

INSPIRE

THE OFFICIAL NEWSLETTER OF THE NORTH WEST FUND

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NanoFlex selected to work with University on environmental project

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Potential for Growth wins award for EcoLogicLiving

Do you need finance?

THE NORTH WEST
FUND

The North West Fund is a **£155m** investment fund, established to provide debt and equity funding from **£50,000 to £2m** to small and medium sized enterprises (SMEs) based in, or relocating to, the **North West of England**.

The funding is provided jointly by the European Regional Development Fund and the European Investment Bank.



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As we enter the summer months, we are pleased with the progress The North West Fund has made throughout 2013 and the pipeline for future investments is also looking **strong**.

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NanoFlex selected to work with University on environmental project

Cheshire-based manufacturer NanoFlex has teamed up with Lancaster University to undertake a project through the Centre for Global Eco-Innovation.

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Ultramex wins Outstanding Green Initiative Award following funding

Metal recycling specialist, Ultramex has been named **Global Business Award Winner** for the category of 'Outstanding Green Initiative'.

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Potential for Growth wins award for EcoLogicLiving

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Small efforts can make a big difference

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Mark Joslyn from the European Regional Development Fund (ERDF), looks at some significant environmental projects backed by the ERDF and flags up the wider issues facing businesses as they strive for resource efficiency.

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Welcome

to this third edition of our quarterly newsletter "**INSPIRE**".

I am pleased to say that we have continued to make good progress throughout the first half of 2013 and we currently anticipate that this will result in a solid investment performance for the year as a whole. The first half of the year has seen The North West Fund invest **£16 million** in almost **50 businesses** across the region, comfortably reaching our investment target for the period.



ISSUE
THREE

A priority for the North West region is to support the creation of businesses and to nurture their growth. Whilst the economic environment continues to be extremely challenging, it must be remembered that many of today's successful businesses started out against the back-drop of a recession or downturn in the economic cycle.

The North West Fund intends to play a key role in helping entrepreneurs overcome the capital constraints that prevent many people from establishing their own business and helping at the same time to increase the stock of SME businesses which in turn provide additional opportunities for employment. We are equally keen to encourage the region's many graduates to see the North West as a great place to not only study, but to work and live after they complete their University studies.

This issue of **INSPIRE** focuses on sustainable businesses. Sustainability is fast becoming an operational necessity for businesses as consumers are increasingly looking for sustainable products and services and this has led to businesses looking to improve their green credentials by sourcing business to business suppliers who have sustainable practices.

Next year Liverpool will have its specialist Low Carbon and Super Port University Technical College. This recognises the importance of involving and helping to educate young people in gaining an understanding of the low carbon technologies that are currently available and ensuring that they are actively involved in developing the new technologies of tomorrow.

The North West Fund is fully committed to businesses that are endeavouring to be greener and more efficient and some of our own investments in the energy and environmental sector are highlighted in the following pages. We look forward to bringing you more success stories in future issues of **INSPIRE**, but in the meantime I hope that you enjoy reading this edition.

Kind regards

Cliff Maylor

CEO of North West Business Finance Ltd
which manages The North West Fund



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Inspiring Entrepreneurs and Growing Businesses



As we enter the summer months, we are pleased with the progress The North West Fund has made throughout 2013. The first six months of the year saw investments reach £16 million in 49 new investments and 31 follow-on investments.

Having supported a total of 193 businesses with £59 million over the last two and a half years, The Fund is now well established in the region and we are incredibly proud of the progress stories we are hearing from our portfolio of businesses.

The pipeline for future investments is also looking strong and the interest from entrepreneurs has been very encouraging but we know that we still have a great deal of work to do to ensure that every penny of our £155 million is invested wisely for the benefit of the region.

All of our fund managers have completed some great investments across the region in 2013, including;

- Investment of £500,000 from The North West Fund for Venture Capital into Fourteen-IP, a 'management break-out' team who set up their own business providing communications solutions for hotels;

- A £100,000 loan from The North West Fund for Loans Plus into Sefton-based CNC Robotics, a robotics company which uses software and robots to produce sculptures from a diverse range of materials.

- An investment by The North West Fund for Digital & Creative into Hulme-based software developer, Liquid Bronze. Its products enable domiciliary care agencies to efficiently co-ordinate and monitor their home-care staff, and for carers to securely access client records remotely;

- An investment by The North West Fund for Biomedical into Perfectus Biomed which specialises in microbiological testing and is based at Sci-Tech Daresbury.

- A follow-on investment of £350,000 by The North West Fund for Energy & Environmental into Cheshire-based Imperative Energy, a supplier of bioenergy solutions to industrial, commercial and public sector clients in the UK and Ireland.

