



oxford
technology

Oxford Technology Combined SEIS and EIS Fund

- OT(S)EIS -

Quarterly Report to 30th September 2015

Summary

By 30th September 2015, OT(S)EIS had completed 31 investments in 17 companies. Details of all the investments and how they are doing are given below.

In general, we are pleased with progress so far.

We receive a steady stream of entrepreneurs seeking funding for their start-ups, and we would like to raise additional capital in order to be able to make some of these investments.

So if you would like to invest more in the fund, this would be very welcome. Equally, if you have friends who are not yet taking advantage of the SEIS scheme, maybe you could let them know about us.

Of course, past performance is no guide to future performance, but theory says that investing in start-ups via the SEIS/EIS schemes, should produce very good financial returns, as well as being good for IHT purposes, and our progress so far would indicate that theory will be borne out in practice. Of course, actual returns will come only when exits are achieved, and under the SEIS scheme, we cannot start to achieve exits until 3 years after an investment, so that we have no exits so far. But many of the investee companies have now passed safely through the first very-high-risk milestones and now have technologies which work and are achieving sales and have been able to raise additional capital at higher valuations. So the prospects are good.

SEIS Tax Reliefs Summary

- Income Tax bill reduced by 50% of investment
- Income Tax bill reduced further if the business fails - up to 22.5%
- Capital Gains Tax bill reduced by 14% of investment
- No tax on Capital Gains from investments
- No inheritance tax on shares after 2 years
- Tax reliefs can be claimed as if the investment had been made in the previous financial year, if the investor wishes

EIS Tax Reliefs Summary

- Income Tax bill reduced by 30% of investment
- Income Tax bill reduced further if the business fails - up to 31.5%
- Capital Gains Tax of up to 28% of investment is deferred. The Capital Gain to be deferred can be made three years before, or one year after the investment.
- No tax on Capital Gains from investments
- No inheritance tax on shares after 2 years
- Tax reliefs can be claimed as if the investment had been made in the previous financial year, if the investor wishes

For more in depth details, please consult HMRC, or your financial advisor.

Example SEIS investment

An investor with income tax of £25,000 to pay and capital gains of £100,000 (on which £28,000 is due to be paid) invests £20,000 under the SEIS scheme.

Investment:

Income tax bill reduced by 50% of this:	£20,000
Capital Gains tax bill reduced by 14% of this:	-£10,000
Net cost of investment:	-£2,800
	£7,200

Should the investee company fail, the remaining part of the investment on which income tax relief has not been claimed (£10,000 in this example), may be set against the investor's income tax liability.

For a 45% tax payer, this relief is worth £4,500






For a 40% tax payer, this relief is worth £4,000

For a 20% tax payer, this relief is worth £2,000

Therefore for a 45% tax payer, with Capital Gains to pay, the loss will be £2,700, so just 13.5% of the £20,000 cost. In the event that the investment fails. If the investments succeeds, and the shares are sold for £40,000 (so twice the purchase price) the £40,000 would be tax free, a multiple of more than 5 times the net cost.







OT(S)EIS Fund Portfolio

as at 30th September 2015

Company	Business	Amount Invested	Date	SEIS/EIS	Net Cost	Fair Value	Multiple*	Method of Valuation	
Run3D		3D gait analysis for physiotherapy	£100,000	18/12/2012	SEIS	£50,000	£100,000	2.00	Latest Share Price
			£15,000	18/10/2013	SEIS	£7,500	£15,000	2.00	
			£10,000	18/10/2013	Non SEIS/EIS	£10,000	£10,000	1.00	
BioMoti		Improved Cancer Drugs	£75,000	08/01/2013	SEIS	£37,500	£37,500	1.00	Discounted by 50%
			£40,000	28/05/2014	EIS	£28,000	£23,200	0.83	
Combat Medical		Bladder cancer treatment	£75,000	05/04/2013	SEIS	£37,500	£86,600	2.31	Latest Share Price
			£75,000	05/12/2013	EIS	£52,500	£78,700	1.50	
			£10,000	29/10/2014	EIS	£7,000	£10,000	1.43	
			£34,300	05/12/2014	EIS	£24,000	£34,300	1.43	
Message Missile		Mobile App enhancement (geo-location notifications)	£16,000	23/05/2013	SEIS	£8,000	£3,200	0.40	Discounted to £0
			£5,000	18/10/2013	SEIS	£2,500	£1,000	0.40	
			£20,000	19/06/2014	SEIS	£10,000	£4,000	0.40	
Ibexis Technologies		Remote datalogging	£50,000	24/05/2013	EIS	£35,000	£14,000	0.40	Discounted to £0







*Note: Multiple = Fair Value/Net Cost, where Net Cost takes into account only the tax relief against income tax and Fair Value includes loss relief where applicable (and assumes a 40% taxpayer)

For those investors who also have capital gains tax to pay, there are further CGT reliefs (SEIS) or CGT deferrals (EIS) available.

Company	Business	Amount Invested	Date	SEIS/EIS	Net Cost	Fair Value	Multiple*	Method of Valuation	
Lightpoint Medical		Real-time imaging for cancer surgery	£75,000	04/06/2013	SEIS	£37,500	£582,000	15.52	Latest Share Price
			£75,000	10/03/2014	EIS	£52,500	£144,700	2.76	
			£10,000	07/11/2014	EIS	£7,000	£15,500	2.22	
			£125,000	04/12/2014	EIS	£87,500	£193,800	2.22	
Metal Powder & Process		High quality metal powder production	£150,000	16/08/2013	SEIS	£75,000	£150,000	2.00	Latest Share Price
Power OLEDs		Improved OLED technology	£75,000	11/12/2013	SEIS	£37,500	£75,000	2.00	Latest Share Price
			£25,000	18/07/2014	EIS	£17,500	£25,000	1.43	
			£30,000	27/04/2015	EIS	£21,000	£30,000	1.43	
			£30,000	04/09/2015	EIS	£21,000	£30,000	1.43	
Abgentis		Improved antibiotics	£42,200	27/03/2014	SEIS	£21,100	£42,200	2.00	Latest Share Price
Designer Carbon		Endohedral fullerene production	£75,000	03/04/2014	SEIS	£37,500	£75,000	2.00	Latest Share Price
Sasets		Software for construction industry	£75,000	30/07/2014	SEIS	£37,500	£75,000	2.00	Latest Share Price

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Company	Business	Amount Invested	Date	SEIS/EIS	Net Cost	Fair Value	Multiple*	Method of Valuation
Sime Diagnostics	 Rapid diagnostic to protect pre-term baby lungs	£75,000	04/09/2014	SEIS	£37,500	£75,000	2.00	Latest Share Price
Curoo	 Software to reduce paperwork for expenses	£75,000	23/12/2014	SEIS	£37,500	£300,000	8.00	Latest Share Price
Molecular Warehouse	 Proteins for diagnostics and therapeutics	£75,000	21/04/2015	SEIS	£37,500	£75,000	2.00	Latest Share Price
Animal Dynamics	 Mechanical engineering inspired by animal motion	£75,000	29/06/2015	SEIS	£37,500	£75,000	2.00	Latest Share Price
Ducentis Biotherapeutics	 Immune modulation therapeutics	£50,000	13/07/2015	SEIS	£25,000	£50,000	2.00	Latest Share Price
Bioarchitech	 Engineered oncolytic virus	£79,600	13/08/2015	SEIS	£39,800	£79,600	2.00	Latest Share Price

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