  
  
**Miss L M Phillips**  
H M Inspector of Taxes

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Information is available in large print, audio and Braille formats.  
Text Relay service prefix number – 18001

  
Assistant Director: Colin Wood



## Schedule 3: Registered Domain Names

[www.comparealternativeinvestments.guru](http://www.comparealternativeinvestments.guru)  
[www.comparefinancialadvisors.guru](http://www.comparefinancialadvisors.guru)  
[www.comparefundmanagers.guru](http://www.comparefundmanagers.guru)  
[www.compareifas.guru](http://www.compareifas.guru)  
[www.compareinvestments.guru](http://www.compareinvestments.guru)  
[www.compareinvestmentsguru.co.uk](http://www.compareinvestmentsguru.co.uk)  
[www.compareinvestmentsguru.com](http://www.compareinvestmentsguru.com)  
[www.comparelenders.guru](http://www.comparelenders.guru)  
[www.comparepensions.guru](http://www.comparepensions.guru)  
[www.comparewealthmanagers.guru](http://www.comparewealthmanagers.guru)  
[www.wealthmanagers.guru](http://www.wealthmanagers.guru)  
[www.comparesecondarymarketequityinvestments.guru](http://www.comparesecondarymarketequityinvestments.guru)  
[www.compareinvestissements.guru](http://www.compareinvestissements.guru) (Belgium)  
[www.vergelijkinvestments.guru](http://www.vergelijkinvestments.guru) (Belgium)

# Schedule 4: CAIDG Screen Shots

## BPR & VCT Fund Search Display

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Find funds   Sort by High or Low Values  
High Score = Great Opportunity

PROJECT	TYPE	SECTOR	PROJECTED RETURNS	MIN INVST	CLOSING	FEES & CHARGES	INVESTMENT OFFER	COMMERCIAL OPPORTUNITY	RISK FACTORS	MANAGEMENT TEAM	👑	COMPARE
<b>Guinness Sustainable Inheritance Planning Service</b> Guinness Asset Management Ltd ("Guinness")	BPR	Energy Renewables	Targeting a capital return of 5% per annum.	£25,000	Evergreen	6	5.7	5.7	6.3	6.7	6.1	📄 📁 ☐
<b>Octopus AIM IHT ISA ("the ISA")</b> Octopus Investments Ltd	BPR	AIM-listed Companies	No stipulated target; Octopus quote their performance is 105% on AIM ITS business in 9 years to June 2014.	£10,000 £10,000. In subsequent years the maximum annual contribution to ISAs is currently £15k (£10k minimum).	Evergreen	4	6.5	6	5.8	6.8	5.8	📄 📁 ☐

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Find funds

PROJECT	TYPE	SECTOR	PROJECTED RETURNS	MIN INVST	CLOSING	FEES & CHARGES	INVESTMENT OFFER	COMMERCIAL OPPORTUNITY	RISK FACTORS	MANAGEMENT TEAM	👑	COMPARE
<b>British Smaller Companies VCT/VCT2 PLC ("BSC/BSC2 - the Companies")</b> YFM Private Equity Ltd ("Investment Adviser").	VCT	Generalist funds; Multi-sector	Target dividends are c5.5p/4.5p for BSC/BSC2 respectively. The dividend payout has increased in recent years to 12% equivalent (over last 5 years) based on the net-of-tax cost; the share buy-back facility has a current NAV discount of not more than 10%. In cash terms, regular dividends have been c5.3p/4.3p for BSC/BSC2 and BSC made a special dividend payment of 18p per share.	£6,000 £6,000 (across both VCTs and both tax years).	30 Apr 2015	4.7	7.7	7.5	8.3	7.5	7.1	📄 📁 ☐
<b>Albion VCTs - Top Up.</b> Albion Ventures LLP ("the Manager").	VCT	Generalist funds; Multi-sector	5% dividends per annum.	£6,000	Evergreen	6.3	6.7	7	7.3	7.3	6.9	📄 📁 ☐

## EIS Single Company Report Display


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## Atlantic Screen Scores Limited EIS.