Growing Greener Businesses

It is clear to us that the North West has huge potential in the energy and environmental arena. The North West Fund for Energy & Environmental has been set up specifically to support growing businesses in this sector and our fund managers have already supported some impressive energy businesses.

However, we are keen to see all North West businesses making an effort to be more 'environmentally friendly'. Sustainability is becoming a necessity for businesses, it is essential to business success. North West SMEs may think that their small efforts are minimal but simple improvements in business practice here can make a huge difference to the future prosperity of the region as well as contributing to tackling global resource scarcity and even climate change.

These efforts can also help to reduce costs for businesses. ENWORKS, the organisation set up to help North West businesses improve their resource efficiency, believe that in the last 11 years, £155 million has been saved by the businesses they have worked with, simply by improving their environmental performance.

In this issue we focus on 'green businesses' and consider the importance of running a sustainable business. We provide case studies from just a few of our 'green' businesses including; Ultromex, the award winning metal recycling company based in Birkenhead; renewable energy and heating installers, EcoLogicLiving; and, environmentally friendly nanotechnology business, NanoFlex.

We understand that being 'green' can be a challenge for businesses, but in the current climate, it is the companies who can change and innovate that will not only survive, but grow.

£16m

The first six months of the year saw investments reach £16 million in 49 new investments and 31 follow-on investments.



NanoFlex selected to work with University on environmental project

Cheshire-based manufacturer NanoFlex, which provides high performance electrodes for electrochemical research, has teamed up with Lancaster University to undertake a project through the Centre for Global Eco-Innovation.

NanoFlex was founded by scientists Dr Neville Freeman and Dr Amy Farrington in 2008 following their pioneering work on the manufacture of nanoscale electrodes. The North West Fund for Venture Capital, managed by Enterprise Ventures invested in the technology business last spring to help the company explore different uses for their products and accelerate global sales.

Neville and Amy, who are both experts in electrochemistry, set up their company at Daresbury Science and Innovation Park and since receiving funding have introduced their products to researchers in fields as diverse as medical diagnostics, environmental testing and energy storage.

Amy said: "Nanoelectrodes have been manufactured in laboratories for some time and they can offer a number of exciting benefits. With the help of The North West Fund we have been able to manufacture our nanoelectrode products on a commercial scale and develop them for international markets."

The company recently appointed Metrohm, a leading global supplier of scientific instrumentation, to distribute its products in the UK and Ireland. **Amy commented:** "The agreement reflects NanoFlex's commitment to quality and customer satisfaction".

Doug Stellman, investment director at Enterprise Ventures which manages The North West Fund for Venture Capital, said: "Neville and Amy have shown a significant amount of skill and expertise in the development and commercialisation of new technologies. The momentum of the business is picking up and we are confident that their products will provide a platform for groundbreaking developments in a number of exciting sectors."

NanoFlex was selected as one of fifty businesses to work intensively with Lancaster University through its researchers and graduates on environmentally friendly products and services in the Centre for Global Eco-Innovation, a radical



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new research centre. The company has been matched with a graduate who will undertake a three-year programme of collaborative research to develop new products, processes and services for the global marketplace that have positive environmental benefits.

Amy said: "We are incredibly excited about the opportunity to work with the Centre for Global Eco-Innovation through Lancaster University and we're proud to be part of what is already proving to be a rewarding project."

NanoFlex also recently won the Merseyside Innovation Award 2013, winning £10,000 for the company as well as £4,000 worth of consultancy. The company plans to use the prize money to further develop its production techniques.



Outstandingly Green Innovation and Technology ensures Awards Success for Ultrromex



Following **£550,000** in funding secured from The North West Fund for Energy and Environmental recycling specialist Ultrromex has been attracting deserved attention for its innovative, low-carbon technologies. The company has won a Global Business Excellence Award for the category of 'Outstanding Green Initiative' and emerged triumphant at the recent Echo Environment Awards, taking home The Liverpool Chamber of Commerce Innovation and Technology Award.

Wirral-based Ultrromex has developed market-leading processes for the recovery of valuable metals from electronic and industrial waste products. The company's winning initiative supports other businesses in their efforts to use and waste less while encouraging them to reuse and recycle more.

Working in partnership with global industrial metal recycling businesses, Ultrromex helps them to recover more high-value metals at lower operating costs, increasing energy efficiency and simultaneously lowering carbon emissions.

The company is currently commercialising processes for the recovery of metals from printed circuit boards and lead from leaded glass, with an 8,000 tonne per annum plant under construction in Ellesmere Port.

The business was founded in 2011 by **Jonathan Quinn, Harry Middleton and David Kelley**, all of whom have extensive experience in the chemicals industry, metals recovery and plant design and construction.

