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Chalking up the good news

2015 was a milestone year for
Bishop Fleming Corporate Finance.

Having completed a wide variety of notable deals (a selection of which we outline in this latest update) we are delighted to be crowned as one of the top advisers in our region by Experian.

We operate in some of the fastest growing regions in the UK for deal activity: annual deal volumes in the South West rose by 15% and in the Midlands by 18%, compared to 10% in the UK generally.

The transactions that we have advised on cover all sectors and a wide range of transaction sizes (further details on page 2). If there is a common theme, it is our work with owner-managed businesses as we understand the challenges, opportunities and motivations they face.

We are proud to help a number of our clients over the full course of the business cycle from start up, through growth and eventually towards exit. We deliver first-rate corporate finance advice from a team who have seen virtually all that there is to see in the transactional world! We combine this with commercial transaction tax advice to optimise the net returns and future proof the outcomes where appropriate.

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Alternative Finance

The Alternative Finance industry has quickly become a key part of the UK economy by using an innovative, technology-led approach to simplify the links between those who want to invest money and those who want to raise finance, rapidly increasing the funding options available for growing businesses.

Data shows that the average amount of funds raised is still small (typically under £100,000) but larger amounts have been raised and awareness is growing all the time.

Crowdfunding and peer to peer finance are at the vanguard of the movement, but various options exist. 44% of SMEs say they are familiar with alternative finance, but only 9% have used or tried to use it.

Commentators have warned against the viability of some alternative finance sources, particularly given the relative lack of regulation when compared to traditional counterparts.

Alternative finance is in its infancy and a lack of a track record is leading some industry experts to question its merits. This is most true of equity crowdfunding, where there has been a distinct lack of successful investor exits. Indeed, there have been some very high profile failures, such as the Zano Drone, which initially raised funds on the Kickstarter platform.

Despite this, Alternative Finance is becoming more popular with start-ups and pre-revenue businesses, which would otherwise find it difficult to attract the investment required to get their ideas off the ground.

For further information about alternative finance, please visit:
www.bishopfleming.co.uk/alternativefinance

Transaction highlights

PWR Events

Business Sale

Sector: Leisure

Advised the shareholders on the sale of PWR Events to global, multibillion dollar, media and entertainment group WME IMG



Warrens Bakery

Fundraising

Sector: Food & Drink

Provided due diligence services in support of fundraising from Santander Growth Capital



Research Instruments

Business Sale

Sector: Healthcare

Advised the shareholders on the £35m sale of Research Instruments to CooperSurgical



Cannon Care Homes

Refinancing & Fundraising

Sector: Healthcare

Provided advice on the refinancing of senior debt and the raising of £2m of expansion capital



Vertical Trading

Management Buy Out

Sector: Business Services

Acted as lead adviser on the MBO of Vertical Trading Limited and Corinium Continuous Limited



Kaisen Consulting

Business Sale

Sector: Business Services

Advised the shareholders on the sale of Kaisen Consulting to Deloitte LLP



Classic Cottages

Acquisition

Sector: Leisure

Provided due diligence advisory services on the acquisition of Roseland Holiday Cottages



Aero Sense Technologies Limited

Management Buy Out

Sector: Aerospace & Defence

Acted as lead advisor on the cross border MBO of the Aero Sense Group



Seafield Emiel Trawlers

Business Sale

Sector: Fisheries

Advised the group on the sale of three fishing businesses to Greendale Group



Spotlight on: Advising growth businesses

Draco Pub Co

The Somerset based Draco Pub Co has announced the completion of a new £4 million fundraising deal heralding the start of ambitious expansion plans for the pub group. This will begin with a fourth property in the South West of England being announced soon.

Since 2011, the Draco Pub group has acquired and transformed three coaching inns into award-winning pubs: two in Somerset, The Swan in Wedmore and The White Hart in Somerton, and one in Wiltshire - Timbrell's Yard in Bradford on Avon.

All three inns have been transformed to provide sumptuous bedrooms, stylish public spaces, and award-winning kitchens. Providing superb locally sourced food is central to the company's philosophy, and the kitchens are overseen by Executive Chef, Tom Blake, who has built a network of West Country farmers and suppliers to produce critically acclaimed menus.

Draco was advised on the £4 million refinancing by corporate finance specialists at Bishop Fleming. They worked with the management of the Draco Pub group to help secure the new funding, creating new opportunities for growth.

The deal was struck with Barclays Bank PLC to take over the group's existing debt and provide further funding to assist new growth.

Rob Greacen, MD of the Draco group commented: "We are really pleased with the refinancing of the group and very excited



about the next stage of our growth. We are now well placed to expand further in the South West with our unique take on the hospitality industry."

James Finnegan, Corporate Finance partner at Bishop Fleming said: "Draco is a genuinely exciting business with a first rate management team. The company has built a reputation for creating independent and unique inns which provide first class food and service in beautiful and relaxed spaces that retain the buildings heritage and charm.

"We have worked with Draco for some time, and its vision and enthusiasm are fundamental to the future development of this ambitious group".

Succession Group

Succession is a private-equity-backed wealth management group with a strong appetite for growth. Last year the Plymouth-based business made public its intention to acquire 50 smaller IFAs and Wealth Managers by the end of 2017.

The model works like this: advice firms join a business called Succession Advisory Services. These firms are not owned by the company but pay a monthly fee for access to Succession's back office, due diligence and investment committee and panel. They will typically use Succession's platform, powered by Investment Funds Direct. After two years the firms can sell out in full to a business called Succession Group.

So far Succession Advisory Services has 72 member firms, while Succession Group has acquired 13 advice businesses. The stated aim once the plan is delivered is to either sell or float the enlarged group.



Our Corporate Finance team has been playing an important role in facilitating this growth by providing due diligence advisory services on a number of the acquisitions, most recently EIC (Scotland), Firth & Scott (Nottingham), TMS (Penzance) and Facts Financial (Sheffield) with a combined deal value of over £15m.

Matt Townend, Corporate Finance Manager, commented "We are delighted to support ambitious businesses and help them realise their growth plans. We genuinely get a kick out of assisting hard-working management teams achieve their objectives."

Key corporate finance contacts



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Helping you reach your strategic objectives

Bishop Fleming's corporate finance advisory team have the depth of experience to provide a range of specialist services to suit your needs.

We're proud to have provided many businesses, from small entities to PLCs, with the full spectrum of corporate finance advisory services.

Our qualified team of corporate finance specialists, accountants and valuation experts provides a professional and creative consultancy service based on many years' experience in successfully completing the right transactions for our clients. We pride ourselves on listening to your objectives and tailoring our service in your best interests and to suit your needs. Our typical activities include:

- Lead advisory
- Management Buy Out
- Disposal
- Acquisition
- Due Diligence
- Exit planning
- Finance raising and grant services
- Strategic advisory services
- Strategic board support
- Business planning & modelling
- Options appraisals
- Valuation

In addition to the full range of corporate finance services, our team also has access to specialist teams within Bishop Fleming including tax, VAT and pensions advisory services.



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