

Nations & Regions

North West England

Private equity and venture capital
creating public value



About this report

This report has been produced by the British Private Equity and Venture Capital Association to highlight the public value of the industry in the United Kingdom and how, in 2021, it can help address a range of policy challenges and opportunities.

This is the first of a series of publications that follow on from our [New Horizons report](#), where we will take a deeper look at activity within the nations and regions of the United Kingdom. In this initial edition, our focus is on the North West.

With a significant presence in the UK, developed over the past 30 years, private equity and venture capital provide companies with the finance and know-how to deliver sustainable business growth. Active ownership, over the medium to long term, delivers economic and social value to those involved in these businesses (from employees, management and owners on the one hand to customers and suppliers on the other) and to a wide group of stakeholders (from local communities and local and regional economies to national policy makers focused on issues such as climate change, diversity and inclusion and social justice).

Both private equity and venture capital are focused on delivering sustainable growth for the companies in which they invest: venture capital firms typically support early stage and younger companies, holding minority stakes in the businesses, while private equity firms typically acquire controlling stakes in more established businesses.

Part one of this report provides an overview of how the industry operates; **part two** looks at the statistics and data from the North West, to demonstrate the value of private equity and venture capital to the region and the importance of the region to the industry. **Part three** offers further insights into the contributions made by private equity and venture capital through a series of case studies, featuring some fantastic businesses backed by BVCA members.



“We have had a presence in the North of England for over 15 years because of the region’s rich entrepreneurial flair and ambition. The calibre of businesses and management teams have continued to think creatively and achieve great things over the last year, in spite of the challenging climate. Many of these fast-growing businesses could benefit from private equity investment to provide funding and expertise to accelerate their growth and reach their full potential” - Carl Wormald, Partner and Head of the Inflexion Manchester office.”

Carl Wormald

Partner and Head of the Manchester office, Inflexion

Private equity and venture capital at a glance

Employment

80,000

People are employed in the North West by companies backed by private equity and venture capital

Footprint

420

companies are currently backed by private equity and venture capital in all nations and regions of the UK

Focus

86%

of industry backing was directed at small and medium sized businesses in 2019

Investment scale

£2.6 billion

has been invested in 210 companies in the past 3 years

Sector expertise



Business Products and Services and Consumer Goods and Services have been leading sectors for recent investment by the industry in the North West

Regional hub



The North West hosts the UK's most significant private equity and venture capital hub outside of London and the South East



¹As a proportion of total investments in the UK by BVCA members between 2017-2019

Source: BVCA Report on Investment Activity 2019

Contents

Creating public value

in the North West

//// 5

Part one

Understanding private equity and venture capital

//// 6-7

Part two

The North West in numbers

//// 8-11

Part three

Case studies: private equity and
venture capital in action

//// 12-28

Contacts

//// 29



Creating public value in the North West



Private capital invests in potential – good ideas, good people, good businesses. And potential is found right across the United Kingdom. This report is the first in a series to highlight the investment by private equity and venture capital in the nations and regions of the UK.

In this first edition, we focus on the North West of England, a region that boasts a proud industrial heritage and a proven record of driving economic growth and success across the wider UK. The North West is an exciting and dynamic business landscape, with leading universities and talented people eager to innovate. It is little wonder, therefore, that the **North West is the second largest hub for private capital investment in the UK** after London and the South East.

The North West is a hub for technology businesses, at all stages of growth. The region's success in incubating innovative, high value companies is borne out by the fact that **the North West is home to almost half of all UK unicorns**. Private capital helps to turn North West innovators such as The Hut Group into national and global powerhouses, supporting the competitiveness of Global Britain.

Private capital has also delivered the regeneration of one of the North West's oldest leisure destinations – Blackpool. Merlin Entertainments worked in partnership with the local council to deliver **an almost ten-fold increase in employment through sustained and successful investment in the city's cultural landscape**.

The **North West businesses backed by private capital are also helping to deliver the UK's Net Zero ambitions**, with firms such as Vital Energi supporting clean energy generation right across the country from Edinburgh University to Heathrow Terminal 5.

New companies grown in the North West with private capital are being created with ESG aims at their core – with firms such as Back2Work supporting almost

5,000 job seekers since March 2020 to get back into employment during the height of the pandemic, the very definition of “doing well by doing good”. In a region which experienced longer lockdown restrictions than many other parts of the country, **the value of securing work for those unemployed by the pandemic cannot be underestimated**.

The private equity and venture capital industry is playing its part in funding the recovery, investing across the region, its people, businesses and ideas. By doing what they do best, private equity and venture capital help to drive growth and success across the country - **our economic value and social value forming the two core elements of our public value to the whole UK**.

Michael Moore
Director General, BVCA

April 2021



Part one

Understanding private equity and venture capital



“The North West is a resilient region and, if anything, the turmoil of the last year has spurred many of our business leaders to be even more determined to succeed. With disruption comes opportunity, increasing the case for innovation, diversification and strategic acquisitions - we’ve completed six deals during lockdown including Back2Work as well as several bolt-ons for our portfolio companies.”

Gary Tipper
Managing Partner, Palatine
Private Equity

Understanding private equity and venture capital

Funding the future

Private equity and venture capital are types of investment for companies with high-growth potential and their funding can often be part of the growth journey for many small and medium sized companies. Venture capital backs founders while private equity often allows entrepreneurs and parent companies to pass ownership on to their management teams. In addition, private equity and venture capital funding allows a company to expand its reach, take risks, scale, and/ or weather the bumps on the road to becoming a larger, mature business.

The length of the investment varies, but is generally between three and seven years, allowing for a longer term view to be taken.

Private equity firms will work alongside management teams to support the growth and development of the companies they invest in. To generate investment returns they must sell at a higher price which means the company needs to increase revenues and profits; therefore, the interests of the private equity firms and their investee companies are closely aligned.

Venture capital funds work with founders of high-risk, early-stage companies with significant potential for growth. In turn, for injecting capital, venture capital funds receive an ownership stake, giving funds a direct interest in the success of the company. Venture capital has an outsized influence on the economy and society; a relatively small venture investment early in a company's life can help to create a transformational, global business.

1 million

People employed by firms backed by **private equity and venture capital in the UK**

10.5 million

People employed by firms backed by **private equity and venture capital across Europe**

4,290

companies currently invested in by **private equity and venture capital funds managed in the UK**. Most of them small or medium size enterprises.

Institutional investors in private equity and venture capital, including pension funds, insurance companies and endowments, benefit from **strong returns** that flow to their ultimate beneficiaries.

BVCA research has shown that, although a long-term asset class, private equity and venture capital has had strong performance generating higher annual returns to investors than listed markets.

14.2%

Annual returns from private equity and venture capital

Over 10-year period

8.1%

Annual returns from FTSE All-Share

Over 10-year period

Sources: BVCA Key Facts document, 'BVCA Performance Measurement Survey 2019', Oct 2020 'Private Equity at Work', Invest Europe, Sept 2020

Part two

The North West in numbers



“It is very important for the UK economy that investment is available to businesses throughout the entire country. As investors in high growth companies, we are committed to ensuring that our reach extends right across the UK. The North West is a great place to do business and has some exceptional companies.”

Calum Paterson
Managing Partner, Scottish Equity
Partners (SEP)

North West in numbers: Regional overview

From Blackburn to Blackpool, Manchester to Merseyside, Wigan to Warrington, the North West of England is vibrant and exciting.

