The FSEGroup
Funding Scaleup Enterprises

Regional Funding for growing businesses

Impact Report 2024

Welcome to The FSE Group 2024 Impact Report.

With a mandate to create a positive economic impact in the regions where we operate, The FSE Group has been providing high-growth SMEs with accessible, market gap funding since 2002. As a purpose-led organisation helping to scale up enterprises, we manage both debt and equity funds on behalf of a number of investors whilst also co-investing from our own reserves across several funds.

Since our last report, FSE has continued to grow. Our staff numbers have increased by 28% and we have further expanded our geographical coverage, managing circa £335million across 19 funds and loan schemes, operating in seven regions of the UK. This includes a greater area of the South West and the whole of Scotland, where we have been managing parts of British Business Bank's Nations and Regions Investment Funds since their launch last year, along with Yorkshire & Humber, where we have been managing funds on behalf of Finance Yorkshire since 2022.

A commitment to ESG remains at the core of our investment strategy, where we seek to support businesses that can demonstrate a positive environmental and/or social impact, as well as diverse founders and teams. We have introduced the use of an innovative ESG tool to understand, challenge and support our customers in their ESG responsibilities and we are also committed to operating according to these principles ourselves.

Our 'more than money' approach goes beyond ESG, with our Investment Managers taking the time to really understand the businesses they work with, identifying gaps in management teams, helping find suitable co-investors and providing additional support that increases the probability of success.

At FSE we believe in the need to boost productivity of SMEs (small & medium-sized enterprises) in the UK. Economic commentators and the government recognise there is a productivity gap between the UK and our international competitors, dating back to the 2008/09 financial crisis* and that closing this gap could generate £billions for the UK economy.

Throughout this report you can read case studies about how our input is playing a fundamental role in helping SMEs increase their growth and ultimately, their productivity.

The three years since our last report have not been without their economic challenges, both at home and globally. We continue to seek insight around the changing market gaps and identify how we can innovate in our attempts to close these for SMEs.

Ambition, passion and resilience remain, driving the SME community to reach for their goals and we look forward to working with them to achieve their potential through 2024 and beyond.

Paul Marston
Chief Executive

*NIESR Why is UK Productivity Low and How Can It Improve? 2022

For over 20 years, The FSE Group has provided SME funding with one key goal: **to enable growth.**

With a range of funds that combine commercial return with an economic impact rationale, FSE is committed to investing in sustainable businesses that will grow, provide employment and generate economic benefit in an environmentally and socially responsible manner.

£335m under management across **19** funds/loan schemes

930 enterprises funded

£214m invested

£631m private investment leveraged

Our purpose

Empowering small and medium-sized enterprises (SMEs) with market gap funds that blend commercial return and an economic impact focus. We strive to enhance the success chances of diverse teams. We actively seek investment opportunities in under-represented geographies. We aim to improve an evolving funding landscape and we promote financial sustainability through the recycling of smaller funds.

We are more than money.

Our values

Collaboration
Creating valuable partnerships

Delivery
Realising economic impact

Innovation
Working smart whilst risk aware

Inclusivity
Respectful of diversity

Sustainability
Recycling monies for the benefit of more

"A forward-looking funding provider prepared to look beyond the numbers and really get to know our business."

Our regional teams invest in businesses and drive growth in larger towns and cities, as well as in hard-to-reach areas, across the UK.

- South West England / Pages 4-7
- London / Pages 8-9
- Midlands / Pages 10-11
- Scotland / Pages 14-15
- Yorkshire & Humber / Pages 16-17
- South East and East of England / Pages 18-19

Within this report you will also find more information about how we are working with companies with strong ESG credentials / Pages 12-13, our FSE Angel Investor Network / Pages 20-21, and what the business leaders who work with us have to say about their experiences / Pages 22-23.

Funding activities to enable growth, including:

- **Sales & marketing**
- **Entering new markets**
- **Equipment purchase**
- **Product development**
- **Exporting**
- **Moving premises**
- **Delivering large contracts**
- **Increasing market penetration**
- **Hiring new staff**

"This investment is propelling us forward in further developing our innovative products. We value The FSE Group's confidence in our vision and are thankful for their support at this early stage. We look forward to continued collaboration as we work towards achieving our growth plans."

Michael Calver / Founder & CEO, Amutri

Cornwall & Isles of Scilly Investment Fund

Following its launch in 2018, the £40million Cornwall & Isles of Scilly Investment Fund (CIOSIF) became a significant part of the local funding ecosystem, working closely with a range of partners and stakeholder groups. CIOSIF has provided a key stepping-stone for many early-stage businesses seeking to extend their growth after the initial stages of support from other organisations such as Falmouth, Plymouth and Exeter Universities, Cornwall Chamber of Commerce, CIOS Growth Hub and Oxford Innovation.

With a key emphasis on scalable technologies, we have funded businesses across a range of sectors including MedTech, aerospace, advanced manufacturing, marine and renewables.

We have played an important role in assisting the economic prosperity of Cornwall over the past six years by backing the most ambitious Cornish SMEs, not only with the almost £30million CIOSIF investments made but also with the significant private funding – more than £100million – that we have helped bring into the region.

Operated by British Business Bank and supported by the European Regional Development Fund, CIOSIF has nurtured regional entrepreneurship and helped to realise Cornwall's potential to achieve economic growth through enterprise.

Focusing on innovation-led SMEs looking to scale up their operations and realise their growth ambitions, at FSE we have managed both CIOSIF debt and equity.

67 enterprises funded

£100m private investment leveraged

£28.4m invested

1150 jobs created /safeguarded

CORNWALL & ISLES OF SCILLY Investment Fund

Delivered by British Business Bank

CLOTHES DOCTOR.

Providing eco-friendly laundry care products to extend the life of clothing and promote "slow fashion".

