

Welcome...

...to the autumn edition of Inspire from Finance Yorkshire.

I am delighted to announce that a year on from making our very first investment, Finance Yorkshire has now invested over £10 million into businesses in the Yorkshire, Humber and North and North East Lincolnshire region.

This is a fantastic achievement as it also coincides with the time when we have made our 100th investment, in Exquisite Cakes. Both of these milestones are significant for Finance Yorkshire, as they are a key demonstration of our principal objective of supporting companies across the region.

The performance to date has only been possible through the professionalism and diligence of our staff, and credit goes to them for all their hard work and commitment.

In this edition of Inspire we've highlighted reaching the £10m mark and the most recent deals completed, including our latest equity deal into Boston Healthcare in Wakefield.

In addition, there is an update from our Seedcorn team, the background to a selection of deals from our business loans team and I would like to introduce our new 'In Business' feature in this publication, which showcases how Finance Yorkshire works 'behind the scenes' with the companies we invest in.

The substantial work that we've completed in this first year has allowed us to establish a robust platform which we will be building on for the future.



Alex McWhirter
Chief Executive
Finance Yorkshire

Healthcare company benefits from £1.25 million investment



Pictured: Alex McWhirter, Chief Executive of Finance Yorkshire, Steve Stocks, Executive Chairman of Boston Healthcare, Colin Darroch, Managing Director of Boston Healthcare, David Hardless, of Park Place Corporate Finance and Hamish Salmond, Finance Director at Boston Healthcare.

A start-up pharmaceutical company has been given a helping hand to a healthy future after receiving Finance Yorkshire's biggest investment to date.

Finance Yorkshire celebrated its first year of investing in business by giving Wakefield-based Boston Healthcare a major £1.25 million boost from its Equity Fund.

Boston Healthcare will use the investment to procure, market and distribute a recently acquired portfolio of well-known pharmaceutical products.

Steve Stocks, Executive Chairman of Boston Healthcare, said: "Our focus is on over the counter (OTC) brands that people know and have trusted in the past. We are looking to bring them back to life through more creative and innovative marketing, through partnering with our retail and wholesale customers and by increasing the on-shelf presence of our products.

"When we met with Craig Hopwood, our Investment Director, there was a very good chemistry right from the start. He had a good

understanding of what the business is about and had a genuine interest in the company."

Craig Hopwood, Investment Director, said: "Healthcare is one of our preferred investment sectors and the OTC market is a very interesting space given current dynamics. We have been investing in businesses across Yorkshire and the Humber for just over a year now and this is the Equity Fund's largest investment to date."

Alex McWhirter, Chief Executive of Finance Yorkshire, said: "This is a significant investment and demonstrates that Finance Yorkshire can operate at this level. The company needed investment and Finance Yorkshire was able to provide the right equity package to fit their needs."

The deal was introduced by David Hardless of Leeds-based Park Place Corporate Finance.

Funding to grow.

for Yorkshire, Humber, North & North East Lincolnshire

Graham joins Seedcorn team

Dr Graham Davies has joined the Finance Yorkshire Seedcorn team as an Investment Manager.

Graham joins the team after being venture manager at the University of Manchester Intellectual Property Ltd (UMIP) for the last two years where he has been helping to create, manage and offer support to spin-out companies from the University.

Graham has a science and technology background, an M.B.A. from Manchester Business School, and was previously involved with the day-to-day development of a new start-up enterprise after completing his scientific Ph.D.

Graham said: "I will now have been part of the start-up process from all sides, from being heavily involved with a new company, to helping support and manage spin-outs, to now getting more involved in investing in them.

"I know how tough it can be to get started and seedcorn finance can be a great way for a new business to develop what's needed to get into the market. The Seedcorn Fund offers vital support for this."

Graham will join a team tasked with seeking investment in early stage technology-based ventures across Yorkshire, the Humber and North and North East Lincolnshire.

He added: "The Seedcorn team has received a good supply of business opportunities from across the region and I very much look forward to finding out more about these exciting opportunities. I will also be seeking out new start-ups that need our support."



Dr Graham Davies,
Investment
Manager
for Finance
Yorkshire's
Seedcorn team.