A significant force within the UK economy

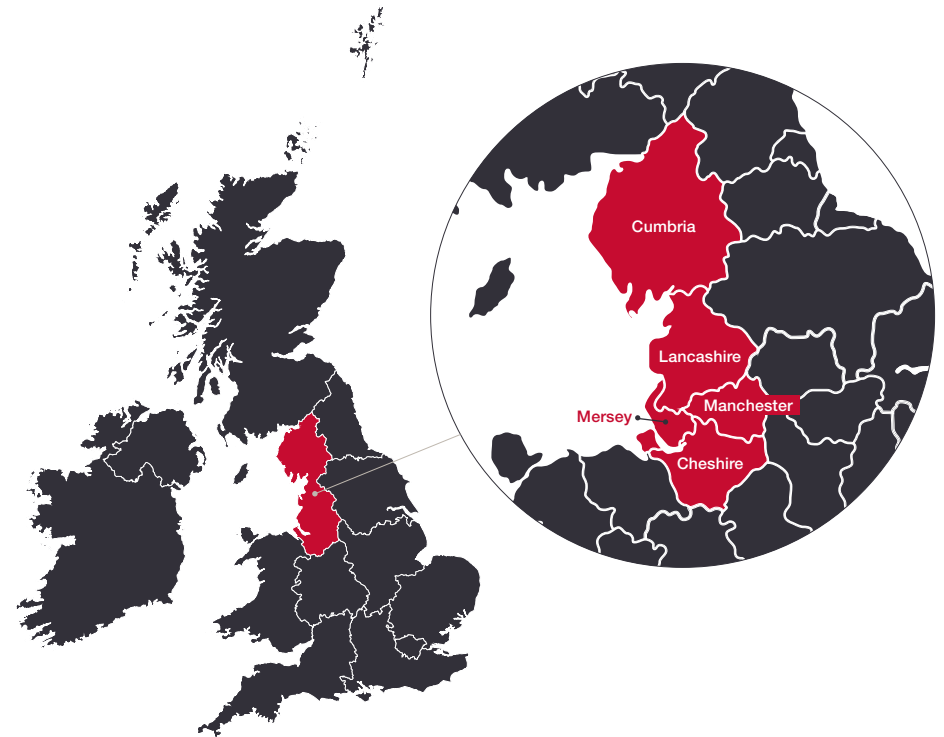
Covering
5,469
square miles

Home to over
7 million
people

Representing nearly
10%
of UK GDP

The birthplace of the industrial revolution, the region is now the host to a busy tech start-up scene. Firms such as The Co-operative Group, B&M and United Utilities were founded in the North West. And with 12 universities across the region supporting a thriving pool of talent, our case studies illustrate the ideas and knowledge driving the success of the North West.

A growing number of private equity and venture capital firms are investing in businesses in the North West. BVCA members invested over £2.6 billion in businesses head-quartered in the North West between 2017-2019.



£2.6 billion
invested in businesses head-quartered
in the North West between 2017-2019.

North West in numbers: Investment and employment

Investment

£2.6 billion

invested in the **North West** by **BVCA** members between **2017-2019**

Businesses

420

private equity and venture capital backed businesses in the North West

...of which,

210

received investment between 2017 and 2019

Holding period

5-6 years

Our members invest in the **longer term**, with an average holding period of 5-6 years in the North West.

Average investment size

£1-2 million

was the **median investment** over the **past 3 years** - supporting lots of **small and medium** sized businesses

SMEs

86%

of **businesses supported** by private equity or venture capital in the **North West** are **small or medium** sized...



...but the **North West** is no **stranger** to **big deals** with several of the larger deals attracting investment of over **£100million**.

Employment



80,000

people employed by private equity and venture capital backed businesses in the North West...

...of which, **50,000** **people employed** by businesses which received investment between **2017-2019**

North West in numbers: Sector focus

Number of investments in hot sectors in 2019



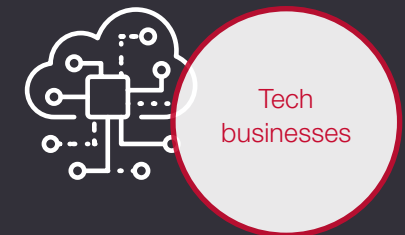
Average investment size across hot sectors in 2019



The North West was home to six of the UK's 14 digital unicorns in 2020



Tech businesses employ the third largest number of people within PE and VC backed businesses in the North West



Average investment in 2019



The sectors with the largest average investment size are those focused of **consumer** and **business products** and services...

...these sectors support over 50% of the jobs in private equity or venture capital businesses in the North West



The region is home to



...which collectively attracted



in spin out investments in 2019

Sources: BVCA Report in Investment Activity 2019, UK Tech News, Parkwalk / Beauhurst, 'Equity Investment into UK Spinouts

Part three

Case studies

“

“Endless is proud to be investing in businesses such as Bright Blue Foods in the North West. As a cornerstone of the UK economy, the region has an unrivalled breadth of industries and sectors, a diverse talent pool, management teams with entrepreneurial drive and a tremendous track record for investment and growth.”

Tom Jack
Partner, Endless LLP

North West case studies



These case studies from across the North West demonstrate how private equity and venture capital funding and expertise are helping businesses innovate, grow and weather turbulent times.

Tech / FinTech

- 1 **AccessPay**
Supported by Beringea
- 2 **Culture Shift**
Supported by Praetura Ventures
- 3 **LIMA**
Supported by Maven Capital Partners
- 4 **Nivo**
Supported by GP Bullhound
- 5 **Peak**
Supported by Oxx, Praetura Ventures and MCC

Pharma

- 6 **Chargepoint**
Supported by LDC (exited in 2021)
- 7 **Fishawack**
Supported by Bridgepoint
- 8 **Liverpool ChiroChem**
Supported by Deepbridge Capital, Praetura Ventures and NPIF - Maven Equity Finance

Consumer products

- 9 **Back2Work**
Supported by Palatine Private Equity
- 10 **Merlin Entertainments**
Supported by Blackstone Group
- 11 **WEALTH at Work**
Supported by Equistone
- 12 **Vital Energi**
Supported by Scottish Equity Partners (SEP)

B2B

- 13 **The Belfield Group**
Supported by NorthEdge Capital
- 14 **Bright Blue Foods**
Supported by Endless LLP
- 15 **British Engineering Services**
Supported by Inflexion Private Equity Partners

Tech / FinTech

AccessPay

While it is often consumer tech firms receiving public attention, innovation and growth are taking place at pace across the FinTech spectrum.

Across the country, too. The North West is home to a thriving start-up scene and many leading FinTech businesses are gaining national recognition.

This includes **AccessPay**, a Manchester-based payment automation provider offering solutions to simplify and digitise the many manual processes faced by finance departments.

AccessPay's online platform connects businesses' back-end systems with global banking and financial services providers. Clients can process payments securely, accurately, on time and with confidence, regardless of physical location.

Seeking venture backing

Established in 2012, AccessPay has seen yearly growth, with particularly rapid momentum post-2015. As corporate client numbers closed in on 500 and transaction volumes increased into the tens of millions, the need to scale-up became paramount.

This led AccessPay to look a venture capital partner with the funds and

expertise to help it scale, and Beringea, a transatlantic venture firm with more than \$750million under management, led a £9million round in 2018, representing one of the largest ever investments in a Northern FinTech company.