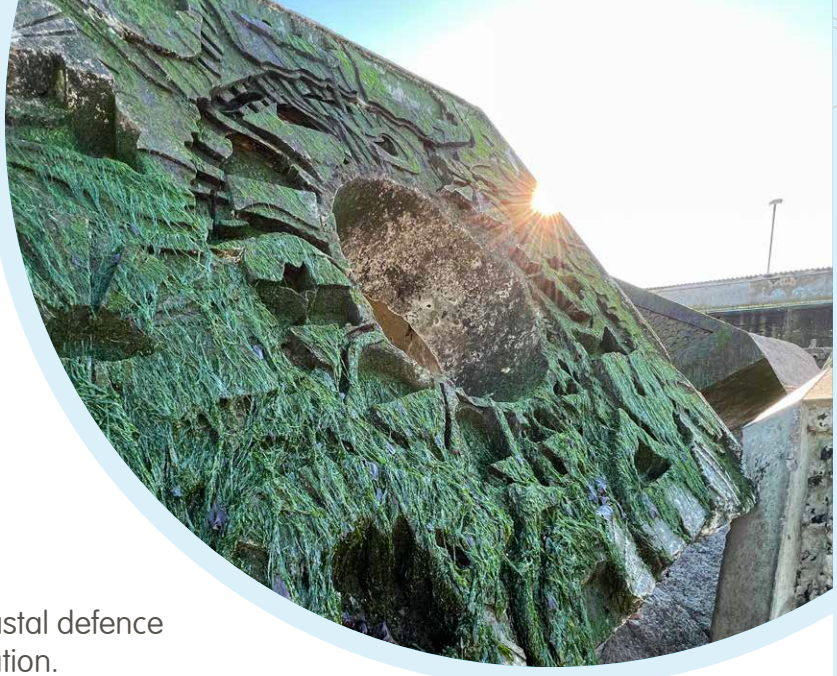
Sustainable Retail

£500,000 CIOSIF equity as part of a £1m funding round led by FSE

"This funding allowed us to increase capacity and resource, upgrade our online capabilities and expand global sales, resulting in 210% year-on-year growth. Our relationship with FSE has been invaluable, not only in providing finance but also helping secure co-investment, leading our funding round and being a present investor who cares about our business."

Lulu O'Connor / Founder & CEO

ARC Marine®



Marine Biodiversity Engineering

£2million CIOSIF equity across two funding rounds

Building marine biodiversity with low-carbon coastal defence and subsea protection, conservation and restoration.

The Enterprise

ARC Marine has developed Marine Crete®, a proprietary non-toxic binder emitting 90% less CO_2 than Portland cement, and has recently broken new ground in carbon neutral and carbon negative mix designs.

The business produces its award-winning reef cubes® for use in a variety of marine applications across aquaculture, coastal defence, offshore wind, reef conservation and eco-engineering.

reef cubes® are the world's only carbon-neutral solution for marine habitat conservation and restoration, naturally merging into existing ecosystems and negating costly and often damaging decommissioning activity.

The Ambition

ARC Marine was founded in 2015 by a group of divers looking to halt the decreasing biodiversity in our oceans and find innovative solutions for rebuilding and replenishing the world's reefs.

ARC's technology has the ability to transform the offshore wind farm sector by improving infrastructure installation whilst preserving marine biodiversity. This is a key area of focus for the business, now underpinned by the UK Biodiversity Net Gain (BNG) policy, which means developers must proactively enhance or create habitats to counter biodiversity loss associated with their projects.

Founder Tom Birbeck aims to help realise potential across the offshore, coastal defence and aquaculture industries by supporting developers in meeting regulation requirements and enabling them to build thriving marine ecosystems in sustainable oceans.

The Funding

ARC Marine's first CIOSIF investment of £1million formed part of a £2million funding round led by FSE, which has been used to grow the team and establish a Cornish-based manufacturing facility.

The latest £1million CIOSIF investment, part of a £2million round co-led by FSE, is being used to scale up production and application of ARC's market-disrupting solutions.

The Impact

Since the initial CIOSIF investment, ARC has more than doubled its employees and quadrupled its turnover, with the recent funding enabling the creation of several new, highly-skilled roles. The company has secured a number of blue-chip customers including multi-national energy companies.

It has also secured investment from multi-billion-dollar energy sector investor, Mercuria. ARC Marine was selected by Mercuria as a high-potential venture poised for significant scalability, with an important role to play to improve ocean biodiversity and the wider energy transition.

"The support we have received from FSE over the past three years has played a crucial part in our journey. The initial funding allowed us to accelerate growth to meet increasing demand from the marine renewables sector globally and this new funding will help us build capacity and get more reef cubes into the oceans. Working with us to secure strategic investment partners and believing in our potential to truly impact marine biodiversity at scale, we know that in FSE we have an investor who is prepared to roll up their sleeves to help realise our aspiration to be a world-leader in protecting and enhancing marine habitats from necessary man-made intervention."

Tom Birbeck / Founder & CEO

Certified B Corporation

South West Investment Fund

The recently launched South West Investment Fund (SWIF) offers debt finance from £25,000 to £2million and equity investment up to £5million, providing a range of commercial finance options to growing businesses across the whole of the South West region.

This new fund is part of British Business Bank's Nations and Regions Investment Funds, which aim to break down finance barriers and create a level playing field for access to finance, supporting innovation and driving sustainable economic growth across the UK.

Building on our work over the past five years with the Cornwall & Isles of Scilly Investment Fund, FSE is managing the debt finance and equity finance part of the South West Investment Fund (some £70m) for Cornwall & Isles of Scilly, Devon, Dorset and parts of Somerset.

With a continued focus on enabling SMEs with scaleup potential to reach their growth ambitions, we are working with other providers across the finance ecosystem, extending our networks throughout the South West region to provide relevant funding and impactful support.

We have already made several investments in SMEs operating in a variety of sectors including hospitality, AI and the circular economy and we continue to work closely with these companies, providing more than money to help ensure success.

8 enterprises funded

£3.65m private investment leveraged

£3.15m invested

Working with British Business Bank | South West Investment Fund

gridimp

Providing commercial energy consumers with smart microgrid solutions that optimise consumption, storage and distribution to reduce costs and minimise carbon footprint.

EnergyTech

£250,000 SWIF debt

"As a technology company in a fast-growing sector, it's important to have the financial resources to respond to an increase in customer enquiries and the overall business opportunity we're experiencing. Working collaboratively with the experts at FSE has gone beyond simply providing access to funds. It has helped us shape our growth strategy and our own approach to internal financial planning."