Finance Yorkshire passes £10 million investment milestone



Left to right (back) Badgequo's Erwin Kist, Finance Yorkshire's Ash Chopra, RM Corporate's Phil Bailey, Gordons' James Fawcett and Finance Yorkshire's Grahame Lunt, with (front left to right) Badgequo's Linda Arter, Rebecca Whitehouse of Walker Morris (centre) and Badgequo's Kai Arter.

Finance Yorkshire has made more than 100 investments with a total value of over £10 million in businesses across Yorkshire, the Humber and North and North East Lincolnshire.

The landmark milestones comes just 12 months after the venture capital and loan fund made its first investments in the region.

Investments have been made in a variety of sectors such as engineering, healthcare, digital and IT, manufacturing, energy and renewable. As of June 30 the funding has created and safeguarded almost 1880 jobs and developed over £11 million of gross value added for the region's economy.

Investments include:

- West Yorkshire cosmetics company Badgequo received funding made up of a £800,000 equity investment and a £100,000 business loan to develop and grow the company predominantly in the UK as well as Europe. Badgequo designs and manufactures a wide range of branded gift sets and private label products for major high street retailers.

- SureCore Ltd which received a Seedcorn Fund investment is exploring technologies to improve the memory within silicon chips. It has the potential to significantly improve the amount of data that can be stored, the power that is consumed, and speed of operation of that memory.

Alex McWhirter, Chief Executive of Finance Yorkshire, said: "It has been an excellent first year of investing and laid the foundations for further development and growth. To provide more than £10 million to small and medium-sized enterprises has really provided a boost to the regional economy, at a very difficult time for businesses.

"There are thousands of fantastic SMEs that have great management teams, are well run and possess interesting business plans, but unfortunately suffer a lack of funding from conventional sources in order to fulfil their strategic objectives. It is our intention to support those companies to continue their growth."

Growth spurt for Weedfree thanks to £100k investment

A weed control company has sown the seeds for growth across Europe after a £100,000 cash boost from Finance Yorkshire.

Goole-based Weedfree Limited and its international arm, Weedfree on Track Limited, offer industrial and amenity weed control including the operation of weed spray trains along rail networks in the UK and in Europe.

Managing Director Neil Bangham revealed the company is hoping to use the huge cash boost from Finance Yorkshire to market its services across the continent.

Neil said: "We wanted to expand business further in both the UK and Europe but it costs a lot of money to gain business into new countries.

"The investment from Finance Yorkshire is going to help us do that. We hope to build the business here in the UK by increasing our sales across the continent and we are going to use the loan to develop marketing to raise our profile."

Neil was introduced to Finance Yorkshire by long-serving company accountant James White, of Brown Butler Chartered Accountants.

Neil said: "The investment process was excellent. It was very quick, easy and professional throughout."

Finance Yorkshire Investment Manager, Ian Atkinson, said: "Weedfree does a fantastic job of controlling the weeds along our railway network here in the UK and with its spray train the company has the scope to have big business success across Europe too.

"We were delighted to be able to offer the support the company needs to reach its full potential. The investment means that the UK operation will expand, allowing it to generate more sales from both the UK and overseas."



Left to right: James White of Brown Butler Accountants, Ian Atkinson, Finance Yorkshire Investment Manager, and Neil Bangham, Managing Director of Weedfree.

Businesses benefiting from Seedcorn Fund input

Businesses across the region are continuing to receive investment and support from the Seedcorn Fund.



Ashwin Kumaraswamy, Finance Yorkshire Investment Manager, and Faradion Chairman, Andrew Dixey.

In the last edition of Inspire, Finance Yorkshire announced that the Seedcorn Fund is on target with more than £1 million invested in companies during the last 12 months.

This quarter, Inspire continues to take a look at the Fund's investment portfolio and reviews the type of businesses it has provided finance for.

Faradion is developing a new chemistry which aims to transform the economics of electric vehicles while allowing them the range motorists demand.

Although clearly high risk and speculative, the combination of a team with great experience in new battery technology companies, and the chance to make very substantial cost savings in a huge existing market, were attractive for investment.