With Beringea on board, AccessPay was immediately able to scale its infrastructure, ensuring the utmost security of the sensitive data it handles. The investment also allowed for product development and the acquisition of local talent – taking current employee numbers up to 80.

2020 and future growth

AccessPay's 2020 expansion was substantial. Remote working meant many needed an instant switch to an online solution, and servicing this demand was not a problem with Beringea's guidance on cash planning and business strategy. In 2021, UK growth is still AccessPay's primary objective but global expansion may not be too far away. The business already deals with a number of international subsidiaries and, as a transatlantic investor, Beringea is well placed to support their overseas growth.



- Sector
FinTech
- Supported by
Beringea
- Location
Manchester
- Number of employees
78

"Beringea has recognised the challenges the current financial services model poses for treasury teams and the opportunity it presents for AccessPay to grow its market share, in the UK and beyond, and is helping us with our mission of transforming the landscape."

Anish Kapoor, CEO



Tech / FinTech

Culture Shift

Organisational culture is important. It reflects a company's attitude, its ethos, the way staff interact and the decisions they make. It's what makes employees feel valued and safe at work.

In some cases, this can go awry. And when that happens, employees at the short end of the stick may find it hard to speak out – particularly if the culture they work within is not one of openness and honesty.

Leading the change in how toxic cultures are reported on and, ultimately, dealt with is **Culture Shift**, a Manchester-based tech-for-good start-up.

Passionate about people, through its digital platform the firm allows employees to anonymously report bullying and harassment which, in turn, empowers leaders and senior teams to create positive and lasting change for their entire organisation.

Backing for growth

Although only a few years old, the business has established itself as a leader in the higher education sector with early adoption from over 60 UK universities.

But options for further expansion into the corporate world are vast, and with the backing of venture capital firm Praetura,

the plan is exactly that; to take an amazing idea and bring it to more people.

Upon investment, Praetura got hands on. They began to prepare the company for scale, by building out the senior management with an experienced Sales Director, Finance Director and Head of Customer Success all joining to head up newly created functions within the company.

Praetura used their business expertise to update the company's long-term commercial strategy to make sure expanding into new sectors was viable. Product design, branding and marketing workshops were all planned and executed in alignment with the new strategy.

Finally, with all things ship-shape, Praetura was able to connect Culture Shift to its established business network – putting the company directly in touch with their corporate target market.





Future plans

As a result of Praetura's involvement, Culture Shift is now very much on the up. Average contract values are now four times higher, annual recurring revenue has grown by three times in the last 9 months, employee numbers have tripled and growth in new sectors is the key objective for the business.

Most importantly, though, more firms and their employees have access to the platform.

And underpinning all this is the culture of Culture Shift. The desire for their software to do better is at the core of their business and will not fall by the wayside as their journey continues.

CULTURE SHIFT

-  Sector
HR-tech
-  Supported by
Praetura Ventures
-  Location
Manchester
-  Number of employees
Pre-investment: 6
Post-investment: 18



"This investment has enabled us to hire skilled and talented professionals who share our values and have the expertise to help us achieve our ambitions. It has also helped us expand our sales and marketing resource helping us grow into other sectors."

Gemma McCall, CEO



Tech / FinTech

Lima | A founder's story

LIMA Group provides UK private and public organisations with the IT solutions and services they require to stay ahead of their competition. The BVCA connected with Lisa Thornton, CEO, to find out the story behind the business and how private equity helped them on their journey.

BVCA: Where does the story start?

Lisa: In 1997, Paul [LIMA's co-founder] and I found ourselves with a life choice: to remain in a business that had recently been acquired or to branch out on our own. We'd built up some strong contacts during our previous employment and decided to ask them, "can we help you with your IT?"

And so, LIMA was born. It's funny to think that we originally saw it as a 6-month venture, however, as we built great relationships with local businesses, the opportunities kept presenting themselves and we couldn't just stop. We never thought that 24 years later we'd have over 70 employees and a turnover of £15m.

BVCA: And why was Manchester an appealing base?

L: I'm born and bred in the City of Salford and LIMA's first office was my house! Aside from that, Manchester was

a real hive of activity. People wanted to progress and utilise IT, and there was such a good energy around the city – it was the perfect place for us to be.

BVCA: At what stage of the journey did you start to consider private equity backing?

L: Things were incredibly positive for us but, as we evolved as a business, it became clear where we needed to strengthen our skills. Private equity seemed like a great way of acquiring that guidance and targeted expertise to help us progress to the next level. The due diligence we carried out before even engaging any potential firms is one of the most insightful processes we've ever completed too – the amount that we learnt about our business and the marketplace was incredible and has been a real factor in our growth.

BVCA: Why did you choose Maven and how have they helped you progress?

L: Maven are a strong cultural fit for us. We still run the business how we want to run it, but with the benefit of their technical and sector expertise. They also challenge our performance and governance – something we completely welcomed. Their connections proved invaluable,

too. They continually help us identify new opportunities, which keeps us expanding, and were instrumental in us changing banks and securing the right funding for future growth. Despite their investment coming relatively late on in our journey [2019], their support has made a huge difference in a short period of time.

BVCA: With that in mind, how did they help you weather 2020?


L: Who would have predicted that the year after their investment would have brought with it a global pandemic? LIMA worked incredibly hard to support our customers with their move to remote working. We are very proud to have been able to bring Gloucestershire Hospitals NHS Foundation Trust fully online, enabling over 2,000 staff to log on remotely every single day at the height of the pandemic.

At the same time we wanted to accelerate investment in a number of strategic initiatives and Maven immediately worked with us to ensure we could do this and have sufficient cash reserves for the next 12-18 months. Their support for our ambitious growth plans really reinforced their long-term commitment to us.


Sources: BVCA Report on Investment Activity, Lima Networks 2019 annual accounts




 Sector
Information Technology

 Supported by
Maven Capital Partners

 Location
Salford

 Turnover
£16.3m

 Number of employees
61



Lisa Thornton, CEO, Lima

Tech / FinTech

Nivo

Obtaining a regulated financial product can be a headache involving printing and signing forms, snail-mailing them back, hunting down original documents or wasting time on the phone listening to hold music.

Surely these processes can be made simpler, more streamlined and more accessible? For tech start-up **Nivo**, the goal is exactly that.

Their secure instant messaging platform connects consumers to financial institutions, removing the need for cumbersome traditional methods. Users can safely e-sign important documents or verify their ID with a few taps, or chat directly with a business about a product they're interested in, at a time that works for them.

And by making things easier, Nivo widens access to financial products for consumers who may once have been deterred by archaic barriers to entry. The app already works closely with a number of credit unions, as well as large banks, lending brokers, lenders and professional services companies – vastly improving consumer choice.

Starting small

Nivo began life in London. The four founders met at Barclays and it was the bank's accelerator programme, powered by Techstars, that gave insight into what life is like in a start-up.

After six months of incubation the team spun Nivo out of Barclays and began looking for a new home. It was the busy tech scene, the pools of talent and access to investors that led them to Manchester – a city perfectly positioned to play host to their growth.

Venture backing

In May 2019, Nivo looked to venture investment to help expand their business and a £2 million funding round was jointly led by GP Bullhound and Angel CoFund.

