

Welcome to the newsletter of JKLM and its many parts, we hope to cover everything that we are doing within this letter and then keep it going for ever.

## **J K L M H O L D I N G S L T D**

The Holding Company was set up in October 2006, in order to provide money for investments in existing as well as new ventures.

The initial idea was to raise 100 shares of which we now have 61, and hope to secure the remaining by October of the year.

The list below is a brief outline of the projects currently being done or proposed. The Holding company is invested in all aspects of these whether through preferential or ordinary shares, as well as direct investment in actual games or projects

## **J K L M G A M E S L T D**

### **New Member of the Team**

There are many projects in development, least of which is that we are going to be taking on a second person to cope with the everyday running of the company, We have found the person that this will fall to and would like to introduce you to Paul Evens, who of course you know already does a fantastic job of running the distribution company.

He will be taking up the job at the end of this year, when he finishes his current contract, so he can then give more time to the job in hand.

Although we have not finalised exactly what the distribution of jobs will be, you can be assured that things will get much more organised as this is one of Paul's strengths.

### **American production and Distribution partner**

So what has been happening to make this all be necessary. Mostly, the fact that I have been spending alarmingly more and more time in America and Europe, furthering the empire of this small but fast growing little company.

To this end we have now struck up a deal with a new but well seasoned American company to act as our distributor in America, whilst we act as theirs in Europe. What this means is that we get to sell many more games, whilst increasing the number of games in our catalogue. What has this got to do with the Production company I hear you ask, The company "Fred distribution" is not just going to be distributing, they are also getting into production, and part of the partnership we are setting up is that, if we produce a game they will buy between 300-500 copies of that game immediately for distribution in America. This of course is reciprocal and we will be doing the same the other way, we will also be doing several games together, the other main thing that will eventually come from this is that we may end up doing most of the production of these games here in the UK.

### **Phoenicia**

Since its' release in June at the UK games Expo, the sales of Phoenicia have not stopped, and so far we have sold over 3000 copies, justifying my decision to release the game outside of Essen, and if with Essen still to come if we continue to sell at this rate we could be looking at a rerun in the new year.

### **Essen**

We are currently working on four games for Essen, which is keeping me rather busy, but all should be finished on time. The games are ;-

Caveman :- which we are doing in conjunction with Make a Game (MAG) Ltd, They are new kids on the block but are hoping to get this one into the high street, and their chief exec comes with his own set of credentials as a person that has for many years been dealing with the high street. I am excited about this one mainly because if it comes off, we will have a path into the high street, which opens many doors for future development. I also think the game is good too.

Scandaroon :- this comes from the designers of Bloody Legacy and Tara seat of Kings, Surprised Stare Games. They have agreed for us to take on all their future production and sales, leaving them to do what they do well which is design. The game is a card development game and should do well.

Power and Weakness :- another game from an old hand, Andreas Steding, who we did Kogge and Whisky Race with, this is a two player game which is something new for us, so it will be interesting to see how it is received, and for this reason we are doing a limited run of 1,000.

Stop light :- this we are doing as a partnership with our American friends, the game is a card game about traffic lights or stop lights if you are American, and again it will be interesting to see how this does, as we are not recognised as a card game publisher, but I am confident that it will sell fast enough for us to recoup our money fairly quickly.

### On the Horizon

We have lined up several games for the future, all of which I'm sure will meet with your approval, the plan is to do one game every 2 months releasing each at the next available show, UK expo, Origins, Essen, AUS expo, Japan are just some of the places that we are planning to start showing at regularly. All of this will of course add to our ability to sell, but we are planning to do these all in conjunction with other people, by setting up partnerships like the one with Fred in America. The games that we have lined up at the moment are :-

Ascendancy :- this is a new game from Nigel Buckle ( Celtic Quest ) and has a very nice feel to it, it will also appeal to those of you that like games with an RPG feel, as this game has different races for players to play, 4 in the original box and 12 that we will add later.

Huang Di :- You may have already noticed that we are being accredited with this game on board game geek. That is because initially we were going to be doing it in conjunction with Cambridge Games factory, but they unfortunately had to pull out so we have now inherited it, which some might say was fortunate for us. This comes from a new designer and the game is very nice and is about building the Great Wall of China. What is good about it is that there are three sections that can be built at any time but you can only build in one, so creating this frustrating choice of where to build, as you compete with your fellow players for honours.

Random Violence / Mercenary :- I came across this game at Baycon and was instantly taken by it, it is not the sort of game I would normally enjoy, but it is fast "30 mins" and fun and will appeal to a very wide audience, and may even be a game that can go into the high street, I have already got our American partners very interested in the game, and they are also excited about where this game could take us as the system lends itself to many different Themes

Athene :- This is Ian Vincents ( Fruit Bandits ) new game, and is a nice little game which uses some of the ideas in Robo Rally, but is shorter and has more control. You are part of Aggamenmon's fleet returning after destroying Troy and the God Athene outraged by your acts has sent the Gods to destroy you. Your task is to try and find a safe landing place.

Cash on Delivery :- This game comes from a new designer, David Brain who is part of the Sebastian Bleasdale, Ian Vincent group of designers, and so has been through the mill. It's an economic route finding game with one of those annoying elements

that make games great. You have five cards each with two jobs on, there are five jobs, therefore two of each job, but you only get to do one job on each card each round, so which jobs do you not do.

