



 Delivered by British Business Bank

IMPACT

Newsletter

Issue 09





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Business Bank

Foreword

Businesses are facing enormous challenges during these unprecedented times, which is why it is more important than ever that we are there to support northern businesses and their workforces during this period of economic downturn.

Small businesses play a vital role in local economies and provide important services to their communities. Whilst the future isn't clear, the British Business Bank is working hard to support those businesses and give them the best chance to survive the pandemic and build a path to recovery. During this time, NPIF remains open for business and we are committed to helping businesses survive the current economic disruption.

The Coronavirus Business Interruption Loan Scheme (CBILS), managed by the British Business Bank, is available through accredited lenders. The NPIF Microfinance fund managers, Business Enterprise Fund, Finance For Enterprise, GC Business Finance and MSIF, were already accredited under the former Enterprise Finance Guarantee Scheme, and have been able to deliver loans under CBILS. More recently, Mercia and FW Capital, two providers of debt finance for the Northern Powerhouse Investment Fund, have also been accredited for the scheme, meaning that six NPIF fund managers are now able to provide CBILS loans using NPIF funding.

Other British Business Bank loan guarantee schemes designed to support businesses during the coronavirus outbreak are the Bounce Back Loan Scheme (BBLs), which enables businesses to access smaller loans more quickly, and the Coronavirus Large Business Interruption Loan Scheme (CBILS) for larger businesses with more significant funding requirements.

More recently, the new Future Fund which opened for applications on the 20th May 2020 will support innovative UK companies with good potential, that are essential in ensuring the country retains its world-leading position in science, innovation and technology. The NPIF Equity Fund Managers are already using the Future Fund to provide additional funding for innovative northern companies.

The disruption from the coronavirus outbreak has come at a time that NPIF has reached its three-year anniversary and I am proud to say we have completed over £165m of investment in over 620 businesses and leveraged an additional £172m of private sector investment in this time.

During the current crisis, I have been impressed to see how hard our portfolio companies have been working to maintain business activity and I would like to acknowledge the contribution of these businesses in making a huge difference to their communities and supporting others at this time of need.

I hope you enjoy the latest edition of our newsletter.

Keith Morgan

Northern Powerhouse Investment Fund and Maven VCTs exit fibre network provider



NPIF realised its investment in Chester-based fibre network provider ITS Technology Group (ITS) following the sale of the business to Aviva Investors.

NPIF – Maven Equity Finance invested in ITS in 2018 following Maven VCTs original investment in 2017. The funding enabled the business to expand into new geographical locations, as well as to strengthen their sales and operational capabilities.

ITS designs, builds and operates full fibre and hybrid networks across the UK, giving business and residential communities access to gigabit capable connectivity. The company has pioneered a 'dig once' model that reuses existing public and private duct infrastructure and it has a number of partnerships with local authorities. This approach reduces the disruption that civils road digs create and accelerates the rollout of full fibre infrastructure. ITS' networks are 'open access', giving wholesale access to internet service providers (ISPs), network and mobile network operators, and IT resellers.

The sale to Aviva Investors generates a positive return for NPIF and Maven VCTs and allows the business to raise significant additional capital to take advantage of further opportunities in the fibre market.

Ken Cooper, Managing Director at British Business Bank said: *"The sale of ITS is a significant moment for NPIF. With the Fund now in its third year, it is encouraging to see businesses such as ITS entering their next stage of growth. It demonstrates how regionally based funds can make good commercial investments that make a real and measurable difference to businesses and help to create a more prosperous regional economy."*

Daren Baythorpe, CEO of ITS said: *"I would like to thank Maven Capital Partners for its support over the last three years. They have provided excellent financial backing, advice and counsel which has helped enable the business to transform into a focused network operator that is disrupting the full fibre marketplace. It has seen us build a strong business, develop a very capable team, and put us in a great place to start the next phase of our growth."*

its.

Deal Roundup

Over three 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 is a round up of some of our recent investments:

Fissara

Fissara, a designer, developer and provider of operational management software for the SME and mid-sized corporate market, secured a £500,000 investment from NPIF – Maven Equity Finance. The company will use the funding to create 10 new jobs in Manchester and invest in new product development.

Labfacility

NPIF – BEF & FFE Microfinance provided a six-figure loan to Labfacility, the UK's leading manufacturer of temperature sensors. The Dinnington-based company has used the investment to acquire a 6,000 sq ft premises, purchase new equipment and create new jobs, including six new apprenticeships.

Abingdon Health

Abingdon Health, which specialises in 'point of care' tests to diagnose disease in humans, animals and plants, has secured a £1.5m investment from NPIF – Mercia Equity Finance. The funding will allow the business to fulfil new contract wins and invest in new equipment and processes at its headquarters at the National Agri-Food Innovation Campus in York.

Present Works

Leeds-based digital marketing firm Present Works received £100,000 from NPIF – FW Capital Debt Finance. It aims to help clients from across the world to develop and deliver strategies that achieve sustainable growth online. The investment will fund a move to larger premises and create new jobs.