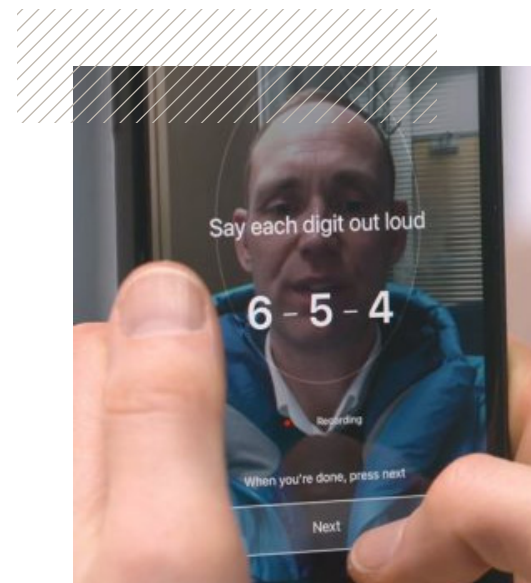
With the objective being to bring their product to more people, Nivo needed more manpower and used the investment to scale internally, growing a workforce of four to 15.

With this strengthened core, the business was able to onboard more clients on either side of the app, all the while improving the product and its ease of use.

For now, Nivo is firmly focused on expanding its foothold in the UK market. But, with strong growth since its last funding round and further rounds possibly on the horizon, it might not be long before this VC backed company makes it big overseas.



- Sector
FinTech
- Supported by
GP Bullhound
- Location
Manchester
- Number of employees
15



"We got to the point where we simply needed more hands on deck and it was venture backing that enabled us to bring people on board. In doing so, you must think carefully about organisational culture, too, and advice from our investors around this was incredibly helpful when recruiting."

Mike Common, CEO



Tech / FinTech

Peak

Artificial intelligence (AI) was once confined to science-fiction, but with the advancement of technology we've reached a watershed where AI is implementable in business processes.

For Manchester-based tech scale-up, Peak, accessibility to AI is the principal priority, as they strive to put AI "at the heart of commercial decision making" for all companies.

Peak's software enables companies, across sectors including retail, consumer goods, and manufacturing, to easily embed AI into the core of their operations and rapidly see the results of AI-enabled commercial decision making.

The application of AI to make better commercial decisions and improve business performance is called Decision Intelligence.

Decision Intelligence uses AI to unlock the power of a business's most valuable asset, its data, by helping people make decisions over complex information faster, more consistently, and more accurately than ever before.

Venture backing

2020 saw the business grow outside of their UK market, doubling their revenues

and gaining customers in the US, Europe, India and the Middle East.

To continue this trajectory and service the growing global demand for their products, Peak looked to venture capital investors and Oxx, a specialist Software-as-a-Service fund, were the perfect fit. In September 2020, Oxx led a £15million investment round, and were joined by existing investors MMC Ventures and Praetura Ventures, bringing Peak's total funding raised to £31million since their seed investment round in 2016.

Future growth

Oxx's expertise in global expansion and scaling commercial operations, and extensive network, will help Peak bring Decision Intelligence to many more businesses globally.




In 2021, Peak plan to open new locations in the US and India, and continue expanding their world class Engineering and Product teams. With this fundraise,

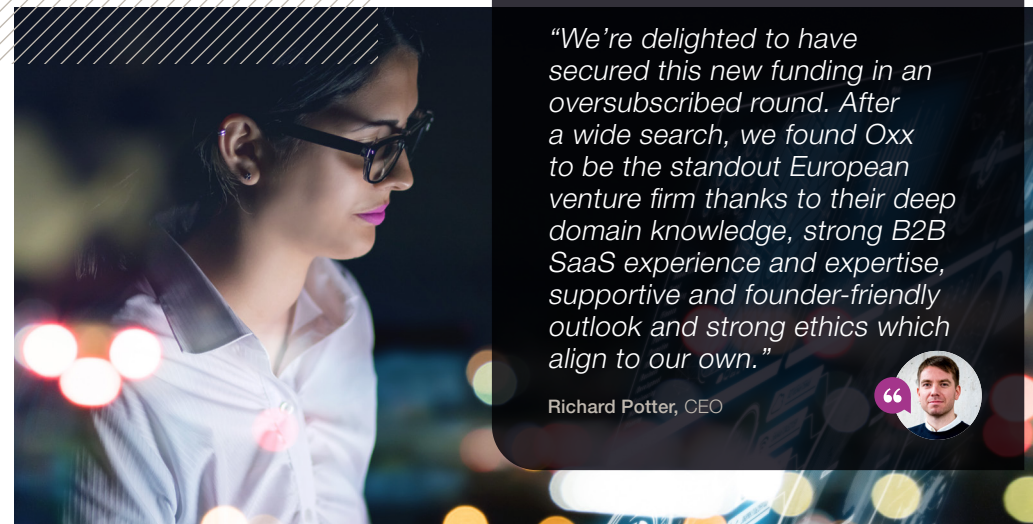
Peak has the technology, strategy, services and support to help many more companies succeed with Decision Intelligence. Peak will hire more than 100 new employees globally and continue to set ambitious diversity and inclusion goals, which is central to Peak's culture, as well as Oxx's.

"It's becoming impossible to run a company without AI. Modern businesses are complex and operate in an ever-changing world. Making critical decisions without AI would be like driving a Formula 1 car while wearing a blindfold. Our Decision Intelligence software empowers day-to-day decision makers across businesses such as PrettyLittleThing, KFC, PepsiCo and more."

Richard Potter, CEO



-  Sector
Tech – AI / SaaS
-  Supported by
Oxx, Praetura Ventures and MMC
-  Location
Manchester



"We're delighted to have secured this new funding in an oversubscribed round. After a wide search, we found Oxx to be the standout European venture firm thanks to their deep domain knowledge, strong B2B SaaS experience and expertise, supportive and founder-friendly outlook and strong ethics which align to our own."

Richard Potter, CEO



Pharma

ChargePoint Technology

Based in Liverpool, **ChargePoint Technology** manufactures and delivers sterile containment products – including specialised bags, bottles, valves and extraction systems – to companies across Europe, Asia and North America.

Its leading technology is used by the world's top 50 global pharmaceutical manufacturers and helps transfer highly potent and sterile powders reliably and safely, keeping ingredients free from contamination and those working in advanced manufacturing facilities protected.

Established over a decade ago, the demand for ChargePoint's products has grown year on year and the increasing interest from companies overseas led the business to seek the guidance on how to expand internationally.

Turning on the growth tap

LDC, the private equity arm of Lloyds Banking Group, first backed ChargePoint CEO Chris Eccles in 2017, providing immediate investment to help the business to capitalise on this growing international demand for its products.

Following this, ChargePoint was able to fulfil its increasing order book and saw the use of its technology extend

across North America. Since then, it has pursued a successful international expansion strategy, accelerating global sales of its highly technical and innovative containment solutions.

The partnership with LDC also gave the business the financial firepower to increase investment in new product development, allowing ChargePoint to expand its market share by manufacturing complementary, single use products alongside continuing improvement of its core range.

The partnership with LDC helped ChargePoint's management team to develop new products, and successfully launch a series of new solutions including its VERIFI™ platform, a smart monitoring technology that provides information on equipment usage allowing preventative maintenance, and AseptiSafe® Bio, a specialist valve for customers working with toxic and sensitive substances. During its four-year partnership with LDC, ChargePoint increased revenues by approximately 30 per cent.