Ultrromex is using the funding from The North West Fund for Energy & Environmental, managed by 350 Investment Partners, to develop its processes for the recycling of metal recovered from industrial slag and dross and autocatalysts. The business aims to increase turnover to **£10 million by 2016**.

Jonathan Quinn, CEO of Ultrromex, commented: "Working with The North West Fund for Energy & Environmental is enabling us to develop our technologies even further.

"Our processes are a crucial step forward for the environment, enabling businesses to reuse secondary materials more efficiently and reducing reliance on primary extraction. Landfill is decreased and transport costs are cut by avoiding the need to ship materials abroad.

"Winning two prestigious awards in the last couple of months is fantastic news for Ultrromex and demonstrates that the real potential of our cutting edge technologies is being acknowledged. We look forward to continuing our success and working closely with The Fund."

Adam Workman, partner at 350 Investment Partners and manager of The North West Fund for Energy & Environmental, said: "Metal recycling is a worldwide industry with more than 400 million tonnes of metals worth **£200 billion** being recycled **every year**.

"Ultrromex is a fantastic investment opportunity. The market for recycled metals has shown steady growth over the past 15 years and we expect this trend to continue further in the coming years.

"We are incredibly proud of the company's achievements so far. It is a huge accolade for the business to be recognised as an Outstanding Green Initiative and also for Innovation and Technology. Having been short-listed for The University of Liverpool Knowledge Business of The Year Award as well, the company looks set to maintain its award-winning success."



Potential for Growth wins award for EcoLogicLiving

- Cumbrian-based provider of renewable energy solutions, EcoLogicLiving is going from strength to strength. In the last few months, the business has taken on 10 new members of staff and, more recently, was named CN Group Small Business of The Year for 2012.
- As part of the award, EcoLogicLiving, which supplies and installs renewable energy solutions for homes and businesses, was recognised for its managerial and financial performance, potential for growth, long term plans, company strategy and service development.

EcoLogicLiving, based at Harraby Green Business Park in Carlisle, secured £500,000 of funding, in Spring last year, together with a further £200,000 more recently, from The North West Fund for Energy & Environmental, managed by 350 Investment Partners.

The funding from The North West Fund for Energy & Environmental, has also allowed EcoLogicLiving to recruit additional staff, including a Financial Controller, an Operations Director, sales staff, and marketing and administrative support.

Judy Pearson, director of EcoLogicLiving, said: "Being announced as Small Business of The Year 2012, has had a very positive impact, validating our hard work and providing our clients with confidence that they are dealing with a well-managed business.

"The funding from The North West Fund for Energy & Environmental came at a crucial time for us. We are keen to see the business grow further whilst remaining a smooth-running, trusted, well organised operation.

"We would encourage all SMEs in the North West to add the sustainability of their business to the top of their agenda. The government renewable energy incentives are there to be made the most of and businesses can make serious savings and attractive earnings from the scheme. We don't know how long this type of financial support will be available so it makes sense to seize the opportunity while it is there."

Adam Workman, of 350 Investment Partners, which manages The North West Fund for Energy & Environmental, said: "The impact of the funding has been outstanding for EcoLogicLiving. The firm is showing clear signs of increased productivity on the back of a rise in demand for its products and services.

"Winning a CN Group Award is a thoroughly deserved achievement for the business, the whole team are incredibly committed, driven and passionate about the work they do to support business sustainability, not only in Cumbria and the wider North West, but across the country."



SMALL EFFORTS CAN MAKE A **BIG DIFFERENCE**

In the current climate, the idea of zero-energy costs seems too good to be true. The continuous rise in energy bills is forcing us to think about ways to reduce our consumption, our behaviour towards the environment and the use of its natural resources.

In November last year the UK's first zero-energy cost business park was officially opened in Wigan. **The £2.7 million development**, 'Armstrong Point' which was part funded by the European Regional Development Fund, provides a solution for businesses in the North West who are looking to be more sustainable. The development helps businesses reduce their energy costs while the programme staff are able to pass on their knowledge of low carbon technologies and provide training for business owners.

Here, **Dave Armstrong, of the Carbon Consultancy Company**, which helped launch the project shares five top tips for entrepreneurs who are looking to make their businesses sustainable...

Increased efficiency: Water, electricity and gas are some of the biggest costs for businesses. With prices high, becoming more efficient will help reduce your bottom line. Investing in Renewable Technologies can significantly reduce these costs.

Reduced waste: Waste is a double cost - wasted money on purchasing and wasted money on disposal. Armstrong Point recycles 98% of the waste disposed on site saving 0.15t of CO2 each month.

Added appeal: Customers increasingly expect businesses to operate in a responsible way and will respond positively to those able to demonstrate that they have taken action. A good example of this is the 'Carbon Reduction Commitment Energy Efficiency Scheme'.