Richard Ryan / Co-founder & Commercial Director

binit

Waste & Recycling

£500,000 SWIF equity

Helping businesses on their journey to net zero by dealing with their waste in the most eco-friendly way.

The Enterprise

Established in 2016 as a litter app, this tech-led waste and recycling super-broker is transforming commercial waste collection and disposal with its disruptive, Uber style model.

Binit supplies its customers with innovative tech-enabled bins, accurately weighing and measuring commercial waste, which is then collected by its extensive network of waste collection partners, providing an efficient UK-wide service with sustainability at its core.

Not only is Binit helping to reduce HGV miles by providing shared services for smaller businesses, it is also helping more businesses achieve their net zero targets and reduce the impact of their waste with its zero to landfill policy.

The Ambition

Driven by an earlier experience witnessing the devastating impact of plastic ocean waste whilst working with a leatherback turtle project in Costa Rica, Binit's co-founders soon realised their litter app needed to be much more in order to tackle this problem in a meaningful way.

After successfully securing an initial grant and place on a business accelerator programme, Binit signed its first customer in 2018. It has since expanded to 250+ customers across 330+ sites, emptying circa 3000 bins each week.

With more and more companies looking to reduce their carbon footprint through effective and simple waste management, Binit required external funding to further develop its offering.

The Funding

With previous smaller funding rounds enabling R&D and early commercialisation activity, Binit was now ready for a larger equity injection to build capacity and drive growth across the business.

A £500,000 SWIF equity investment was part of a £750,000 funding round led by FSE, which included co-funding from private equity investor Yeo Valley Associates. The funding has already enabled further tech development, a smart hardware rollout, marketing activity and the creation of several new jobs.

The Impact

With its high-growth potential in an expanding and important sector already established, the investment is supporting this female-founder team in its aims to scale to a fully nationwide operation. Over the next year, Binit is looking to double turnover and staff numbers and within the next three years its goal is to more than triple revenues.

As well as having a business model that supports its customers in their journeys towards net zero, Binit is reducing its own Scope 1 and 2 emissions by 50% this financial year and is currently working towards B Corp certification.

"Our circular economy approach to waste management is resonating with businesses, as evidenced by our increasing list of clients, which includes Specsavers, Pizza Express and Domino's. But securing growth finance as an earlier-stage, female-founded business remains challenging. FSE has been a great partner, not only in providing SWIF funding but also in leading the funding round and helping us secure Yeo Valley Associates as a co-investor."

Philippa Roberts / CEO & Co-founder

Greater London Investment Fund

The Greater London Investment Fund (GLIF) is a £100million debt and equity fund launched in 2019 by the Mayor of London to help achieve economic growth through enterprise, promoting an inclusive and sustainable economy for London. At FSE, we manage the £55million debt element of the fund, which actively assists high-growth, innovative companies in their journey towards achieving successful scaleup.

We have supported SMEs across a broad range of sectors including healthcare & life sciences, circular economy & low carbon energy, cultural & creative, manufacturing, financial services, and the expansive technology & digital sector.

Across all these sectors, we are seeing the provision of innovative solutions underpinned by increasingly sophisticated technology such as AI, machine learning, and data analysis tools.

The SMEs that we have funded have so far created 924 high quality new jobs whilst safeguarding 1,768 roles. Furthermore, 47% of our portfolio has already successfully raised Series A/B funding with clients securing circa 2.5x our original investment within two years of provision of our loan.

In keeping with GLIF's aim to deliver inclusive funding across the capital, we are active in underserved boroughs and communities. To date 39% of SMEs supported have female representation on the senior management team and 25% of SMEs have diverse leadership.

99 enterprises funded

£138m private investment leveraged

£50.7m invested

2692 jobs created /safeguarded

GL IF GREATER LONDON INVESTMENT FUND

swytch

Promoting sustainable transport with an industry leading, lightweight and simple to use eBike conversion kit.

Sustainable Transport Technology

£630,000 GLIF loan

"At the time of our GLIF investment in December 2021, we were still recovering from the effects of Covid and Brexit on our supply chain. In FSE we found a funding provider who was prepared to look at how we were overcoming those challenges and see the opportunities available. The funding allowed us to further develop our product offering and build resilience within the business, aiding the growth of our customer base to 60,000 users across 100+ countries and helping us create 36 new jobs."

Oliver Montague / Founder & CEO

Springpod®

EdTech

£650,000 GLIF loan

Providing young people with equal access to career and education opportunities.

The Enterprise

Springpod has developed an immersive careers and university exploration platform where students can experience the world of work and university before they apply. Democratising access to high-quality work experience for all students, it partners with over 150 world-leading employers and over 4000 educational institutions worldwide to help build diverse, engaged talent pools.

Challenges brought about by Covid were quickly turned into opportunities as Springpod pivoted its focus to virtual experiences, which are now at the core of its award-winning offering.

The Ambition

With a background in mechanical engineering, Sam Hyams had witnessed the skills shortage and gender inequalities across the STEM environment and was driven to create a platform that could help young people be better equipped for the workplace.

His belief that quality of work experience was often dependent on privilege – a high-performing school or a parent's own network – motivated him to deliver an effective alternative where all candidates had equal access to potentially life-changing career opportunities.

Now providing education and career experiences across many sectors, Springpod aims to continue to expand its offering so that every young person can explore their future options by experiencing a university course or career of their choice before deciding their next steps.

The Funding

A £650,000 GLIF loan was provided as part of a £1m+ funding round that included a leading EdTech investor and would help the business create more jobs, building capacity and resilience whilst further developing its offering.

The Impact

With GLIF funding, Springpod was able to instigate a meaningful expansion of the team and has since created 25 new jobs. It has expanded into the USA and Middle East and gone on to secure a further £3.4m of investment from specialist emerging technologies investor, Edge.

Springpod has helped over 500,000 young people, of which 60% have been female, 44% were from an ethnic minority background and 24% were receiving free school meals.

The company has recently announced a strategic partnership with the University and College Admissions Service (UCAS), which will see Springpod's content made available through the UCAS Hub platform, removing further barriers for disadvantaged students.