LDC exited the business to US private equity firm Arcline Investment Management in 2021. ChargePoint will now be able to further accelerate its product development pipeline, and will be empowered to deliver its core range, as well as new innovations and technology platforms, to market faster than ever before.



- Sector
Manufacturing
- Supported by
LDC (exited in 2021)
- Location
Liverpool
- Turnover
£12.7m (year ended Jan 2020)
- Number of employees
80



"We partnered with LDC to help us expand our product range and accelerate our international expansions plans. Today, we're a growing international business that serves most of the world's leading pharmaceutical businesses."

Chris Eccles, CEO, ChargePoint



Pharma

Fishawack Health

Fishawack Health helps pharmaceutical groups bring new products to market through the provision of specialised and value-added services. The business serves more than 100 clients globally and helps to commercialise more than 300 drug compounds. Founded in 2001, the business has been built up organically and through small add-on acquisitions to become a global player. Today it operates from 14 offices in the US, Europe and India. Fishawack has three principal service lines: Medical Affairs, Commercial Services, and Consulting.

What did the business need?

Fishawack would benefit from further professionalisation and has significant operational improvement potential.

What lasting value did PE/VC investment bring?

Bridgepoint has held the asset for less than 12 months. During this short period, Bridgepoint has already created a clean and simplified organisational structure and successfully recruited a new Chairman.






Bridgepoint also kicked off a project to improve Management Information through the rollout of IT systems, which will provide more readily available utilisation data to control costs.

Bridgepoint is enhancing Fishawack's M&A strategy to become more proactive. Under Bridgepoint's ownership, the company has completed two add-on acquisitions: StoneArch, a Minneapolis-based creative agency with a strong reputation in the medical device and health technology sector, and The Hive Health Group, a strategically led healthcare marketing and scientific communications business based in London and New York.

Future growth plans

Bridgepoint's business plan envisages continuing to drive organic growth, margin enhancement, and M&A to add complementary services, broaden Fishawack's customer base, and consolidate the sector. Fishawack is a robust platform that will be used as the base for a buy and build strategy in the attractive but fragmented pharmaceutical commercialisation services sector. Bridgepoint has identified more than 75 potential targets, from smaller in-fill acquisitions to potentially transformational opportunities, which will help to rapidly build scale.



-  Sector
Healthcare and Life Sciences
-  Supported by
Bridgepoint
-  Location
Knutsford
-  Turnover
£110m (year to 31 March 2020)
-  Number of employees
Pre-investment: 840
Latest: 850 (Jan 2021)

"In partnering with Bridgepoint, we have made a step-change in our ambition."

Oliver Dennis, CEO



Pharma

Liverpool ChiroChem

Liverpool ChiroChem (LCC) is a chemistry-based research organisation that supports the discovery and development of drug intermediates in the chiral molecule space that are used to make high-quality drugs.

Founded in 2014 by a former Liverpool PhD student Paul Colbon, they now supply companies across the globe with a unique range of products, used in the creation of drugs.

LCC has two sites, one in Liverpool, where the world-leading chemistry team engineer new compounds, and a state-of-the-art manufacturing facility in Taizhou, China, where the team can manufacture and scale production, both on new products and current projects.

Venture backing

When LCC looked for venture backing, it needed a partner to provide more than money in terms of support. It was clear that LCC's technology and approach was unique, but its business model and commercial strategy required finesse.

Praetura Ventures initially invested in 2017 and set about growing the team's capability through senior hires. From then, focus was on LCC's strategy, which had pivoted several times, and fine-tuning

their approach to sales. Expansion also came through the opening of the Chinese facility, allowing the Liverpool team to focus on research and development.

“Venture backing allows LCC to commit to a fully funded business plan to scale up its global operations and provide the R&D community with the chiral components needed to discover and develop drugs.”

Paul Colbon, CEO

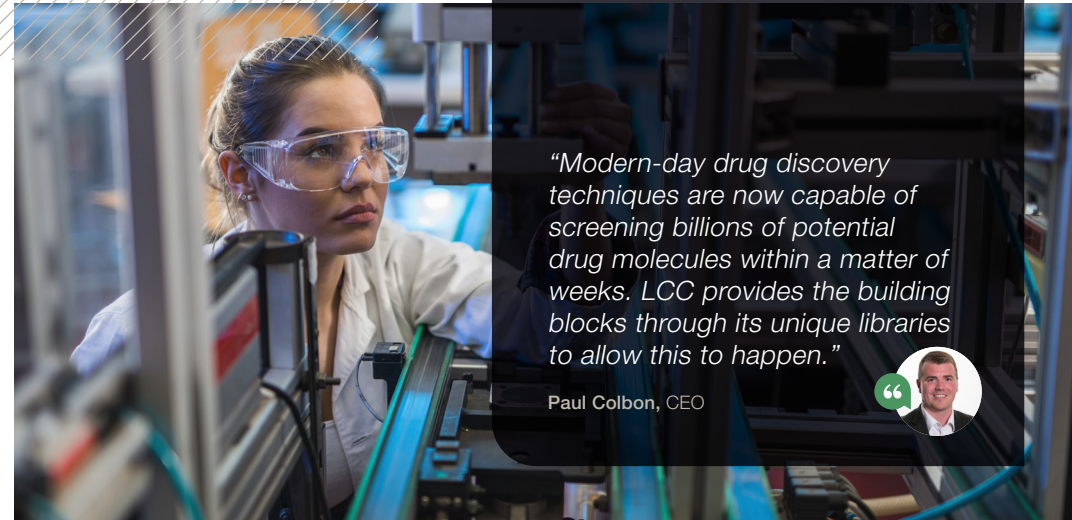
Future plans

The partnership with Praetura is now paying off. The strategy change means larger orders can be fulfilled and LCC's services can be marketed more widely. Last year was their most successful in terms of revenue, but also in signing up some of the world's biggest and best pharmaceutical companies. Their new product library is also growing with more than 100 new compounds added per month.

The future is, as with any business, about driving revenue but also working with clients to develop new compounds and looking at more strategic partnerships to continue to support the world's drug creation.



- Sector
Chemistry/ Healthcare and Life Sciences
- Supported by
Deepbridge Capital, Praetura Ventures and NPIF - Maven Equity Finance
- Location
Liverpool
- Turnover
Pre-investment: 150k
Latest: 800k
- Number of employees
Pre-investment: 10
Latest: 70 (including 50 in China)



“Modern-day drug discovery techniques are now capable of screening billions of potential drug molecules within a matter of weeks. LCC provides the building blocks through its unique libraries to allow this to happen.”

Paul Colbon, CEO



Consumer products

Back2Work

Last year brought with it a set of unparalleled challenges, for the economy, for business, and, not least, for the country's workforce.

And as the grip of the pandemic grew tighter, how we work changed almost overnight.

Some found themselves working from home. Others found their work paused, followed by transition onto the furlough scheme. Regrettably, some have found themselves without work at all.

The vaccine is, of course, cause for celebration but it is just one of many monumental efforts to return us to the steady footing from which our country can build back better.

Back2Work is a prime example of a company that has risen to the challenge of helping at a time of need. Having provided coaching and training for over a decade, the team identified a genuine responsibility to provide support in the current climate and help the increasing number of people looking to re-skill and find alternative employment. In just a fortnight, the business evolved from training 800 people a month in classrooms to complete online delivery.

And this has had an incredible impact. Since March 2020 Back2Work has

delivered training to over 7,500 job seekers with around 63% returning to employment, including the placement of around 600 people into non-medical NHS roles to support their capacity.