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 Add to portfolio

### ▼ General Information

#### MANAGER

The offer is a single offer for shares in a limited company. The directors of the Company (the Directors) will be: • Simon Fawcett • Tim Hollier.

#### PROMOTER

The Directors

#### INVESTMENT ENTITY

Atlantic Screen Scores Limited ("the Company" or "Atlantic").

#### INVESTMENT CATEGORY

EIS - Single Company

#### INDUSTRY SECTOR

Film  
Music Albums

#### CURRENT STATUS

Open

#### PROJECTED RETURNS

18% internal rate of return after five years.

#### BUSINESS OBJECTIVE

Atlantic has been established to create and exploit intellectual property (IP) in the form of original music composed for major internationally released films and television productions.



# Atlantic Screen Scores Limited EIS.

## General Information

### MANAGER

The offer is a single offer for shares in a limited company. The directors of the Company (the Directors) will be: • Simon Fawcett • Tim Hollier.

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### PROJECTED RETURNS

18% internal rate of return after five years.

### BUSINESS OBJECTIVE

Atlantic has been established to create and exploit intellectual property (IP) in the form of original music composed for major internationally released films and television productions.

## Investment Status

### TARGET RAISE

£4m

### RAISED TO DATE

### MINIMUM INVESTMENT

£10,000

### LAUNCH DATE

January 2014.

### PROJECTED CLOSE DATE

15/7/15

### LAST UPDATED

15/7/15

### PURPOSE OF FUNDING

The Company will invest in the music scores of 30 to 40 films over three years. Each film will have a minimum production budget of £3m but most films are likely to have significantly larger budgets. The average investment that the Company will make per film will be of the order of £115,000 but this will vary depending on management's analysis of the likely income that they believe could arise from the investment.

## Guru Score

FEES AND CHARGES	INVESTMENT OFFER	COMMERCIAL OPPORTUNITY	RISK FACTORS	MANAGEMENT TEAM
6.3	6.7	6.7	6.2	7.7

## Guru Overall Evaluation

OVERALL SCORE
6.7

## Project Offer Details

<b>PROJECT PROMOTER</b>	The Company Directors
<b>TAX WRAPPER</b> SEIS / EIS / VCT / BPR / Other	Limited private company that has been trading for over twelve months and should be able to issue to investors certificates promptly to new subscribers.
<b>BUSINESS PROPOSITION</b> Brief details of the business to be financed - a copy of the supporting Information Memorandum will also be required	Have film scores made, which it will license back to the studio. The studio will package the soundtrack with the film, and distribute to cinemas and to television distributors, who will pay the Company every time the film is shown at the cinema or on television, the DVD is rented or bought, or the music is played over the radio.
<b>FUNDING HISTORY</b> Details of previous fundraising on this project	This is a new EIS company.
<b>OPEN/CLOSE DATES FOR PROJECT FUNDRAISING</b> Include details of how the promoter will deal with any under/over funding situation	The closing date will be at the discretion of the Manager.
<b>COMPANY STATUS</b> Brief details of the project company's position regarding its current financial and its perceived business cycle	The Company was incorporated on 11th December 2013; the first year's accounts are not yet known.
<b>EQUITY OFFERING</b> Details of the shareholdings being offered, together with information concerning management-held stakes in the entity, and anticipated future funding/dilution	The Offer is a private placing of up to 4m ordinary shares at £1 per share.
<b>PROJECTED RETURNS</b> Details of the projected investments returns (IRR) and timings	Per the IM projections, the investors are targeted to recoup £7.145m within 5 years, versus an outlay of £4m. The Directors expect to sell the catalogue in the fifth year of trading at a medium multiple of nine times the income it yields, which will provide a low forecast return of 11% per annum, a base forecast of 18%, and a high forecast of 24%.
<b>ANTICIPATED EXIT</b> Details of the exit mechanisms/scenarios available and potential timescales	The Company will seek an exit for investors in the fourth year of trading by liquidating the Company's assets and distributing the proceeds to shareholders.