Iceotope has developed the technology to remove all the heat from servers in data centres without using any refrigeration. The company has demonstrated that its technology could make a big impact on the \$12bn per annum server market, dramatically reducing running costs and allowing for higher performance computers.

Meanwhile, Vidiactive Ltd allows users to manage internet video links, enabling them to be saved, shared or sent to a TV internet browser set-top-box.

Finance Yorkshire's Seedcorn team saw these markets as both immensely valuable and comparatively untapped and that new technology provided an opportunity to disrupt the sector.

For more information on Seedcorn finance, please visit www.finance-yorkshire.com

Intermediary's View

Time for talking is over and putting promises into action is now crucial, according to **Andrew Marsh** corporate director at **Barclays Corporate**. In this edition of Intermediary's View, Inspire speaks with Andrew, who is head of the bank's South Yorkshire team, about how it is working with Finance Yorkshire in providing access to funding.



Pictured: Andrew Marsh
Corporate Director at
Barclays Corporate.

There has been a lot of talk about banks providing access to finance for business, especially to small and medium sized companies. But time for talking has passed - it is the delivery of funding that businesses want to see.

A lot of banks are saying they are lending to businesses, but at Barclays Corporate we actually are providing finance to companies. Nationally, we are on course to meet our Project Merlin

commitments, having extended £20bn of new lending to business in the first half of the year, including £7bn to SMEs.

We have also cemented our commitment to the Yorkshire area and in the last 12 months made a significant investment in Sheffield by moving our offices to St Paul's Place in the city centre, as well as strengthening our corporate team with some significant hires.

This investment in both facilities and people provides a foundation for us to build strong relationships with businesses and Finance Yorkshire with whom we have developed an effective and productive working relationship.

Barclays Corporate support businesses with a turnover of more than £5 million, right up to multi-national companies. We have worked hard with Finance Yorkshire in developing a fresh approach to packaging finance in such a way that it helps fill funding gaps in working capital and capital expenditure for companies looking to grow and provides well needed headroom for businesses seeking finance.

We recently introduced two businesses to Finance Yorkshire, a marketing company which has just received a £150,000 business loan from Finance Yorkshire to fund part of their growth aspirations and a Sheffield based recruitment firm who received a £40,000 loan from Finance Yorkshire.

Having Finance Yorkshire to signpost businesses to, has added significant value to what we can offer our clients.

In Business with... KRL Group Ltd

Willerby-based KRL Group Limited has been trading for more than 25 years and sells and services photocopiers to customers across Yorkshire, the Humber and parts of Lincolnshire.

After undergoing a management buyout (MBO), the East Yorkshire company turned to Finance Yorkshire to help modernise the business while maintaining its regional roots.

Business loans totalling £130,000 from Finance Yorkshire, combined with an Invoice Finance facility from Lloyds TSB Commercial Finance, helped KRL move on from the MBO.

Ian Atkinson, Investment Manager at Finance Yorkshire said: "The investment from Finance Yorkshire alongside the cashflow facility from Lloyds TSB Commercial means that KRL is now well placed to bring forward many of its growth plans and advance the company at a faster rate than would have been possible.

"This is a great example of how Finance Yorkshire can work with other lenders to fill the gaps to help companies achieve their plans for growth."

Managing Director George Baker said: "In 2009 my two business partners wanted to

sell up but I decided to go it alone. However the recession meant it was the worst time to try and do a MBO and we struggled to get the right finance.

"However, last year we began working with Finance Yorkshire and Lloyds TSB and the help we have had from both of them has been great and has helped us get through.

"We had to do a lot of developing to bring what was very much a lifestyle business into the 21st century and Ian Atkinson from Finance Yorkshire helped us bring those systems into play. He has fought our corner.

"We appreciated Finance Yorkshire's people focus. Their representatives came out to see us and took a tour of the building so they understood the whole operation and what we were trying to achieve rather than making a decision while sat behind a desk.

"They didn't just put money in. They wanted to make sure we were doing all the right things to stay productive and profitable."



Pictured: George Baker, KRL Group Ltd Managing Director.

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