This piqued the interest of private equity firm Palatine, who used their dedicated Impact Fund, which supports businesses making a positive impact on society, to invest in Back2Work in October 2020.

Their immediate guidance and investment in management structure, IT systems and growth strategy has strengthened Back2Work internally and, in turn, improved the resources and delivery for learners.

For example, Back2Work has been able to rapidly respond to the shift towards a digital economy and the need for related skills. The company now offers training on a variety of digital programmes such as digital marketer and digital support technician, alongside existing courses in health and social care, construction and logistics.


And as 2021 continues, further expansion is on their mind. The demand for training spans the nation and, closely aligned in their ESG ethos, Back2Work and Palatine stand ready to deliver.

“Since launching the business in 2011 Back2Work has always strived to deliver services that create a lasting impact, on the wellbeing, living standards and economic and environmental sustainability of the communities that we serve.”

Luke Muscat, Co-Founder and Managing Director


BACK 2 WORK
COMPLETE TRAINING

 Sector
Education & Training

 Supported by
Palatine Private Equity

 Location
Manchester

 Turnover
£11.5m

 Number of employees
140



Luke Muscat, Co-Founder
and Managing Director



Consumer products

Merlin Entertainments

Merlin Entertainments is the second largest global operator, after Disney, of location-based visitor attractions and theme parks, bringing enjoyment to 67 million visitors across their 129 sites every year. Their attractions can be found everywhere: in Beijing, Sydney, London, Tokyo, Dubai and Blackpool, to name but a few. Comprised of household names like Madame Tussauds, LEGOLAND and SEA LIFE, alongside a roster of theme parks including Alton Towers and Thorpe Park, Merlin Entertainments' footprint is truly expansive.

Global reach

In 2005, private equity firm Blackstone saw an opportunity to bring Merlin's attractions to people around the world. Blackstone and the strong management team at Merlin created a partnership with KIRKBI, the family founders and owners of the iconic LEGO brand, to bring together Merlin Entertainments and LEGOLAND.

At the time, Merlin was effectively a UK-only business. Its core values and family orientation was a good fit for the LEGO brand. Blackstone brought the vision, capital, and expertise to support the management in building a much larger company.

Collaboration & Investment in the North West

In 2010, Merlin worked in partnership with the local council to look at ways in which they could strengthen Blackpool's overall leisure and tourism offering. As part of the investment in the town, Merlin took on the refurbishment and running of the famous Blackpool Tower. This investment included opening a new Blackpool Dungeon attraction (sitting below the tower), alongside rebranding the world-class Tower Circus show and managing the world-renowned Tower Ballroom. Merlin redeveloped an existing wax attraction and relaunched it as Madame Tussauds Blackpool, the only UK site outside of London. They also relaunched their existing SEA LIFE Centre and worked with Blackpool Pleasure Beach to produce a resort 'big ticket' offer.

Finally, the Council and Merlin initiated the most successful and ongoing resort marketing campaign in the UK, led by TV advertising aimed at families.

The investment in Blackpool created around 100 jobs, and Merlin invested further in the region with a £6m investment in 2013 when a SEA LIFE was opened in Manchester. Merlin's Blackpool attractions received regular seasonal footfall of ~1.5 million and helped to elevate a

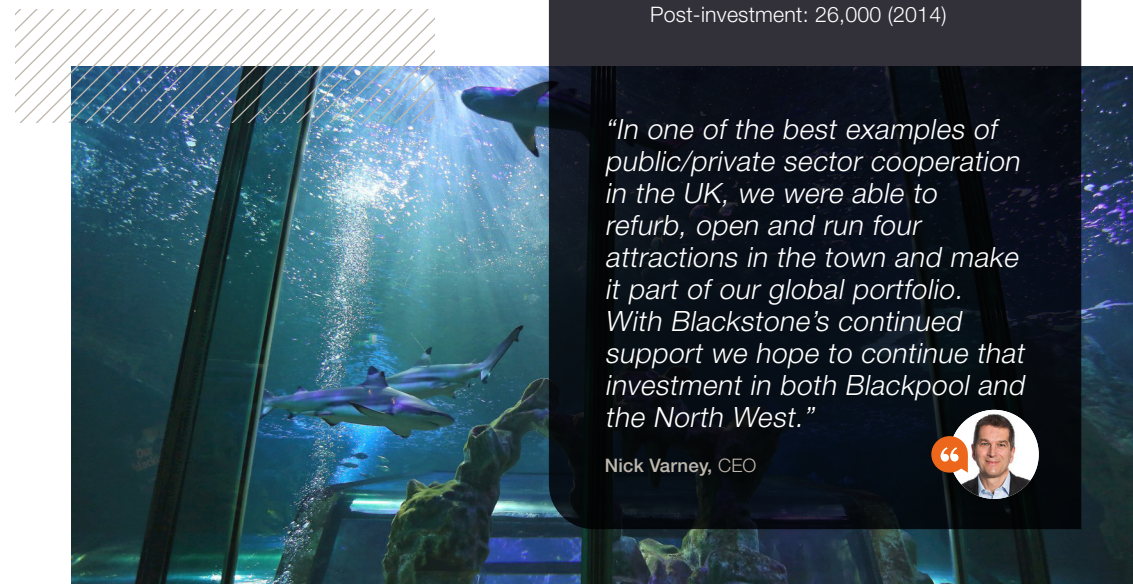
town in the North West into the global market for quality family entertainment.

“Blackpool has a rich history of being a fun and exciting family holiday destination, so it was an incredibly attractive area of the country for us to invest.”

Nick Varney, CEO



- Sector
Entertainment/Attractions
- Supported by
Blackstone Group
- Location
Global, including Blackpool
- Turnover
Pre-investment: £44.9m /
Post-investment: £1,249m (2014)
- Number of employees
Pre-investment: 2,790 /
Post-investment: 26,000 (2014)



Consumer products

WEALTH at work

Liverpool-based **WEALTH at work (WAW)** offers financial education, regulated advice and wealth management services for the workplace, delivered nationally by their specialists who have educated over 80,000 employees.

The company, founded in 2004, has a comprehensive offering, including interactive financial wellbeing websites, workplace seminars and a dedicated wealth management service.

What did WAW need?

Set up to advise retiring workers wanting a more active role in managing their pensions, WAW appeared perfectly positioned to enable and cater to the “pensions freedoms” policy announced in the 2014 budget.

Despite strong growth, the business had been loss-making and only turned its first monthly profit in February 2015. While WAW’s most pressing need was investment, it also needed a renewed strategic direction to identify areas of opportunity.

Private equity investment

Upon investment, private equity firm Equistone immediately assisted WAW in acquiring Affinity group of

companies to quickly achieve scale. Equistone’s investment also allowed the firm to bolster its technology offering and increase recruitment. In doing so, WAW was able to secure contracts with some of the country’s largest employers and best-known brands, quickly building their reputation as a quality supplier.

During Equistone’s tenure, the business has grown from 125 to 300 employees and £500million assets under management to £1.75billion, as well as becoming very profitable.

Future growth





Significant and constant investment in technology, alongside people, has transformed WAW into a FinTech business, able to efficiently provide a high-quality service at increasing scale.

Now, WAW is launching a new technology-based online guide, developed over the past two years and designed to provide an even greater degree of support for employees in the “accumulation” phase of retirement.