## Business Model

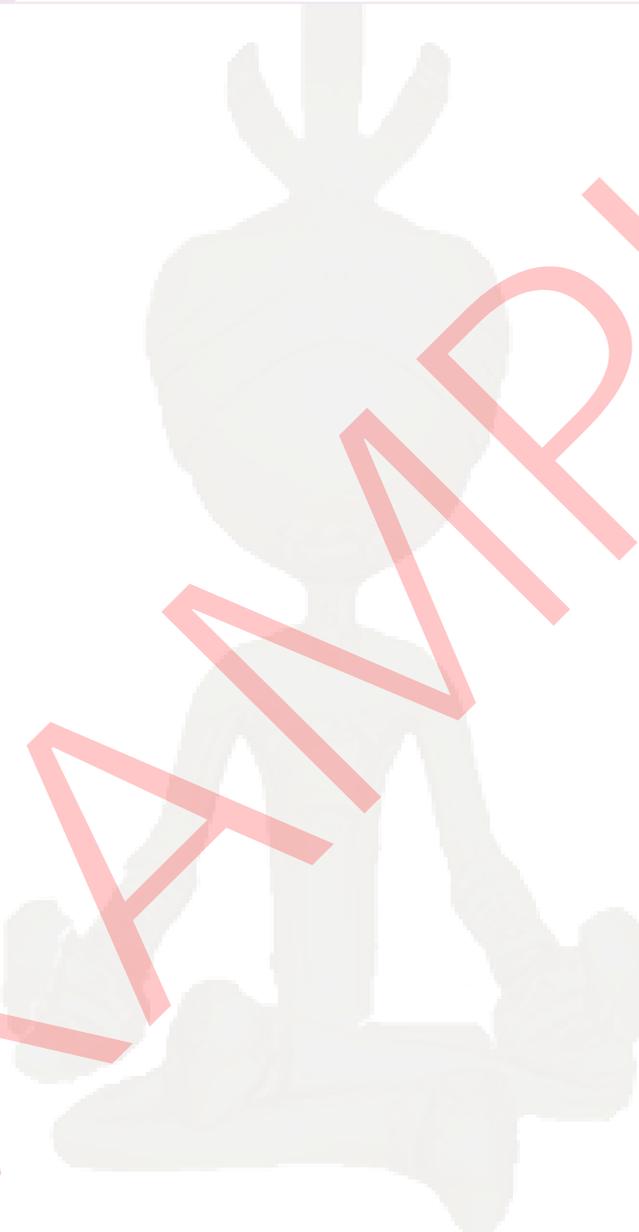
<b>MARKETS</b> <small>Details of the expected markets for the commercialized product</small>	The Company will solicit work from independent studios, which have large budgets earmarked for box office distributed movies.
<b>BARRIERS TO ENTRY</b> <small>Details relevant to both the project and perceived competitors</small>	Film music score composition is both niche and specialised, and difficult to enter.
<b>PROPRIETARY FEATURES</b> <small>Details of any USPs which the project possesses</small>	By developing intellectual property (IP), i.e. the creation of music soundtrack, which can be leased to a wide range of distributors, the Company has a degree of asset backing, though the value of this IP may be hard to gauge.
<b>GROWTH MODEL</b> <small>Details of the expected growth profile of the project company and rationale</small>	The Company will seek to exploit the IP it creates by receiving copyright royalties from cinemas and television distributors. The final catalogue will be monetised at a multiple to the revenue stream, which may provide a degree of growth on the original capital, though the opportunity, at its core, is based on an income producing business model.
<b>INCENTIVES/AID</b> <small>Details of any incentives available to the business (including any already claimed/received)</small>	None