"Our GLIF investment came at a critical time for us. Emerging from the pandemic, with many work and education places having been closed for some time, presented both challenges and opportunities for Springpod. FSE was able to look ahead in a way that many traditional funders could not or would not, focusing on our offering and its market potential. This enabled us to build a robust team that could expand operations, get new investors on board and really drive the business forward."

Sam Hyams / Founder & CEO

Midlands Engine Investment Fund

Since 2020 we have managed the £42million FSE Group Debt Finance Fund part of the Midlands Engine Investment Fund (MEIF), a £250million initiative operated by British Business Bank and supported by the European Regional Development Fund.

In the almost four years of managing this fund we have dealt with over 700 enquiries valued at £345million, working with many different organisations in the Midlands business support space to bring accessible finance to the region's SMEs.

We have been able to provide additional assistance through our accreditation for the government's Coronavirus Business Interruption Loan Scheme (CBILS) and Recovery Loan Scheme (RLS), providing a lifeline to many Covid impacted businesses and enabling them to get back on track with their growth plans.

We are now managing a buoyant and diverse portfolio, continuing to work with our investee businesses to help them reach their full potential.

71 enterprises funded

£33m private investment leveraged

£35.5m invested

876 jobs created /safeguarded

MIDLANDS ENGINE Investment Fund

Delivered by British Business Bank

Financing growth for Midlands businesses

ModPods® international

Designing and building affordable and sustainable modular housing pods for the public and private sector.

Sustainable/Affordable Housing

£1.5million MEIF debt across two loans

"When we were introduced to FSE by our bank, we were a new business without the trading history required by a traditional funder. FSE looked at the bigger picture and provided the funding we needed to overcome Covid-related delays and expedite our growth strategy, placing us in a position to double turnover this year and create around 500 new jobs in the next two to three years."

Pete Farrelly / Founder & CEO

INTERNATIONAL ENERGY PRODUCTS

Industrial Materials Supply

£1.5million MEIF debt across two loans

Supplying advanced solutions and materials for the oil, gas and renewable energy industries as well as aerospace, marine and defence sectors.

The Enterprise

International Energy Products (IEP) is a metal stockholder and processor of speciality alloys. Emma Parkinson set up the business in 2017 amidst an already challenging supply environment that was worsened by the war in Ukraine. Emma spent the next two years building a robust supply model, unseen elsewhere in the industry, before full trading commenced in 2020.

The Ambition

Having spent a number of years working in the metals supply sector and seeing the inner workings of an at times precarious supply chain, Emma saw an opportunity to establish a different approach. Having created a model with the potential to overcome many of the supply issues facing the industry, IEP was poised to take on significant contracts fast.

The Funding

An initial £500,000 MEIF loan funded a range of business growth activities including marketing, IT, new jobs and a move to bigger premises, with a further £1million used for more staff hires, equipment purchase, and stock.

The Impact

With the MEIF loans helping to build capacity and resource, as well as maintain adequate stock levels, IEP was now in a strong position to increase sales. Since our first investment the company has grown turnover by around 500%, is currently operating with sales at 200% ahead of budget and has secured contracts with major players in the energy industry. It is also leading the charge in supplying to the renewables sector.

"When we first met FSE, we were a new business lacking the trading history needed for bank funding. On top of this, the pandemic hit just as we reached the point of trading so our growth plans had inevitably stalled. FSE invested in our future growth, allowing us to scale up in line with the recovery of our customer base. Without this backing, we may not have been able to take on the large contracts available to us and would not have achieved the rapid growth of the last two years."

Emma Parkinson / Owner & CEO

Supporting businesses with strong ESG credentials

From female founders and management teams, to businesses having a positive social impact in their communities, to those playing a part in creating a more sustainable future for the planet, we are investing in businesses with strong ESG credentials.

RoleMapper

Disrupting how organisations manage jobs, skills and equal pay with an AI powered job management platform.

Recruitment Tech

£1million SWIF equity as part of a £2million funding round

"Having successfully secured investment from other partners, we were looking for additional funding to continue developing our product and unique AI-models, as well as build capacity for further roll out and growth. FSE has played a pivotal part in this funding round, which will enable us to focus on scaling our sales, technology and leadership team, ready for Series A funding in 2025."

Sara Hill / Founder & CEO

FLEXI-HEX®

Providing eco-friendly protective packaging solutions for boardsports, drinks, cosmetics, electronics, homeware and more.

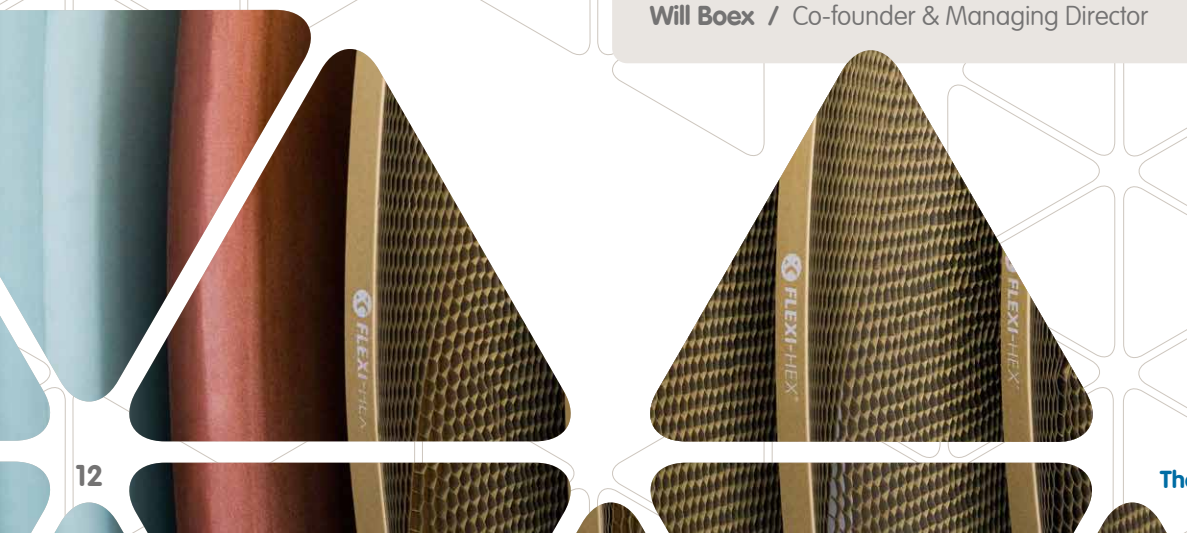
Sustainable Packaging

£150,000 CIOSIF debt plus £750,000 CIOSIF equity across two funding rounds, leveraging a further £750,000 in private investment

"Since our initial investment we have added several global brands as customers, scaled our supply chain, funded new product development, bolstered the team and Board of Directors as well as expanded our product range and become a certified B Corp. From the start, FSE was prepared to invest in our growth projections as a new business, focusing on our recent successes and our future potential. This valuable partnership has given us access to both debt and equity funding, depending on our current need."