Ongoing investment in technology is allowing the company to further develop and build its offering. As a result of the above, the business is expected to continue its strong growth.



WEALTH at work
KNOWLEDGE | EXPERIENCE | OPPORTUNITY

-  Sector
Financial Services
-  Supported by
Equistone
-  Location
Liverpool
-  Number of employees
Pre-investment: 120
Latest: 300

“People often say that private equity is both impatient and short term in its views when investing capital – that is definitely not the case in our experience with Equistone, who have been exactly the opposite. They have been supportive and patient throughout the course of our partnership.”

David Cassidy, CEO and Founder 

Consumer products

Vital Energi

The UK is committed to Net Zero by 2050; to stopping greenhouse gas emissions to protect our planet from a climate emergency.

One key player in achieving this goal is the energy sector and those involved in ensuring our lights switch on, our kettles boil and our houses stay warm in winter.

And as the UK phases out energy sources like coal, the spotlight is firmly on sustainability – ensuring electricity is generated through non-harmful methods.

This is the objective of **Vital Energi**, headquartered in Blackburn, which provides clean energy generation, distribution and management solutions including at Heathrow's Terminal 5, Edinburgh University, the Natural History museum and to more than 83,000 homes across the UK.

Growth equity backing

In 2012, Scottish Equity Partners acquired a significant minority investment in Vital Energi from SSE plc, alongside holdings in a further eight innovative businesses in the clean/renewable energy space.

With a strong track record of supporting growth and value creation across its portfolio companies, SEP saw

fantastic potential in Vital Energi and the opportunity to advance net zero objectives through scaling the firm.

SEP's investment has allowed the company to increase headcount to 400, expand into Scotland with the opening of a new office and, in turn, give the business the capability to deliver more green energy solutions across the country. This includes the athletes' village at the 2014 Commonwealth Games in Glasgow, York's teaching hospital and Salford's Royal NHS Trust to name but a few.

Future growth





As the UK continues its journey towards Net Zero, Vital Energi, with the support of SEP, remains committed to playing its part.

This includes the opening of a new training centre at Vital's Blackburn HQ in late 2020, which will provide attendees with the necessary tools to support the Government's heat network expansion plans.

This will, in turn, further the company's existing relationship with The City of Liverpool College with additional apprenticeship recruitment, presentations and new product training as well supporting courses at other universities and colleges with practical and theoretical education.



VITAL ENERGI

-  Sector
Green energy
-  Supported by
Scottish Equity Partners (SEP)
-  Location
Blackburn, London, Glasgow
-  Turnover
Pre-investment: £30m
Latest: £150m
-  Number of employees
Pre-investment: 146
Latest: 493

“SEP has worked closely with our leadership team to support business growth. Their clean energy sector knowledge, industry network and ambition to grow long term value for stakeholders has helped shape our strategy and ensure we retain our market leading position.”

Ian Whitelock, CEO



B2B

The Belfield Group

The increased demand in home improvements over the last 12 months has not been without its challenges for **The Belfield Group**, the UK's largest white label manufacturer of home furnishings, particularly for their mattress division, USleep, based out of Ashton-under-Lyne and Castle Donnington.

The division had already seen fantastic growth in the years preceding the pandemic but, during lockdown, online demand for their mattresses skyrocketed. Of course, letting customers down was not an option, but as an employer of over 1,600 people, meeting demand in a COVID-secure manner was paramount.

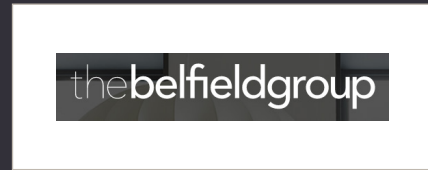
With guidance from NorthEdge, the private equity firm that backed Belfield in 2016, they were able to successfully navigate the new landscape.

Their large investment in the second brownfield Ashton site in 2018 meant USleep already had the capacity, the equipment and the staff numbers to make more mattresses, but NorthEdge also supported the team to ensure the workforce was safe during the pandemic, by regularly sharing key information and best practice across the portfolio.

Production and delivery soon ramped up to 24hrs a day, 7 days a week across both sites, turning what is typically the quietest period of the year into the busiest – no mean feat considering the circumstances.

In fact, the successes of the business over the last 12 months have led USleep to invest in another production line in Ashton, a significant capital commitment, and to look at international expansion, too, with new bases in Europe becoming a very real possibility.

Sources: [BVCA Report on Investment Activity](#), The Belfield Group 2019 annual accounts



- Sector
Furnishings
- Supported by
NorthEdge Capital
- Location
Ashton-under-Lyne and Ilkeston
- Turnover
£188.6m
- Number of employees
2,040

“NorthEdge have been a real support for Belfield, but no more so than during lockdown. They were absolutely key in helping us keep our USleep staff safe and it was their backing and investment that meant our two sites could handle the load.”

Gary Lasham, Group CEO



B2B

Bright Blue Foods

Mince pies mean Christmas. They represent festive cheer, good tidings, and cosy winter evenings.

But when you take a bite out of your luxury, deep-filled, crumbly-pastried treat, do you stop to think about where it was made?

Perhaps not. But chances are it was lovingly crafted by **Bright Blue Foods**, the UK's leading premium mince pie manufacturer supplying over 115 million mince pies to the vast majority of Britain's supermarkets.

In fact, they make so much more and with broad production capabilities including celebration cakes, crumbles, and pies, it's very likely you'll have sampled a sweet treat of theirs somewhere along the way.

However, things were not always so bright for Bright Blue Foods and after a challenging Christmas period in 2014, the business needed overcome cash flow difficulties and rebuild trust with suppliers.

That's when Endless LLP got involved, seeing a business that, despite problems, had fantastic foundations for success. Moving quickly, they invested in the business in less than 10 days from first meeting Management