## Charges

<b>INITIAL FEES</b>	The Company will levy a 5% initial fee.
<b>ANNUAL MANAGEMENT FEES</b>	See Directors' salaries £80k below – equates to 2% pa.
<b>INVESTMENT/PLACEMENT FEES</b>	N/A
<b>EXIT CHARGES</b>	The Directors will share in the a management bonus as follows: i. An annual bonus of 25% of the profit of the Company before taxation and dividends but after interest, depreciation, amortization, extraordinary items and the adjustment of certain other amounts to the extent that the cumulative positive net profits exceeds the amount by investors and ii. A bonus on a sale of the Company or a final distribution of the Company's assets on a winding up of 25% of any returns (whether dividends or other distributions, returns of capital or proceeds on a sale of at least 75% of the Company's share capital) to investors in excess of the total amount invested in the Company less any annual bonuses paid. In the event that the cumulative annual bonuses exceed the surplus profits, the Directors will be liable to repay such excess.
<b>OTHER CHARGES</b>	N/A
<b>HURDLE RETURN CRITERIA</b>	See above.
<b>ACCUMULATION CRITERIA</b>	N/A

# Expenses

SALARIES/MANAGEMENT FEES	Directors will be paid aggregate fees of £80,000 per annum.
ADMINISTRATION COSTS	No data available
INTERMEDIARY COSTS	Investors can agree for the Company to pay certain amounts to a designated financial adviser, which would adjust the initial fee accordingly.
OTHER	N/A



# Risks

## BUSINESS RISKS

STRENGTHS	The Directors have strong connections in the film music score industry and can seek to capitalize on their experts for the benefit of the Company.
WEAKNESS	The underlying films may flop at the box office, which may lead to poor valuations for the IP.
OPPORTUNITIES	The IM indicates that the demand for film music scores is as big as the market for films, which is large and growing.
THREATS	The future sale of the catalogue cannot be assured and its accompanying price could be less than the initial investment.

## OPERATIONAL RISKS

REVENUE GENERATION	The Company intends to make revenues from leasing its IP.
EXPENSE CONTROL	The Company's indicative expenses are set out in the information memorandum.
PROJECT SUSTAINABILITY	The Directors have excellent contacts in the industry, we understand, and the sector is niche, suggesting that the business opportunities should be ample for any Company that can take a leading position in the market.

## TAX & REGULATORY

HMRC STATUS	EIS qualifying limited private company (No Pre Assurance)
LEGISLATION	None anticipated.
INDUSTRY ISSUES	None anticipated.

# Management

## KEY PERSONNEL

NAMES	EXPERIENCE	QUALIFICATIONS
Simon Fawcett - Director	Director. Previously CEO of Aramid Capital Partners, which managed the Aramid Entertainment Fund, and was finance director of Pathé Entertainment Group.	
Tim Hollier - Director	Founder of Filmtrax library and Music Copyright Solutions Plc, which floated on AIM in 2001.	
Steve Orchard - Chairman	High-profile roles in UK radio industry for over 25 years.	
PREVIOUS PROJECTS Details of prior projects promoted	PRIOR FUNDRAISING Details of amounts/dates/tax wrapper	EXIT RECORD Details of project exits and investor returns
See Experience above.		

## BUSINESS OPERATOR

ENTITY	BACKGROUND Details of entity/personnel engaged in running the business

## ADMINISTRATION

	KEY ADMIN PERSONNEL Details of how the Administration and any significant issues key personnel
Internal Resources	No data available.
External resources & advisors	No data available.
Regulated operator	No data available.

## STAFFING

	Details of staff turnover key personnel business
Internal resources	No data available.

# Guru Questions

- Is there an example of how revenue & profit is generated from a film soundtrack deal that the Directors have done before?
- If so Is there an example of how that benefited investors at exit?
- Is there a business plan?

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EXAMPLE

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