Solid Bond Solutions

Solid Bond Solutions, a facilities management firm which specialises in property restoration, refurbishment and maintenance, received a £250,000 investment from NPIF – FW Capital Debt Finance. The funding has enabled the Tees Valley based business to purchase equipment, increase its marketing activity and recruit new team members.

Get Work

Lancashire-based Get Work, a service that generates leads for tradespeople, received a £100,000 loan from NPIF – BFS & MSIF Microfinance. It will utilise the loan to set up an office for the current five employees, and is aiming to have a team of 16 by October 2021.

Fissara



Labfacility



Abingdon Health



Present Works



Solid Bond Solutions



Get Work



Our impact to date



794

Investments

£168m

Invested

£172m

Private Sector
Leverage

299 SMEs receiving

£84m

Debt Finance

240 SMEs receiving

£11m

Microfinance

101 SMEs receiving

£72m

Equity Finance

NPIF businesses working hard in the fight against coronavirus

NPIF investee businesses are working hard in the fight against COVID-19, using their resources to aid key-workers and stop the virus from spreading.

Manchester-based Didsbury Gin, which has grown from strength to strength since its inception in 2017, is supporting the UK in the fight against COVID-19 by providing front line NHS staff in Manchester with disinfectant products. The business announced it was halting its current production and began manufacturing hand sanitisers to help key workers.

Didsbury Gin has already made the equivalent of one million bottles of hand sanitiser which has been sent to Greater Manchester Police and to Manchester's hospitals.

The company received £100,000 funding from NPIF - FW Capital Debt Finance, managed by FW Capital and part of the Northern Powerhouse Investment Fund in 2019 to finance the development of its three new flavours which were launched last Summer. It received further investment earlier this year.



Doncaster-based IP&C Solutions, which provides decontamination services to laboratories nationwide, is currently operating seven days a week to help stop the spread of the virus.

The company has extended its services to cover sites including hospitals, schools, play areas and workplaces. In addition to fumigation, the company installs laboratory equipment and has also been helping set up new testing facilities around the country to meet the growing demand.

IP&C recently received a £150,000 loan from NPIF - Mercia Debt Finance, managed by Mercia and part of the Northern Powerhouse Investment Fund to support expansion and is one of only a handful of specialists in the UK. The company was founded in 2017 by Neil Anderson and Carol Duke.

Grant Pegg, Director at the British Business Bank said: *"I am proud of the way our Fund Managers and our portfolio companies are supporting the UK's fight against COVID-19 at this uncertain time. These are just two examples of how our portfolio companies are helping their communities and we recognise their huge effort and commitment to help in the fight against the Coronavirus."*



Q&A

The Coronavirus Business Interruption Loan Scheme (CBILS) provides financial support to smaller businesses across the UK that are losing revenue, and seeing their cashflow disrupted, as a result of the COVID-19 outbreak.

It provides loans worth up to £5m to those which are experiencing lost or deferred revenues, leading to disruptions to their cashflow. This can be in the form of term loans, overdrafts, invoice finance and asset finance facilities.

The British Business Bank operates CBILS through accredited lenders. These include high-street banks, challenger banks, asset-based lenders and smaller specialist lenders including the Northern Powerhouse Investment Fund's Microfinance and Debt finance providers who alongside the other NPIF Fund Managers continue to make loans and investments during the crisis to both new and existing applicants.

What types of businesses is CBILS for?

With the new expanded eligibility criteria, CBILS is designed to support a wide-range of smaller businesses (i.e. with an annual turnover of less than £45m) across the UK who are impacted by the Coronavirus crisis.

Access to the scheme has been opened up to those smaller businesses who would have previously met the requirements for a commercial facility but would not have been eligible for CBILS. This significantly increases the number of businesses eligible for the scheme.

Is the scheme appropriate for Start-ups?

Potentially, if your business activity is primarily UK-based. For early stage businesses, which are in their first two years of trading and looking for loans between £500 and £25,000, the British Business Bank's Start Up Loans programme may be more suitable. Visit www.startuploans.co.uk for more information.

How do I know if I'm eligible to apply?

Smaller businesses from all sectors can apply for the full amount of the facility, up to a maximum of £5m. Businesses based in the UK with annual turnover of no more than £45m are eligible, but you must ensure you have a strong borrowing proposal.

Importantly, access to the scheme has now been opened up to smaller businesses facing cashflow difficulties who previously would not have been eligible for CBILS because they met the requirements for a standard commercial facility.

How can I access the scheme?

CBILS is available through the British Business Bank's accredited lenders, which are listed on the British Business Bank website.

In the first instance, businesses should approach their own provider – ideally via the lender's website. They may also consider approaching other lenders if they are unable to access the finance they need.

NPIF's Microfinance fund managers and Debt finance fund managers are able to make CBILS loans, so feel free to get in touch with the teams at:

GC Business Finance: Greater Manchester, Cumbria, Lancashire, Cheshire and Warrington


MSIF: Liverpool City Region

Finance For Enterprise: Sheffield City Region and Humber

Business Enterprise Fund: Leeds City Region, York, North Yorkshire, East Riding and Tees Valley

FW Capital: Liverpool City Region, Greater Manchester, Lancashire, Cheshire and Warrington, Cumbria, Tees Valley

Mercia: Yorkshire and the Humber



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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.

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