Added value: Many actions that you may take to become a responsible business, such as using local products, will also add to the quality being offered. This will also reduce your impact on the environment by reducing transport and shipping costs.

More resilience: Taking action now will make you better prepared for the higher costs and tougher legislation predicted for the future, as well as the impacts of a changing climate. Armstrong Properties found business benefits to 'greening' its Armstrong Point business park in Wigan, which achieved the top slot on the BREEAM Industrial Category at The BREEAM Awards 2013.

For further information about Armstrong Point and the options of support available to you, please visit: www.armstrongpoint.co.uk or www.carbonconsultancycompany.co.uk

Investing in sustainable businesses

The European Regional Development Fund (ERDF), joint financier of The North West Fund, supports many projects within the North West of England. Below, Mark Joslyn, Sustainability Manager at ERDF, looks at some significant environmental projects backed by the ERDF and flags up the wider issues facing businesses as they strive for resource efficiency...

It's only been a few years since the 'Green Economy' moved from a being a fringe sector driven more by ethics, supporting niche products and services. The green or low carbon economy has been transformed into one of the fastest growing markets, with the UK generating **£122 billion of a global market worth £3.3 trillion**.

For long term economic growth it's widely accepted that there is a need to decarbonise the economy, which brings with it the need and also the opportunity for business to innovate in relation to products, materials and processes. Research and Development will be key to achieving this end and the increasing links being forged between business and the Higher Education Sector are essential to support and drive this agenda forward.

The National Graphene Institute in Manchester, which has received **£23 million of European Regional Development Fund** support clearly demonstrates this link. The institute being developed by the **University of Manchester** aims to work with North West businesses to develop an understanding of how the properties of graphene can be applied commercially. While the properties of graphene are broadly understood, its commercial application has huge potential to revolutionise manufacturing and investing now ensures innovation benefits the North West and wider UK.

While graphene at some point in the future may revolutionise large swathes of the manufacturing sector, driving change and innovation to create new market opportunities is essential now. **The Centre for Global Innovation delivered by Lancaster University** has been developed to support businesses who want to develop new products, processes or services. In many instances the need to innovate and change is a requirement not a luxury.

The renewable sector has seen considerable growth in the last few years from large scale wind generation through to increased use of photo voltaics on domestic roofs through the feed in tariff. While many of these technologies have been imported, **Salford Energy Hub** based at **Salford University** provides a unique research environment. By constructing a Victorian terrace within the Hub, the University allows developers and manufacturers to independently test products in a controlled environment, replicating all types of weather. This link with Universities offers greater opportunities for business to develop closer research and development, providing the resources which may be out of the reach of many smaller businesses.



The implications of climate change and long term economic prosperity have shaped the UK and wider European legislative and policy agenda's to drive down CO2e emissions. Businesses will have to adapt and change how they operate if they are to meet the challenges of increasing energy, material and waste disposal costs. **ENWORKS**, one of the business support projects supported by **ERDF**, has been working with businesses in the North West for over a decade, identifying resource efficiency opportunities and providing direct savings to businesses. Opportunities also arise from changes to processes, material substitution or behavioral change of employees and it often takes an outside organisation such as **ENWORKS** to identify these small but significant changes that can generate efficiency savings. It can often be seen as counter intuitive to invest in efficiency savings during a recession when all we want to do is tighten our belts, however the savings that can be generated can far out way any investment and put a business on a better footing when the markets begin to grow.

Other developments supported by **ERDF** such as **Armstrong Point** in Wigan have taken the low carbon agenda forward within the construction sector, with the highest ever **BREEAM** rated building to be constructed. Creating such buildings has to be the future model. Reducing the energy demands for occupants and increasing competitiveness, while also supporting businesses that design, manufacture and install technologies within the North West & across the UK.

Climate change provides one of the biggest threats we have faced, but with threats come opportunities. Business as usual is not an option as resources increasingly become scarce, there is a need to work smarter and achieve more for less. The UK has long been seen as a world class innovator and the North West has played a key part in this. An increasing number of new and lucrative markets provide the opportunity to ensure North West businesses remain competitive and can lead the way to adapt our economy and way of life to the predicted challenges climate change will bring.

The European Regional Development Fund in England is managed by the Department for Communities and Local Government - for further information please visit <https://www.gov.uk/erdf-programmes-and-resources>

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/ We have already supported over 190 businesses with more than £59m of funding.

/ Do you need finance?

We are looking for more businesses to invest in, so whether you are just starting up or seeking funding to help take your business to the next level, investment of between **£50,000** and **£2m** from The North West Fund could be what you need to help your business flourish.

Discover how The North West Fund could help you, contact any of our specialist Fund Managers, find out more information or apply on our website

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