Will Boex / Co-founder & Managing Director

Certified B Corporation



"The last few years have been a challenging environment to run a business and funding for expansion is not always readily available. The support offered by our Investment Manager and the team at FSE has been invaluable during this period and we really couldn't have embarked on our growth journey without the funding provided. The impact has been significant, allowing us to increase production and expand into new overseas markets, strengthen our team and continue to drive sustainability and innovation across our product range."

Tina Warner-Keogh / Co-founder & Co-CEO

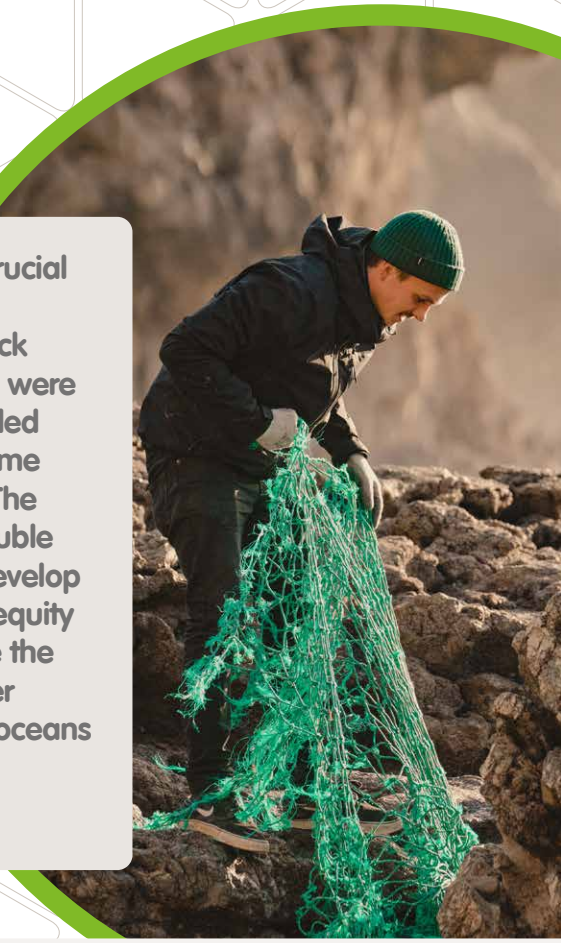
Certified B Corporation

WARNER'S

Producing farm-grown British spirits made in harmony with nature, from the largest independent craft distillery in the UK.

Food & Beverage

£1.5million MEIF debt



WATERHAUL

INTERCEPTED FROM OCEANS, REDESIGNED FOR ADVENTURE.

Transforming the ocean's most harmful plastic into exceptional eyewear and purposeful products for adventure.

Sustainable Retail Apparel

£200,000 CIOSIF debt followed by £200,000 CIOSIF equity

"A projection-led finance provider who took time to understand our mission."

"The investment has been crucial to our growth. As a young business with insufficient track record for many lenders, we were grateful to find a projection-led finance provider who took time to understand our mission. The initial loan enabled us to double staff numbers and further develop our offering and our recent equity investment will help us scale the business to achieve a greater impact on the plastic in our oceans and on our shores."

Harry Dennis / Founder & CEO

"It can be difficult to obtain growth finance based on future sales so we were delighted to secure this funding, which allowed us to increase resources to support new contract wins."

Anna Hart / Co-founder

HART MILLER DESIGN

Designing and manufacturing sustainable furniture for work, education and social spaces under its MARK, *Made and Realised in Kernow*, brand.

Sustainable Design

£200,000 CIOSIF debt

Investment Fund for Scotland

The recently launched Investment Fund for Scotland (IFS) offers a range of commercial finance options to growing businesses across the whole of Scotland. At FSE we are managing the debt finance part of the fund, providing loans between £100,000 and £2million.

This new fund is part of British Business Bank's Nations and Regions Investment Funds, which aim to break down finance barriers and create a level playing field for access to finance, supporting innovation and driving sustainable economic growth across the UK.

With a focus on enabling SMEs with scaleup potential to reach their growth ambitions, we are working with other providers across the finance ecosystem, building and extending our networks throughout Scotland, to provide relevant funding and impactful support.

We have already made a number of investments in SMEs operating across a variety of sectors including healthcare, food & beverage, recruitment and design and we continue to work closely with these companies, providing more than money to help ensure success.

5 enterprises funded

£

£2.35m invested with a further **£6m** approved

Working with British Business Bank | Investment Fund for Scotland

Entrust Resource Solutions

Providing flexible recruitment solutions across the life sciences sector.

Specialist Recruitment

£500,000 IFS debt

"With a booming life sciences sector growing at around twice the rate of wider employment, this IFS loan enables us to press ahead with our plans, establishing a new London office and almost doubling the size of our team this year with a new clinical outsourcing division as well as a complete sales and marketing team to fully support the Group. The expansion will allow us to increase activity across the UK, EU and US, helping achieve our aim to triple turnover in the next two years."

Ryan Watson / Managing Director

Elanic

Healthcare

£2million IFS debt

Delivering clinical excellence with cutting-edge products and technologies across a variety of surgical procedures.

