

## Welcome...

...to the summer edition of Inspire.

Increased confidence in the regional economy means more Yorkshire and Humber companies are now well positioned to consider investing in their businesses and generating growth.

This positive mood is reflected in Finance Yorkshire's own performance in the first quarter of the year, which has seen us invest a healthy £3.1 million to back growth in some of the region's most exciting and innovative SMEs.

These seedcorn, business loan and equity-linked investments demonstrate the value we bring to the marketplace, providing much-needed finance to growing businesses that have a thirst to do even better.

There is considerable interest from the SME community in what we offer – a good number of applications for investment are being made and we are keen to hear from even more businesses which are unable to attract some or all of the finance they require.

Finance Yorkshire's investment pedigree speaks for itself and, working alongside banks and our intermediary network, we are determined to continue building on our track record of enabling businesses to achieve their growth ambitions.

We are very successful at what we do, especially where we invest in companies with a niche product or cutting edge technology. Often, these companies find themselves in a strong position with good clients and a strong order book - we provide them with the necessary growth capital to meet this demand and realise their potential.

While growth prospects for Yorkshire and the Humber continue to be strong, Finance Yorkshire is well placed and, with the support of our stakeholders, we look forward to investing in the region's SMEs now and in the future.



*Alex McWhirter*  
**Alex McWhirter**  
Chief Executive  
Finance Yorkshire

## Healthcare company increases brand portfolio on the high street



Left to right, Steve Stocks, Executive Chairman of Boston Healthcare, Ian Brown of Finance Yorkshire and Colin Darroch, Managing Director of Boston Healthcare.

Wakefield-based Boston Healthcare is aiming for a larger slice of the UK over the counter (OTC) market after launching new products backed by a major television advertising campaign.



The company's growth is supported by a £500,000 Equity Linked package from Finance Yorkshire which invested an initial £1.25m in Boston Healthcare when it acquired the Uvistat and Dalivit brands four years ago.

Since then, Boston Healthcare has been strengthening the brands' position in the OTC

market which is worth £2.5bn. It now supplies some of the biggest pharmacy names on the high street, including Boots, Superdrug and Lloyds, as well as leading pharmacy multiples and independent pharmacies.

Finance Yorkshire's latest investment has enabled the business to add a children's

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**Funding to grow.**

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SPF50 Lipscreen and an Evening Aftersun with SPF20 to its Uvistat range. It has also introduced Dalivit D3 to combat vitamin D3 deficiency in children.

Managing Director Colin Darroch said: "We spent some time establishing the brands back in the marketplace and now we are concentrating on new product development. It is easier to hang new products on existing brands because of the brand association with consumers."

Boston Healthcare's target markets are the sun care market, vitamins and acne. The new Uvistat children's Lipscreen features in a major television campaign on Sky which includes children's channels.

“ We spent some time establishing the brands back in the marketplace and now we are concentrating on new product development. ”

The company has also enlisted the support of Yorkshire County cricketer Jonny Bairstow who is brand ambassador for the Uvistat sun care range.

Colin is partnered in the business by Executive Chairman Steve Stocks and together they have more than 60 years industry experience. Steve added: "Over the coming two to three years we intend to gradually ramp up the promotional activity to drive sales of the portfolio and we will continue to innovate with new line extensions in areas of unmet need."

Ian Brown, Finance Yorkshire Portfolio Manager, said: "From the time of the acquisition of the brands, Boston Healthcare has surely and steadily moved from rebuilding awareness and trust of the brands among consumers to a strong position in the marketplace. The business is now well placed to develop and add more new products this year which include a probiotic for babies as part of the Dalivit franchise."

## Investment boost supports lingerie company's growth plans



Left to right, Ian Atkinson of Finance Yorkshire and Diane Gordon-Freeman of Alterego Lingerie.

Hull-based Alterego Lingerie has invested in new and larger premises as it aims to become a multi-million pound business in the next three years.



Founded by Diane Gordon-Freeman, the company buys and distributes lingerie products to boutiques and e-commerce shops across the UK and worldwide.

