



expertise and experience

Corporate

AIM services

Alternative Investment Market

Morgan Cole is a UK law firm committed to providing the highest quality legal services and commercially focused advice from offices in South Wales, the Thames Valley and London.

We have a substantial team of specialised corporate lawyers who service clients across the UK, and internationally. We have a depth and breadth of experience and expertise enabling us to provide an extensive range of legal services to business clients. So whether you are looking to sell a small company, or are a large multinational company looking to re-structure, merge or acquire other businesses, or gain a listing on a stock exchange, we can provide a bespoke service to suit your requirements and budgets.

The corporate practice has a dedicated team comprising a group of highly skilled corporate lawyers with a wealth of experience and expertise of listed company work and in particular, AIM.

What is AIM?

AIM stands for the 'Alternative Investment Market' and is the London Stock Exchange's market for smaller, growing companies which has established itself as the world's most successful growth market. Companies do not need any previous trading record to float on AIM and there is no minimum amount of shares that have to be made available to investors.

Why may AIM be of relevance to you?

There are various reasons why companies choose to float on AIM. For example:

- A listing provides access to institutional equity investment capital which is not available to unquoted companies. AIM in particular provides access to venture capital trusts and other institutions which invest only in quoted shares.
- Investors can obtain a trading market for their shares whilst preserving certain tax reliefs, like those arising from the enterprise investment scheme, which are available to AIM-listed companies but not companies, listed on the London Stock Exchange's main market.
- Quoted shares can represent an acceptable alternative to cash for owners of businesses or companies which you wish to acquire.
- Quoted shares can be used as part of an incentive scheme for key employees.
- An AIM listing, which does not require any immediate loss of control, can form the basis of a controlled release of equity as part of the exit planning of the company's owners.
- Of course there are certain costs associated with an AIM listing, but these may not be as high as you might think. The listing itself can be achieved for anywhere between £100,000 and £300,000, which can be raised if necessary as part of a placing of shares. Ongoing costs involve the retention of a nominated adviser (Nomad) and nominated broker, where annual fees are typically around £35,000 to £40,000. There will also be incremental audit costs associated with the financial reporting requirements of AIM.



Please email Janine Blake at janine.blake@morgan-cole.com with your feedback, comments and suggestions on this publication. If you would like to receive further copies, including copies produced using a larger typeface, or information relating to our services in this area, please call 0118 955 3023.

Expertise

- We can provide assistance to businesses planning to float on AIM in several ways:
- acting as the legal adviser in achieving a listing on AIM whether or not this is connected with raising equity capital
- acting in relation to reverse takeovers (an acquisition of a company or business which is larger than the AIM-listed company itself – usually paid for, at least in part, by the issue of shares to the target company's shareholders) by AIM-listed companies, acting either for the target company's shareholders or the acquiring listed company
- providing on-going advice in relation to general compliance issues, acquisitions and disposals, arrangements with advisers and further share issues
- providing high quality advice to Nominated Advisers (Nomads) and brokers at competitive rates
- advising on both existing share option schemes and the implementation of new ones.
- Corporate transactions invariably require input from other legal specialisms. Morgan Cole has teams of lawyers in different practice areas who are familiar with the business requirements of corporate work including:
 - employment
 - property
 - environmental & regulatory
 - dispute resolution
 - banking
 - share schemes
 - health & safety
 - taxation
 - intellectual property
 - construction
 - outsourcing

Examples of our AIM experience

- acting for the target in the reverse takeover of Wales-based television production and media innovation company Agenda Television Limited (trading as Tinopolis) by Acquisitor Limited (now renamed Tinopolis plc)
- the placing of new ordinary shares in Oxford-based events management and corporate hospitality group Monkleigh plc (now called Elevation Events Group plc) and admission of the company to trading on AIM
- the placing of new ordinary shares in Elevation Events Group plc and the double reverse takeover of events management companies Philip Talbot Productions Limited and Senta Limited
- the admission to AIM of General Industries plc, a cash shell listed by a group of high net worth investors – the third cash shell we have listed for this group
- the public takeover of AIM-listed sports and telecoms software and consultancy company InterClubNet plc
- the reverse take-over of cash and change machine company Scott Tod Developments Limited by Darwen Capital plc (now called Scott Tod plc)
- the reverse takeover of mobile phone retailer Celltalk Group plc by a cash shell company listed on AIM (now called Celltalk Group plc)
- the reverse takeover of housing association consulting group HACAS Limited and simultaneous public offer for The Royal Borough of Kensington and Chelsea Assured Homes plc by a cash shell company (subsequently called Hacas plc)
- the reverse takeover of health club chain Springhealth Leisure Limited by AIM-listed Mazaran Leisure plc (subsequently renamed SpringHealth Leisure plc) and the subsequent divestment of certain health clubs by that company
- advising AIM listed biodegradable plastics company Symphony Plastic Technologies plc on several successful placings of shares and arrangements with its Nomad as well.



Why Morgan Cole?

We are a dynamic organisation, investing in exceptional people and the latest technology to help us to achieve our clients' objectives. We are proactive, supporting you with valuable advice and information and we provide a high degree of partner involvement, giving you a confident and highly-experienced decision-maker on your team.

For a firm of our size and reputation, knowledge of the law and experience of its application are a given. Our core competencies also include commercial awareness and a talent for making things happen. We pride ourselves on the relationships we build with our clients.

We appreciate that controlling legal costs are often a key concern for all parties involved in a corporate deal. To help overcome this, we have developed the FeeScope spreadsheet tool which we use for all corporate transaction work. It enables our lawyers to work with clients to accurately estimate and clearly explain the fee for an assignment before any work begins.

Our people



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Michael is a corporate and banking lawyer with experience of advising both public and private companies on a wide range of corporate transactions including mergers, acquisitions, disposals, MBO's/MBI's and banking and finance transactions.



Rob Cherry
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Robert is a partner based in South Wales with a broad range of corporate transactional experience. He regularly deals with acquisitions, disposals, management buy-outs and buy-ins, private equity and venture capital transactions. His team has specialist expertise in implementing buy and build programmes of acquisitions and, for example, Robert had led the work for PHS Group plc, for whom alone we have acted on well over 150 acquisitions. Robert also leads the team on stock exchange and public takeover work, having advised on many AIM and official list flotations, reverse takeovers and public offers as well as regulatory advice to quoted companies.



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Our people continued



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Jayne is a corporate lawyer with wide-ranging experience acting for clients on corporate transactions, mergers and acquisitions including AIM, main list and blue book transactions. She also advises clients on corporate restructuring, formation and investment structures and on general company law issues.



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Stephanie joined Morgan Cole in 1997 as a member of the corporate & commercial team, she then qualified as a corporate lawyer in September 2003. Her experience to date includes, acting for both private and public companies in connection with acquisitions and disposals, advising clients in relation to corporate structuring, formation, joint venture arrangements and shareholder agreements, acting for a private equity investor in connection with investments in start up enterprises and acting for a number of local charities acting for a banking client in connection with taking security over ships.

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