The Enterprise

A private healthcare clinic operating from a number of locations across the UK, Elanic has been delivering a range of surgical procedures for over ten years. Services include both cosmetic and non-cosmetic surgery. A particular focus is weight loss surgery, which has been shown to have huge health benefits for patients. Elanic is currently restricted in expanding this due to its need to use third-party hospital facilities.

The Ambition

Elanic is growing capacity through the creation of a new, cutting-edge private surgical hospital at its existing Glasgow clinic. The expansion will see the site increase its surgical theatres from one to three whilst enabling it to carry out surgeries with an overnight stay requirement. It will also offer orthopaedic surgeries from its new setting. With rising NHS waiting lists and current hospital provision at capacity, Elanic will be in a position to undertake more procedures across both the private and NHS sectors.

The Funding

A £2million IFS loan was secured to enable completion of the construction project. Necessary funding was already secured via other funding providers, including Elanic's existing bank. The IFS loan was needed to fund additional costs arising from the enhanced requirements for orthopaedic surgeries.

The Impact

This funding allows Elanic to triple its surgeries and reduce its reliance on third-party facilities whilst creating 70+ new roles over the next two years. Having been accepted onto the NHS procurement list in 2022, it will also mean that Elanic's team of surgeons can play a greater role in alleviating NHS waiting lists. The new hospital will also include breast cancer reconstruction led by joint Director Dr Clare Tollan, a dual-qualified plastic and oncoplastic breast surgeon, and will carry out both breast cancer surgery and breast cancer reconstruction.

"We were seeking an investor who would be willing and able to work with our existing funding package and provide the finance required in the timeframe needed to complete this exciting project. FSE has looked at both the financial opportunity as well as the social and community benefits that our new hospital will deliver. We now look forward to completing the construction and offering our life-changing services to more patients."

Vivek Sivarajan / CEO & Consultant Plastic Surgeon

Finance Yorkshire Business Loans

Finance Yorkshire provides funding to grow for small and medium-sized businesses. It's range of funds aims to support the growth of businesses in Yorkshire and Humber, creating jobs and improving productivity.

FSE has managed the business loan element of the fund since its launch in 2021 and has made investments across sectors that include FinTech, media, ecommerce, data protection and transport.

The industries within the region are varied and it is only through an understanding of the local marketplace and the regional economic conditions, that appropriate support can be provided to the local business community.

Our Yorkshire-based team is immersed in the local finance and business services network to ensure SMEs across the region can access relevant funding and our more than money approach means we continue to work with our portfolio to help them reach their goals.

26 enterprises funded

£9.7m private investment leveraged

£2.8m invested

164 jobs created /safeguarded

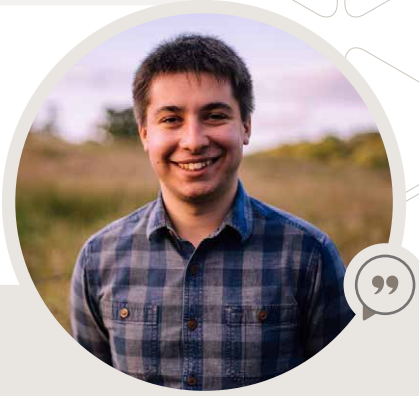
Finance Yorkshire

REEL 7

Bringing brands and businesses to screen with specialist video and animation content production.

Media Production

£70,000 Finance Yorkshire business loan



"We were seeking a funding partner who we felt really understood our growth ambitions. The team at FSE looked at our strong pipeline and our potential, getting to know our business and the opportunity. The funding allowed us to create new jobs and invest in infrastructure, helping us stay on track to reach our goal of 30 staff and a turnover of £2.5million in the next three years."

Adam Chandler / Founder

PROTON GROUP

Your formula for total hygiene

Manufacturing

£175,000 Finance Yorkshire business loan

Supplying innovative, technologically advanced chemical hygiene solutions to the hospitality and leisure sectors.

The Enterprise

For over 50 years The Proton Group has been manufacturing high-quality chemical detergents from its Yorkshire base. Its unique formulas have been developed over many years to provide a range of market-leading products that meet the cleaning needs of the hospitality and leisure sectors, from independent pubs and restaurants through to national pubcos and global drinks brands.

The Ambition

The business was adversely affected by the pandemic related closures of its customer base but with these reopened, along with a strong pipeline of new business on the horizon, Proton was looking to build the capacity needed to meet demand and get back on track with its growth plans.

The Funding

Having won a number of new contracts with large customers, a £175,000 Finance Yorkshire Business Loan was provided for stock and equipment purchase, to increase staff and to implement new software for dispatch and stock systems.

The Impact

The Finance Yorkshire loan enabled The Proton Group to accelerate its expansion strategy, resulting in increased turnover with a return to a pre-pandemic profitable trading position and allowing the business to take on extra staff. This year the Group is further investing in new capital equipment, cloud-based software and its website. It is expanding its innovation and sustainability, aiming to achieve net zero by the end of 2024 with the rollout of its Go-Green Promise.

"This funding came at a critical time for us. With our recent trading history hit hard by Covid, we did not meet the criteria for many lenders. This could have left us unable to make the investment required for us to deliver on the substantial new business opportunities we had secured. Fortunately, The FSE Group is a forward-looking funding provider, meaning our Investment Manager could consider our projections and our potential. It's been great to work with a funder that is prepared to look beyond the numbers and really get to know our business."

Murray Angus / Managing Director

South East & East of England

Across the South East and East of England, we manage a number of funds that provide market-gap investment to SMEs that have the potential to impact job creation and economic prosperity within these regions.

Our Funding Escalators in the South East and our Regional Loan Schemes in the East, continue to play an important role in the business growth ecosystems.

We manage an active and diverse portfolio across these funds as well as for our South East Seed Fund and Bedford EIS Fund.

440 enterprises funded

£298m private investment leveraged

£70m invested

4700+ jobs created /safeguarded

easology

Transforming the user screens of phones and tablets, making them easy to use for older adults and those with visual or dexterity impairment.

Software Provider

£200,000 Enterprise M3 loan

"Having already secured private investors, we were seeking debt finance for additional R&D without further dilution, prior to another equity raise. Being too early stage for mainstream debt, FSE has been a fantastic fit and will help us maximise the opportunities brought by our Samsung partnership and successful BT/EE trial, bringing us one step closer to our aim of becoming the leader in accessible interfaces for smartphones and tablets."