A £30,000 Business Loan from Finance Yorkshire – alongside investment from Yorkshire Bank and the Humber LEP Growth Fund – has enabled Alterego to move from leased premises to a new property at the ipark in Hull to support its expansion plans.

The company's three-year growth strategy includes employing two apprentices and it has already taken on a new manager, taking its number of staff to eight. It also has plans to introduce new product ranges and invest in IT to increase sales in European and global markets.

Diane launched Alterego in 2007 while working full time in the NHS. "I wanted to run my own business and after considerable research I realised there was a demand from Europe for quality lingerie products that I could buy and export.

"I set up an e-commerce buying model and was able to fulfil orders and deliver direct to customers. We added new product ranges such as bridal, hosiery and shapewear in response to customer demand. Since then, we've piloted and introduced other lines for which there is a strong market alongside mainstream lingerie.

"The move to the new premises is fantastic and is the start of being able to put our plans in place to grow the business while at the same time providing a much better working environment for our staff."

Ian Atkinson, Finance Yorkshire Investment Manager, said: "Diane has steadily grown her business to become an established wholesaler in the lingerie sector. The new and larger premises will without doubt support her ambitious plans for growth, which centre on repeat business from existing customers while at the same time building her client portfolio at home and overseas."

**10,196**

Jobs created and safeguarded

**£94m**

Invested in  
**728**  
deals

**426**

Businesses with gap funding

**£179m**

Generated in private sector leverage

# Battery business powered up for further growth

The world recently had a glimpse of the first sodium-ion powered vehicle, thanks to a Sheffield based R&D business which is going from strength to strength following investment from Finance Yorkshire.



Faradion, based at the city's Innovation Centre, is pioneering low-cost sodium-ion battery technology, capable of reducing the cost of renewable energy storage.

The recent e-bike vehicle demonstration, which was led by Faradion and supported by Williams Advanced Engineering and Oxford University, was a proof of concept designed to showcase the capabilities of sodium-ion technology.

Faradion's pioneering technology enables the replacement of lithium-ion batteries with the more commonly available and sustainable sodium, without impacting adversely on any of the key performance characteristics of current large scale batteries.

Sodium-ion batteries are considerably less expensive than their lithium-ion counterparts, offering savings of at least c. 30% in terms of cost per kWh.

Finance Yorkshire's Seedcorn Fund initially invested in Faradion in 2011 and has since made follow on investments.

Faradion chairman Chris Wright said: "The development

of a sodium-ion powered e-bike was a major milestone for our pioneering technology, and demonstrated its capability.

"Finance Yorkshire's investments have enabled us to further develop our technology as well as scale up production of our next-generation battery materials. Future users of our technology will be able to secure high quality materials in commercial volumes at competitive prices."

Investment Director at Finance Yorkshire, Ashwin Kumaraswamy said: "We are proud to be the founding investors in Faradion and we have made subsequent investments because the business is a true trailblazer in this type of battery technology, not only in the UK but globally.

"Since our most recent investment, the business has ramped up its development considerably, not least with the demonstration of the e-bike and exposure on the national news. With various patents pending and advanced technology applicable to both power and energy applications, Faradion is in a perfect position for real success."



Left to right, Dr Ruth Sayers, Sheffield Site Manager with Finance Yorkshire's Ashwin Kumaraswamy.

# Latest Deals...

.....Here are some of Finance Yorkshire's recent investments:

**Who: Origin Broadband, Doncaster**

Origin supplies telephone and broadband services to businesses and homes across the UK.

**What: £350,000**

Equity Linked Investment.

**Why:** To provide the company with development capital to expand its B2B services.



Left to right: Henri Wust and Oliver Bryssau of Origin Broadband and Paul Gower of Finance Yorkshire.

**Who: Vacform Group (Yorkshire) Ltd, Leeds**

Vacform Group is one of the most innovative and market leading providers of vacuum formed products in the UK.

**What: £100,000**

Business Loan.

**Why:** To assist with purchase of existing leased premises and enable the company to put in place expansion plans to take on a growing order book.



**Who: Peratech Holdco Ltd, Richmond**

Peratech is a force-sensing solutions company with proprietary pressure-sensitive materials and embedded software for user-interfaces.

**What: £215,000**

Equity Linked Investment.

