

Foreword

It has been another significant three months for the £400m Northern Powerhouse Investment Fund, with a number of milestones achieved. We are pleased to have supported over 425 businesses across the North, with over £110m of investment made since the launch of the Fund, but we recognise that there is more to be done.

Businesses across the Northern Powerhouse region are taking advantage of the funding to invest in products, premises and recruit and upskill staff. We have also worked with our Fund Managers, LEPs and Growth Hub partners to ensure that all parts of the NPIF geography have access to funding where appropriate.

In both Liverpool City and Sheffield City Regions the Fund has invested over £11m in each LEP area. In Cheshire and Warrington over £8m of NPIF funding has been invested in 27 growing businesses, and over £10m was invested in 30 companies across the York, North York and East Riding region.

Two years into the Fund, we are seeing the impact that NPIF is having on businesses across the North. Recently, Buffalo 7, which specialises in building and designing presentations for major international clients, increased its turnover by 50 per cent following £230,000 worth of funding. The investment also enabled

the company to increase headcount from 21 to 35, as well as supporting the company to increase office space and service major global clients including Epson and AstraZeneca. This is just one of the many success stories to come out of the Fund, and we know that there are many more.

Initial findings from analysis undertaken for the Bank shows that portfolio businesses are now achieving growth as a result of receiving NPIF investment, and this newsletter highlights on a range of business from different sectors.

While we are delighted by the early successes of NPIF, we recognise that more needs to be done to increase awareness of the funding available to small businesses across the NPIF area. We are also focussed on ensuring that all parts of the northern business community are aware of the support available from the Fund, including female entrepreneurs and ethnic minority communities. It is important that we work with our partners and Fund Managers to ensure that we are helping all businesses reach their full potential.

**I hope you enjoy this issue of our newsletter.
Grant Pegg, Director at British Business Bank**



NPIF investment helps Buffalo 7 increase turnover by 50 per cent

Manchester-based presentation specialist, Buffalo 7, has increased its turnover by 50 per cent following investment from NPIF - FW Debt Finance, managed by FW Capital and part of the Northern Powerhouse Investment Fund.

Established in 2010 as a one-man band, Buffalo 7 specialises in building and designing PowerPoint presentations for major international clients.

Two loans totalling £230,000 provided by NPIF have allowed Buffalo 7 increase its turnover from £1.2m to £1.8m and grow its headcount from 21 to 35 staff members. The funding has also enabled the business to expand its office space and service major global clients including Epson, Dell, Swiss Re and Astra Zeneca.

The firm has plans to expand globally; opening an office in the US in 2019 and Asia in 2020.

Richard Barnes, Managing Director of Buffalo 7, said:

"From starting out in 2010 as a one-man band, we have grown immensely over the last nine years. What is critical to us now is that we are able to continue to attract people with the right skills and expertise, have the latest technology and equipment at our disposal and be in the right location and office environment to allow the business to continue to flourish."

"We were guided by the team from FW Capital every step of the way with the application and funding process, and were able to complete our office move and upgrade our equipment as part of our long-term plans for growth."

Grant Pegg, Director at British Business Bank, said:

"The progress the company has shown since receiving funding demonstrates the work that NPIF does to support small growing businesses across the North of England. We support small businesses as they grow their products, secure additional clients, create skilled jobs and innovate in their industries."



Deal Roundup

Two years on from its launch, NPIF has remained firm in its commitment to supporting ambitious businesses across the North, and a growing number of companies are taking advantage of the investment opportunities on offer to them.

Here are just some of the deals completed in the past quarter:

Digital Training Solutions

Digital Training Solutions is an innovative e-learning content development company that combines realistic video scenarios with interactive gaming technology. The £125,000 investment from NPIF will enable the business to continue to develop its software, support its marketing strategy and create up to 17 new jobs.

Authenticate

Harrogate-based Authenticate Information Systems is a technology platform which transforms the way that food businesses manage their supply chain. The company has secured a new funding round of £2.3m, which includes £1.5 million from NPIF, to double its software and data research teams, creating 10 new jobs in Harrogate.

Oh My Mood

Based at Liverpool Science Park, Oh My Mood develops innovative healthcare pathways to help support and improve practices within the mental healthcare profession. Oh My Mood will use NPIF investment to facilitate the growth of its business and to further research and develop blended care platforms.