Dr Peter Ashall / Founder & CEO

RPA Risk & Policy Analysts

Advising, assessing and evaluating the impacts of public policy and regulation on the environment and society, specialising in the fields of chemicals, economics, environment, EU and UK policy, and sustainability.

Professional Services

£300,000 East of England regional growth loan

"As an Employee-Owned Trust, our ownership structure does not tick the boxes for many funding providers, despite its growing popularity. This has been a significant challenge for the business.
In FSE we found a financial partner who recognised this and was prepared to work with us to explore possible funding solutions and could be flexible in offering an appropriate funding package.
The growth loan is enabling a targeted 40% increase in headcount, creating more skilled and professional employment and increasing the number of projects we can support for the public and private sector."

Matthew Lambert / Managing Director

Certified B Corporation

SEEDL

EdTech

£300,000 Enterprise M3 loan

Providing live and interactive virtual training, workshops and events for workplaces via the SEEDL learning and development platform.

The Enterprise

SEEDL delivers professional training content via its online platform, providing subscribers with access to 200+ courses and modules that are delivered live by expert tutors. Key areas of learning include health & safety, MS Office, sales, mental wellness, customer excellence, leadership and more.

The Ambition

In his role delivering a training model within a global corporate, Anthony Price saw a gap in the market for appealing virtual learning content, which became even more apparent during the pandemic. He established SEEDL in 2021 to provide a fresh approach to online content delivery that would encourage greater engagement and support employees to achieve their best. Having quickly achieved a loyal customer base with a 99+% retention rate and 99% positive feedback from its thousands of users, SEEDL needed external funding to scale the business and capitalise on the opportunities available in the booming virtual workplace.

The Funding

Having started funding discussions with FSE in 2022, SEEDL secured initial early-stage private equity funding before taking a £300,000 Enterprise M3 expansion loan. Deployed in two tranches in 2023 and 2024, this funding was available to the business when the time was right for a debt finance injection.

The Impact

In the six months since receiving the first funding tranche, SEEDL has added a number of new sales and marketing positions and attended industry trade shows and expos, resulting in 20+ new customer contracts bringing an additional 47,000 new users. With a solid pipeline and all existing clients extending contracts, the business is well-positioned to expand this growth with its recently deployed second tranche of debt finance, which will also see it enter new global markets.

"With only two years trading history when we first engaged with FSE, we were too early stage for mainstream lenders. When we were ready for debt expansion funding it was great to know that, having taken on board our early success and sales traction, FSE was there to provide the investment. The funding has been critical to expediting our growth strategy."

Anthony Price / Founder & CEO

FSE Angel Investor Network

FSE has been encouraging and supporting angel investment since its inception and has operated its own business angel networks since 2005. Our current FSE angel investor network is aimed exclusively at active angel investors, experienced or novice, who are seeking to make new investments in high-growth UK companies.

Our Investor Network Manager works alongside our Investment Managers to identify opportunities where the network can provide match-funding for our equity funds under management. Working closely with our angels and our SME customers, we aim to create an investment package that will enable SMEs to reach their growth potential and provide the best returns for our angels.

Kevin Maguire, an FSE investor network business angel, is working alongside FSE, providing support with strategy and further fundraising prior to the start of the project.

"Being involved with the team has been a pleasure. It's an exciting time for Inyanga and I am looking forward to seeing the Group's Morlais project take shape."

Kevin Maguire / Business Angel

"The support from the angel group and CIOSIF has been invaluable as the company sets itself up for the future."

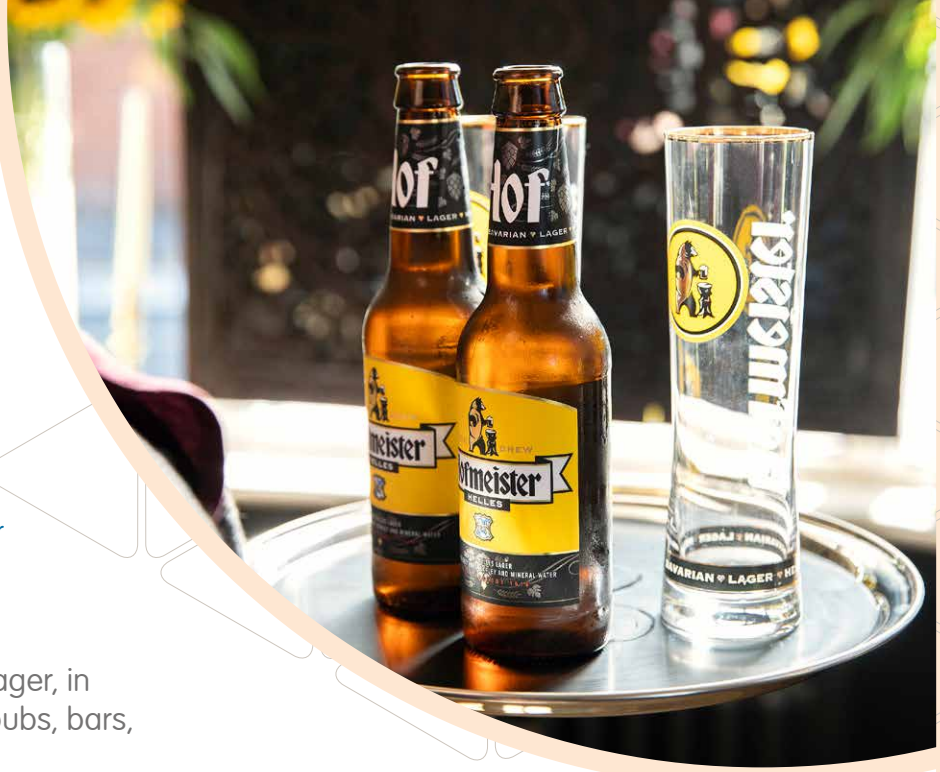
Richard Parkinson / CEO

INYANGA

Inyanga Marine is an engineering services company with a sister company, Hydrowing, which develops Tidal Turbines. The FSE angel investor network has provided finance alongside Cornwall & Isles of Scilly Investment Fund (CIOSIF) over three funding rounds, with two FSE investor network business angels joining the Inyanga Board. In Autumn 2023 the company won a 15 year government contract to supply tidal energy for the Morlais project off the coast of Anglesey, with a CapEx value of over £40m.