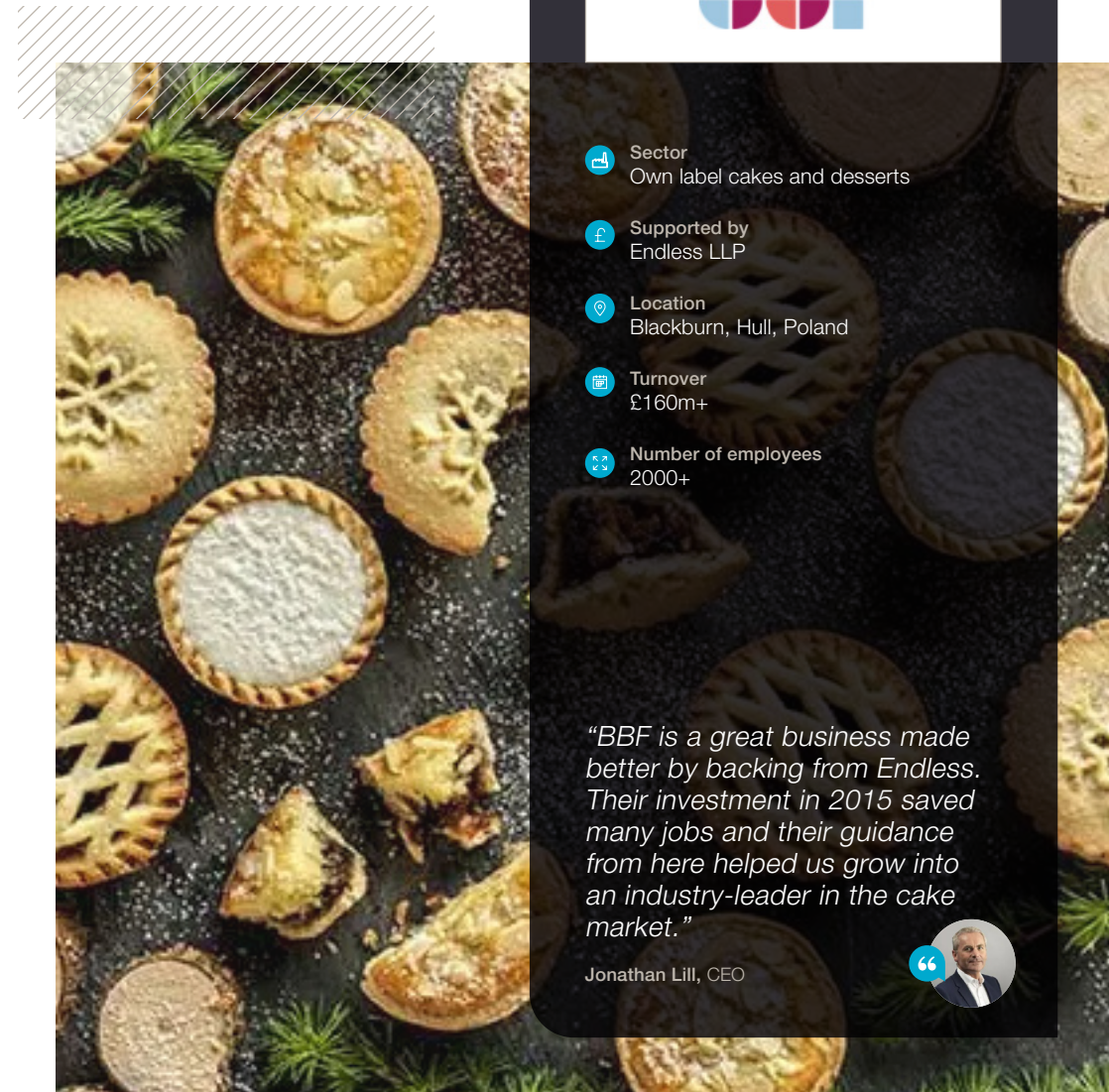
Endless stabilised the business, bringing the finances back to an even keel and saving close to 1000 jobs. Then, some process simplification, changes to management and improvements on the factory floor got things running smoothly again.






From here, BBF moved from strength to strength. In 2018 they bought the cake and dessert division of Greencore PLC and doubled the size of the business, bringing many new employees on board as well as lots of new products. The business has grown from revenue of £58million in 2015 to £160million in 2020.

Now, not even a pandemic can get in BBF's way with the business continuing to grow profitability throughout 2020. They kept their employees safe and, in turn, they kept the nation's sweet tooth satisfied.

And things show no signs of slowing down in 2021. With plenty of new cakes and desserts in development, you'll soon be seeing more of their delicious creations on the shelves.

Sources: Bright Blue Foods 2019 annual accounts



-  Sector
Own label cakes and desserts
-  Supported by
Endless LLP
-  Location
Blackburn, Hull, Poland
-  Turnover
£160m+
-  Number of employees
2000+

“BBF is a great business made better by backing from Endless. Their investment in 2015 saved many jobs and their guidance from here helped us grow into an industry-leader in the cake market.”

Jonathan Lill, CEO



B2B

British Engineering Services

Manchester – the world’s first industrial city; a behemoth of the textile industry and former epicentre of the UK’s cotton trade.

While technology has shifted the focus, it remains an exciting destination for investment and a city with industry at its heart.

Not least through The **British Engineering Services** Group. The firm, headquartered in Manchester’s city centre, has one important objective – to make Britain a safer place.

By inspecting machinery, checking technical designs to keep you compliant with the latest safety regulations, the business prides itself on ensuring that no harm comes to those in the workplace.

As one might expect from a company with over 160 years’ worth of experience, though, the path to success has not always been straightforward.

Five years ago, and following a number of transformations, Private Equity firm Inflexion stepped in to bring the business together.

Starting with a name change, the British Engineering Services Group was born and investment in the nuts and bolts quickly followed to tighten things up. With Inflexion’s guidance the business was then able to snap up four competitors

and become the leading provider of essential Testing, Inspection and Certification (‘TIC’) services across the UK and Republic of Ireland.

But things didn’t stop there. The company has continued to expand and is now a melting pot of technical expertise with nearly 300 new employees having joined since 2018. Despite COVID, the business has grown, month on month, to deliver close to 2 million site inspections per year.

2020 even saw the opening of a ‘state of the art’ training centre, and early 2021 bought with it a substantial re-investment from Inflexion, to ensure BES continues on its upward trajectory, delivering for its customers and keeping the country safe.

Sources: BVCA Report on Investment Activity,
British Engineering Services 2019 annual accounts



- Sector
Engineering
- Supported by
Inflexion Private Equity Partners
- Location
Manchester
- Turnover
£45.4m
- Number of employees
550

“Our partnership with Inflexion is really delivering for the British Engineering Services Group. We’re able to make quick decisions and have adopted an innovative and industry leading approach to servicing our customers.”

Stewart Kay, Group CEO



Contacts

The private equity and venture capital industry's contribution to public value in the UK can be explored further in these reports:



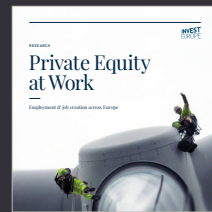
[View report >](#)



[View report >](#)



[View report >](#)



[View report >](#)

Or you can find analyses in our Quarterly Reviews:



[View report >](#)



[View report >](#)

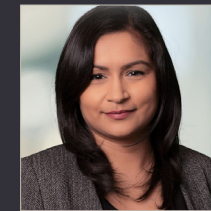


[View report >](#)

If you would like to discuss this report or the industry's contribution more generally please contact any of the following:



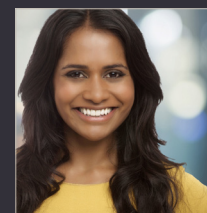
Michael Moore
Director General,
BVCA



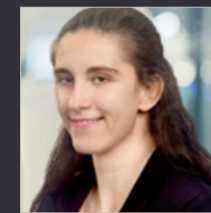
Gurpreet Manku
Deputy Director
General, BVCA



Leon de Bono
Assistant Director
General, BVCA



Sara Rajeswaran
Director, External
Affairs, BVCA



Suzi Gillespie
Head of Research,
BVCA



Get in touch with the team at
bvca@bvca.co.uk

With thanks

Find us on [L](#) [M](#) [T](#) [Y](#) [I](#)

Authors

Suzi Gillespie

Head of Research, BVCA

Sara Rajeswaran

Director, External Affairs, BVCA

Will English

Manager, External Affairs, BVCA

Martin Senk

Senior Executive, Research

Sophie Clemence

Senior Executive, Marketing & Design



We would also like to extend our thanks to the many businesses featured as case studies in this publication.

About the BVCA

The British Private Equity & Venture Capital Association (BVCA) is the industry body and public policy advocate for private equity and venture capital in the UK. Our membership comprises more than 700 influential firms, including over 300 private equity and venture capital houses, as well as institutional investors, professional advisers, service providers and international associations.





//// bvca.co.uk

Find us on [in](#) [M](#) [t](#) [v](#) [i](#)