Settle In

Settle In, based in Stockton-on-Tees, offers help to international students in universities across the North East by displaying information on local attractions, maps, what's on guides and student essentials. The company has secured a £30,000 NPIF loan to bolster its headcount and improve its social media, website and marketing material.

My Fish Company

My Fish Company, a fish and seafood supplier based in Fleetwood, has received £250,000 from NPIF to finance the expansion of its premises, investment into new software and the creation of 10 new jobs.

Rosehill Polymers

West Yorkshire-based Rosehill Polymers Group, which has developed a new range of security barriers made from recycled rubber, has secured a £500,000 loan from NPIF. The funding will enable the company to scale up the manufacture of its current product portfolio and develop new lines.

Digital Training Solutions



Oh My Mood



My Fish Company



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Settle In



Rosehill Polymers



Deal in Focus - Ebb3



Virtualised IT service provider, Ebb3 Limited, plans to double its headcount in order to meet the growing demand for its high-performance virtual workspace after receiving £750,000 follow-on funding from the Northern Powerhouse Investment Fund.

Founded in 2016, the Cheshire-based company delivers Complex Managed Service Solutions to some of the largest companies in the world. Ebb3 provides 3D graphical applications that function on a range of interfaces, to enable engineers or designers the freedom to work on any device, anywhere and at any time.

Ebb3 has secured £750,000 investment from NPIF - Maven Equity Finance which is part of the Northern Powerhouse Investment Fund, as part of a wider £900,000 funding round which is intended to increase headcount in the firm's support desk team and recruit additional sales resource and developers. The funding will also support Ebb3 in creating a resource management tool.

The funding follows Maven's initial investment of £1.5m into the company in 2017 which was intended to develop the team, create an initial service offering and secure a customer-base.

Chris Brassington, MD of Ebb3, said:

"It's tremendous news as it means that we can now further enhance our team of experts and continue to develop and

build our services to unlock even more potential for our customers. We're proud that we have successfully demonstrated how our capability will change the way businesses work."

Dave Furlong, Investment Director at Maven said:

"We are delighted to provide follow-on funding to Ebb3 as it enters an important scale-up phase in its growth strategy. Ebb3's differentiator is their ability to understand the problems faced by customers' looking to deploy GPU technology within a data centre and present them with a solution that solves these problems today and into the future. We look forward to working with Mark and the team as the business grows its headcount to support the increased demand for its software."

Grant Pegg at British Business Bank, said

"We are pleased that NPIF has continued to support high-growth businesses in the North, providing vital funding to support the employment of new staff and upskill existing staff and expand into new markets. This investment demonstrates how funding can make a real and measurable difference to small growing businesses

across the Northern Powerhouse region, which helps create a more prosperous regional economy."

Graeme Bristow, Board Member of Cheshire and Warrington LEP, said:

"In just 3-years Ebb3 have gone from start-up to scale-up with innovation at their core, so we are delighted that NPIF investment will enable Ebb3 to grow further by investing in their team and product development. Ebb3 are part of the fast-growing and specialised technology sector that exists in Cheshire and Warrington and we look forward to supporting them in achieving their growth targets at Alderley Park."

The Northern Powerhouse Investment Fund project is supported financially by the European Union using funding from the European Regional Development Fund (ERDF) as part of the European Structural and Investment Funds Growth Programme 2014-2020 and the European Investment Bank.



Microfinance

£25k - £100k

www.npif.co.uk/microfinance



Debt Finance

£100k - £750k

www.npif.co.uk/debt-finance



Equity Finance

£50k - £2m

www.npif.co.uk/equity-finance

Q&A: Meet the Fund Manager



Name: Joanne Whitfield

Company: FW Capital

Job title: Fund Director

NPIF area: Tees Valley

Describe a typical day as a fund manager.

Every day is different which is what I love about the job. I usually start by checking emails, catching up on local business press and make a plan for the day. Then it's off to one of our offices in Billingham or Newcastle to read a credit paper, discuss the opportunity or catch up with my team.

The afternoon can involve report writing or having a coffee with a local professional to explore ways we can work together.

What is it like working with SMEs across the North?