**Why:** Part of a £1m rights issue supported by all other shareholders to give the company funds to build its sales force and expand its engineering team to allow it to address the global market which the company serves.



**Who: Fast-Form Systems Ltd, Grimsby**

Fast-Form Systems Ltd is one of the UK's largest suppliers for formwork and shuttering systems which offer a faster, safer and greener alternative to traditional methods.

**What: £350,000**

Seedcorn Finance.

**Why:** To enable the company to invest in stock and add experience to the management team.



## Why we invested in...MTP Innovations

Huddersfield-based MTP Innovations is creating an innovative suite of cost effective, safe and patentable infection control products.

Its leading product – DiffX – is a powerful non-chlorine combined disinfectant and cleaning agent which eliminates all surface contamination, capable of destroying C.Difficile, MRSA, Mycobacteria and Norovirus.



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“Finance Yorkshire made a £400,000 Equity Linked investment in MTP Innovations in early 2014 when it was clear that the company’s infection control products had huge potential in not just the healthcare market but other sectors too.

“The company was already supplying several NHS hospitals with its DiffX product and over the last 12 months has steadily grown its share of the UK healthcare market which now extends to supplying two major private hospital companies, BUPA and HCA International, as well as the NHS.

“Led by Managing Director Mike Jepson, MTP Innovations has used the Finance Yorkshire investment to commercialise its product range which has included the branding and marketing of a 20gm and 5gm sachet of DiffX which becomes effective when dissolved in warm water. The company has actively sought to further innovate and this

has seen the launch of a trigger spray which can be used with the 5gm sachet and is ideal for hard to reach areas that require cleaning. Our investment included the development of a ‘DiffX Does It’ website dedicated to generating sales enquiries from other health providers.

“This was Finance Yorkshire Equity Linked fund’s first investment in cleaning products and infection control but we were confident of MTP building on its initial success given the time and dedication the team had employed in developing and testing its products.

“A recent development has involved MTP Innovations entering into a partnership with Sirane Medical and Healthcare to market and further develop DiffX in new formats including handy wipes. There is considerable potential for MTP to launch DiffX in its first export markets in Poland, Czech Republic, South Africa and the Middle East.

“We are confident of the company’s ability to take advantage of new opportunities to increase sales and further grow the business.”



Left to right: David Livesley of Finance Yorkshire and Mike Jepson of MTP Innovations.

## Business Round-Up

**Finance Yorkshire’s investment pedigree was recognised at the Sheffield City Region Dealmakers Awards 2015 where we took the title of Alternative Finance Firm of the Year.**

The awards – run by Yorkshire Business Insider – were attended by more than 200 leading business figures.

Finance Yorkshire Chief Executive Alex McWhirter said: “The Dealmakers Award is superb recognition for Finance Yorkshire. We completed 145 deals in Yorkshire and Humber in the last year worth some £21.2 million and we were investing at a time when the market for finance still presents some challenges.

“As a result, Finance Yorkshire has become a key player and an integral part in the business investment community across Yorkshire. Finance Yorkshire is investing in more growing businesses this year, building on our impressive track record in successful dealmaking.”

Finance Yorkshire’s investment expertise was also showcased at Manufactured Yorkshire – a high profile two-day event that attracted almost 1,000 attendees, focussed on growing the region’s manufacturing sector.

Alex was among the key opinion leaders sharing their knowledge and expertise of growing a manufacturing business as well as addressing the key issue of access to finance.

Finance Yorkshire also exhibited at Manufactured Yorkshire alongside other business support organisations including Business Growth Service, UK Trade and Investment (UKTI) and representation from Local Enterprise Partnerships.

We are now looking forward to some key events later in the year which include the EEF Yorkshire and Humber Manufacturing Dinner on 30 September 2015, MADE – The Entrepreneur Festival in Sheffield on 22 October 2015 and the Forward Ladies National Women in Business Awards where Finance Yorkshire is sponsoring the Rising Star category.



Left to right, from Finance Yorkshire, David Ward, Alex McWhirter, Paul Gower, Duncan Gray, Ashwin Kumaraswamy with Gavin Frost of R&B Group.



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