History of the World :- yes I did say history of the world, we have been approached by Ragnar Brothers to do a reprint of this old classic which I have seen, It has been revamped and plays in just over 2 hours, and has some nice new ideas. Part of the reason, however, that I am happy to do this is that the Ragner brothers like Surprised Stare games don't want the hassle of producing any more but do want to invest in the production, this is where we come in, because we will do the work for them and buy half the run at cost, e.g. we get it cheap.

On the Metro :- What you might ask is this, well it's the follow up to "On the underground", but based on the Paris Metro, it has the same base game but comes with some new rules and some of the old ones taken out. I think this will be a good game to do in the early part of next year and launch at the Paris show.

Well I think that's all the definite games. There are several others that I'm still bartering over. The main thing is, that by the time we have finished all these, we are bound to have another batch of things to do.

So as you can see, no rest for me and Paul, does he really know what he is letting himself in for!?

### **INTERACTIVE GAMES SITE**

Some of you may have already had a look at this. Those of you that haven't, can I encourage you to go and have a play, It's still early days, but it's a good place to get a quick game of Phoenicia and any day now Underground. David Norman is the person responsible for putting this all together and is slowly going to be putting more games on this site for our customers to play, the main idea behind this site being to get our new games up and running online before we release them, enabling people to try before they buy. This in turn does two things for us. Firstly, it gives an idea of the response to the game, and therefore helps us to make better decisions regarding how many to make. Secondly, we will make more money from the direct sales upfront, therefore giving us the cash we need to do the run in the first place. The other thing that will happen with this site is that after a short period of time or until the next game is available, you will be able to play the games for free. After that, you will be encouraged to become a member and pay a £5 subscription. This will give our members the ability to buy any of our games for 10% less online and we will also be running competitions and giving away some games.

### **J K L M N P E V A N S D I S T R I B U T I O N**

The last quarterly figures show that we are doubling last years' figures. However, most of this was due to the arrival of the Rio Grande order, but this was only responsible for 11% of the sales, what made the biggest impact was the release of Phoenicia equating to 14% of the sales and on the Underground 8%. Go JKLM! Our customer base continues to expand\_ Phoenicia has helped here, particularly in gaining us new customers in Europe. The six biggest customers account for just over half our business, with the very biggest customer equalling 11% of our sales. Our postage costs are still a little on the high side, but as we are now using a forwarder to ship from America the percentage of cost is going down. We are about to discontinue our relationship with Ludofact, firstly because they are expensive, secondly, because we now have a sensible German distributor who of course, pays his own warehousing costs.

## WAREHOUSING

We have recently taken a unit at Braintree enterprise centre to use for our warehousing as my Garage is no longer capable of holding all the stock. However, the unit which wasn't much bigger than my garage is now full, and my garage is starting to fill up again.

Not to worry, as we are now looking to purchase a much larger unit, eight times bigger, to be precise. The aim is to first of all, store all of our own games, and any other games from other people, but to let out half the unit in order to pay for the purchase, as it will be necessary to take out a mortgage in order to obtain this unit. Ultimately, this of course, moves us into another area, albeit, a lot sooner than we had envisaged, but a much desired one, as it will give us a more permanent standing, as well as collateral equally more than the value of your investments, giving you more security, as well as a fixed premises for the JKLM group.

The other benefit of having a bigger warehouse, is that we can act as a European holding house for other companies, thus improving the cost effectiveness of the warehouse, but also our actual buying power.

We see only a good future ahead for the distribution arm, as it will also benefit from the arrangement we have with our American Partner, but also from the increased productivity of the games company. Mainly, this will be because we are starting to get more games at wholesale price, which is slightly better than distribution price, but means we can sell to other distributors and still make money. It also gives us more exclusivity, although that is not essential. It also helps us to keep the pricing of the games in this country on more of a par with other countries.

## **J K L M D I R E C T**

Direct is the latest member of the JKLM family and was set up primarily to give us an outlet for all the games we now carry. We mainly take the stock and sell it at conventions, but of course we now have a website which is still in development but hope that over time it will grow and become better.

It now also gives the person who acts as our warehouse person something to do with their spare time, if they get any.

## MAGAZINE PUBLISHING

This again was started in order to give more work to our warehouse person and at the moment we are only printing the QLA every quarter, but in time we hope to obtain several others, helping to reduce the costs to all.

## CONVENTIONS

We now have a few places that we do on a regular basis; Baycon, Eastbourne, Oxcon, and we will be doing Sorcon when it starts next year. And as more become available we will take them on.

## POSSIBLE FUTURE VENTURES

Exactly where we go from here is never completely decided, as you never know what you might come across in your travels. One thing is for sure, and that is that we will be doing more travelling and therefore more opportunities will arise.

I can tell you that we are in talks over a partnership with a company in Japan. We are also looking at the possibility of entering into the wargaming world. I can assure you that the idea of buying shops is now not going ahead as we can't see much future in it for us, but we will be looking to help others in their endeavours to do so.

I would, as always like to thank all those who have put their faith in me and JKLM, and hope that we can continue to go forward towards a happy future. I would also at this point like to ask if anyone is interested in helping make the purchase of the warehouse or production of games any easier, then please let me know as we still have 39 shares available before we close the books.