I'm a proud Northerner, and I'm passionate about supporting the people here. I have worked with SMEs in the North East for over 15 years. I love to see how our investments and additional support help businesses flourish and I get a real sense of pride from being part of it.

What characteristics do you look for in a new deal?

It's all about the people. Do they have relevant experience, as well as depth of skills and the capacity to manage as the business grows? Can they drive forward their ambitions and will they work with you? A lot can change in business, you need a good team who can be flexible and ride both the highs and lows to success.

We manage a debt fund, so the ability to service a loan is essential for us. Whilst past performance is a good initial benchmark to judge, it's not always the case. We take time to understand the business and we do consider more forecast-led proposals if the circumstances are right.

Which sectors should we keep an eye on in the North at the moment?

Tees Valley has historically been strong in

industrial sectors and their supply chains require support. That said, sectors such as healthcare, life sciences, digital, and renewables are doing well. Sector specific clusters such as the Boho Zone, Fusion Hive for growing digital and tech companies, or Central Park, home of the National Biologics Manufacturing Centre for healthcare and life science businesses. Tees Valley is also leading developments in the renewables sector and we are seeing some innovative companies in this space.

Proudest career achievement to date.

It was in 2017. We secured a number of new funds, including NPIF - Debt Finance in Tees Valley and Cumbria. This was a step change in growth and allowed me to increase the North East team from 4 to 11 people.

What do you do in your spare time?

I love spending time with my husband Stu and our English Bulldog George. Aside from that, I am a reluctant runner! I have run the Great North Run loads of times, usually for charity and in fancy dress and have even run a couple of marathons. I am attempting my third in Chicago in October. I'm also a huge fan of live music. I love going to see bands and I sing in a band.

LEP Perspective - Sheffield City Region



Since NPIF launched in 2017, Sheffield City Region has benefitted from £10m of investment across more than 60 deals, which has enabled companies to bolster headcount, enter new markets and expand premises.

Valued at more than £33bn, our target is to help grow the Sheffield City Region economy by 10 per cent (£3.1bn) by 2024, and the support from organisations such as the British Business Bank who deliver the Northern Powerhouse Investment Fund will play a big role in achieving this ambitious goal.

The Fund has been one of the driving forces behind our local economic success story, supporting SMEs across a range of sectors. The region's historically strong manufacturing industry, which accounts for a significant proportion of the local economy, has been backed by £2.3m of NPIF

investment. An excellent example of this is the Fund providing a six-figure loan to Cobra Sports, which develops high-performance vehicle exhausts. The funding enabled the company to expand into the motorsport market by growing its product range, and also helped create five new jobs.

More recently, the region expanded its reputation as a tech hotspot - a trend also highlighted by recent NPIF deals. This year, the Fund completed a £250,000 investment to support Internet of Things (IoT) solutions provider, Elements Technology Platforms Limited, as it developed a new headquarters. With predictions suggesting that by 2020 the number of internet-of-things (IoT) devices will rise to 20.4 billion worldwide, this growing reputation is vital to the future of the UK and the Sheffield City Region economy, and it is crucial that investment vehicles such as NPIF continue to fund early-stage businesses in this sector.

NPIF's work with the Sheffield City Region Local Enterprise Partnership (LEP) is also a factor in our success. The entrepreneurial spirit across the region has been strengthened by the appointment of James Muir as the Chair of the LEP at the start

of the year. He brings with him a passion for the region, combined with a wealth of experience in working with high-growth businesses across the world. The LEP has been working closely with NPIF to continue to encourage economic growth, create new jobs and promote the Sheffield City Region on the global stage.

Together, with private sector leverage and support from the LEP, the funding from NPIF is helping to drive the region to achieve its ambition of drastically improving its economic prosperity.

We invite high-growth businesses that are looking to access funding and grow, to seek advice through the Sheffield City Region Growth Hub, which offers a dedicated 'Access to Finance' service, to support ambitious SMEs with their growth plans.

To contact the Sheffield City Region Growth Hub and to receive further information about Access to Finance visit: www.scrgrowthhub.co.uk or call 03330 00 00 39.

Neil MacDonald, NPIF Strategic Oversight Board Member and Board Member of the Sheffield City Region Local Enterprise Partnership.