Offshore Renewable Energy

£365,000 equity via the FSE Angel Investor Network plus £750,000 CIOSIF equity



Food & Beverage

£435,000 equity via the FSE Angel Investor Network plus £300,000 Enterprise M3 equity across two funding rounds

Delivering authentic imported Bavarian lager, in demand across independent high-end pubs, bars, hotels and restaurants.

The Enterprise

A household name throughout the 1980s and 1990s, Hofmeister was relaunched in 2017 and is now British owned and proudly independent. Its lauded beer, slow brewed and cold fermented in the heart of Bavaria, is multi-award-winning with a growing fan base both in the on and off-trade markets.

The Ambition

Having held a market leading position for many of its almost 30 years of production, Hofmeister beer ceased existence in 2003 until current co-founders Richard Longhurst and Spencer Chambers purchased the Hofmeister brand in 2016. Their ambition was to bring this beer back to its former glory. Within one year of relaunch, it became the first lager ever to be rated five stars at the International Wine & Spirits Competition, winning the Best Lager Award. Their goal now was to re-build this formidable brand.

The Funding

Hofmeister has maintained a relationship with FSE since an initial introduction in 2019. The company has received a total £435,000 from the FSE Angel Investor Network across three funding rounds, and £300,000 equity from the Enterprise M3 Growth Fund across two funding rounds, alongside £7.8million of external investment.

The Impact

With earlier funding rounds used to create the new roles needed to drive the growth of the business, Hofmeister has more than tripled its team whilst also strengthening its board. Inevitably impacted by the pandemic, later raises have enabled the company to implement a post-Covid strategy to get growth back on track. In 2023 the business had achieved turnover growth of over 600% since our initial investment, with this forecast to almost double again in the coming year.

"With an oversubscribed funding round in 2019, we were keen to secure the involvement of FSE as we felt they would bring more to the table than money alone. That turned out to be a good decision; not only have we had ongoing Board involvement from FSE as part of the package, we have been able to access additional funding and expertise to support us on our growth journey."

Richard Longhurst / Co-founder & Co-CEO

"In 2023 we secured our second £50million private equity investment, enabling us to accelerate gigabit broadband for Devon and Cornwall by up to 5 years. None of this would have happened without FSE's early faith in us as a company, backing us when we had a handful of staff and around 50 customers. We now employ over 150 people, deliver high-quality broadband to many rural and business customers, and are a multi-million-pound turnover business; we would not have got this far without the support of CIOSIF and the team at FSE – thank you."

Helen Wylde / CEO, Wildanet

"Thanks to this investment, we have been able to accelerate our growth plans and expand our team to respond to global commercial opportunities, including in the US."

Anthony Peake / CEO, Intelligent AI

Torftech

Providing innovative energy technologies for use across a wide variety of processing applications.

Processing Technology

£320,000 across two Thames Valley Berkshire expansion loans

"Incredibly supportive and straightforward."

"Our relationship with FSE has been crucial not only to our growth but to our survival. In 2017, with sales around £0.5million, our Investment Manager took the time to understand our business and was able to provide funding when conventional banking could not. Seeing the possibilities rather than the problems, FSE continued to stand by us through the significant challenges brought about by the pandemic and a further loan helped to keep the business going. With FSE's support we have increased employee numbers, we continue to trade internationally and, with our loans now repaid, we are on track to reach £5million turnover this year. We are so grateful that we found in FSE a true funding partner that enabled this unique technology to survive and thrive."

Andrew Bride / Group Finance Director, Torftech

"FSE was able to provide expansion funding despite the challenging exchange markets and supply chain issues dominating trading conditions for many businesses at the time of our loan. This has allowed us to expand our employee base and seize the growth opportunities available to us."

David Hanney / CEO, Alpkit

"FSE saw the potential of both our business and social mission."

"Being backed by SWIF through The FSE Group is a key marker in the sand for the brand. This not only helped us fund the opening of a new restaurant but the fact we managed to secure more traditional debt financing for the first time, allows for the potential of an accelerated rollout once we are bedded in."

Andy Lennox / Founder, Nusara

"A well-networked funder experienced in supporting early-stage businesses."

"The FSE Group has been a strong supporter of our technology and business proposition over the past five years. We were thrilled to receive the investment, which provided a foundation for the funding round when the timing was right. We are now able to focus on the full commercialisation and roll out of our ground-breaking solutions as we move into the next phase of growth."

Paul Morris / CEO, Oxi-Tech

"In FSE we found a well-networked funder, experienced in supporting early-stage businesses, that can add value as we grow our Cornwall presence. This will help us deliver large infrastructure support projects, such as windfarm communications, in a sustainable manner."

James Thomas / CEO, JET Connectivity

RE:NOURISH

Producing grab and go fresh soups in a microwaveable, fully recyclable bottle.

Food & Beverage

£250,000 Enterprise M3 loan

"The team at FSE has been incredibly supportive and made it very straightforward to enable the further growth of RE:NOURISH to continue at pace. As a female founder, I have struggled to get the same support from our bank despite a robust and flourishing business that is making a change to the nation's health."

Nicci Clark / Founder & CEO, RE:NOURISH

Certified B Corporation

"Our initial GLIF loan came at a crucial time, helping us move forward with our growth plans following the pandemic. The need for our service is considerable as schools seek alternative income streams in the face of budget cuts and we are grateful to FSE for seeing the potential of both our business and social mission, continuing to support us with the latest investment and helping us generate over £6million so far for our partner schools."

Jemma Phibbs / Co-director & Co-founder, School Space

"Working with FSE was an absolute pleasure from start to finish. Our Investment Manager and team provided excellent direction and guided us through the process at each stage. The funding has allowed us to scale production and invest in new product innovation."

Paul Crawford / Founder, Panther M*lk

Notes

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Funding Scaleup Enterprises

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