

young company finance

news, comment and analysis on the young company market

invention . . . proof of technology . . . proof of market . . . breakeven . . . exploitation

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Palringo attracts international investors

As anticipated in November's issue of YCF, Palringo completed an equity investment round of £2.4 million in early December. The deal was led by ePlanet Ventures of California.

Founded in 2006 (as Wireless Dynamics), Palringo has extended the notion of instant messaging (IM) and made it work on mobile. Palringo's service combines voice chat (Vocal Instant Messaging) with the real-time text chat functionality of IM and the ability to share pictures within the context of a discussion. The service supports both one-on-one and group discussions and enables real-time dialogue that can incorporate users from across the globe, on any mobile network or connected PC.

What this means is that mobile phone users can have real-time text

conversations, as one can on two connected computers, with one or more people in the conversation like a chat-room group, and the possibility of exchanging pictures during the conversation.

Up to now the standard means of messaging on mobile phones has been SMS, which does not allow real-time exchanges (ie the sender completes the message without knowing whether or not the recipient will see it immediately).

SMS is a significant source of revenue for mobile network operators, and they have generally made it technically difficult for third party messaging systems to encroach upon this territory. Palringo's technology breaks down such barriers, as it is independent of any network.

The system can be used from computers as well as from mobile

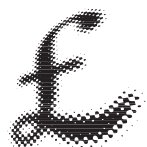
In this issue

For a number of reasons, we did not produce a January 2008 issue of YCF (we will extend all subscribers' renewal dates by a month to take account of this).

However, this has given us not only a large batch of investment deals to report, but also the opportunity to give our complete listing of equity deals over £100k in 2007 (see pages 8 & 9), and an analysis of tech VC investing during the year, thanks to financial and

business strategy advisers Ascendant (see p 10).

This analysis shows that VC investment in North of England companies continues to grow rapidly, with more companies in the North funded in 2007 than in the Cambridge technology cluster. We trust that this trend will continue, and we will be able to bring you news of many more investments in 2008.



phones, and supports voice as well as text messages. The program can be downloaded for free from Paringo's website www.palringo.com.

There is increasing demand for messaging services, at the expense of emails. According to a recent article in The Daily Telegraph, "Teens are abandoning the format [email] as clunky and slow, opting for more rapid-fire instant messaging (IM), or text messaging on their mobile phones (SMS) Apart from anecdotal evidence, Comscore figures show that people spent 6% less time emailing in September than the same month a year ago. By contrast, time spent on instant messaging increased by 34%."

Dennis Atkinson, managing director of ePlanet Ventures, said, "We believe that there are significant opportunities for innovative companies to revolutionise the mobile communications experience, and we particularly liked the fact that Palringo has not joined the rush to try and offer cheap voice calls, but has instead focused on enabling a richer communications experience. The team has done a fantastic job in building the core platform and we are excited by the team's plans for further innovation."

Palringo founder Martin Rosinski pointed out that although the company has achieved a great deal since receiving initial seed funding From NStar Equity Investors in August 2006, the real focus is on delivering further innovation that will transform the mobile communications experience.

According to Martin, "Our goal is to transform the mobile communications experience by moving away from intermittent, call-based discussions to a more natural mode of communications that involves continuous dialogue and doesn't necessarily have a start or a finish. Mobile has been about being always connected to the network and Palringo is about being connected to people."

The investors in this round included ePlanet Ventures, the National Technology Enterprises Company (NETC) of Kuwait, NorthStar Equity Investor's Co-investment Fund, Prime Technology Ventures, and Esther Finance.

ePlanet Ventures (www.eplanetventures.com) is a global venture capital firm headquartered in the San Francisco Bay Area, with offices worldwide. It has funded over

80 innovative high-growth companies globally, including landmark deals Baidu, Skype, and Focus Media.

NTEC (National Technology Enterprises Company, Kuwait - www.ntec.com.kw) was created in November 2002 to provide major stakeholders in Kuwait with their technology needs. Its model is to provide solutions by accessing a specialised layer of technology that is based on intellectual property and is at the pre-commercialisation stage.

Prime Technology Ventures (www.ptv.com) focuses on investing in European companies in the information technology and related industries, and from its offices in Amsterdam and Cambridge it has invested in companies in the Benelux countries, the United Kingdom, Finland and Sweden.

Contact: Martin Rosinski
0191 580 0058
www.palringo.com

Tissue Regenix completes £3 million financing round

At the end of January Tissue Regenix announced the completion of a £3 million financing round, in which IP Group and the White Rose Technology Seed Fund followed their previous investment in the company (see YCFN 4), and were joined by individual investors.

The Leeds-based company formed in May 2006 has developed tissue products that regenerate inside the body. The Tissue Regenix technology addresses major clinical needs by allowing surgeons to use its products rather than wait for donor tissue or harvest it from the patient.

Tissue Regenix products, made

from animal tissues, have an acellular architectural structure that is comparable with human tissue, and are therefore not perceived as foreign bodies by the host tissue. The Tissue Regenix biological scaffolds are unique because they behave and function just like the native tissue in almost every way; they are compatible with all blood and cell types, do not calcify and have similar biomechanical properties to the replaced tissue, allowing them to function as soon as they are implanted. Most importantly, the products then rapidly and successfully regenerate within the body.

Professor John Fisher, chairman of Tissue Regenix, said: "I am delighted that Tissue Regenix has secured this investment which will enable the

company to accelerate our lead products into clinical trials."

The company told YCF that the funding should cover its next two years of operation, in which it will take its two lead products, currently at an advanced pre-clinical stage, through clinical trials.

Tissue Regenix has also announced the appointment of Alan Miller, the former chief investment officer of New Star Asset Management, to its board as a non-executive director.

Contact: Dr Simon Graindorge
0113 384 5861
www.tissuregenix.com

ProKyma promises improved microbiological analysis

ProKyma, a spin-out from the MoD's Defence Science and Technology Laboratory (Dstl), has announced a £470k funding round led by Merseyside Special Investment Fund's Liverpool Seed Fund, NESTA, the Rainbow Seed Fund, and ProKyma's management.

The investment will allow the company to develop its *Sonic Separation* technology which uses ultrasound waves to purify and concentrate bacteria from samples like blood, faeces, soil, and water, for more rapid, sensitive and accurate analysis.

Various laboratory analysis procedures work with very small volumes of sample, with the target substance often at very low concentrations. Techniques are available to purify and concentrate biological specimens, but these

methods are often labour intensive or only partly effective.

ProKyma's technology uses acoustic forces to create specific regions in a fluid into which micro-particulates such as bacterial cells are forced. The ability to control the movement of minute particulates in a rapid and robust manner means that targets can be concentrated by many orders of magnitude, material can be held in line at fixed points for processing, and more of the target substance can be made to interact with a detector surface. The ultimate objective is to concentrate and purify bacteria and other microbiological substances to allow detection in hours instead of days as is currently necessary.

ProKyma is a spin-out from Ploughshare Innovations, based at the Tetricus Science Park near Salisbury, which manages technology transfer on behalf of Dstl. It received its first

investment of £100k in 2006 from the Rainbow Seed Fund (www.rainbowseedfund.com), an £8.5 million evergreen venture capital fund established in 2001 with funding from the Office of Science and Innovation to invest in the commercialisation of scientific research in a group of UK publicly funded institutions.

As a condition of the MSIF funding in this round, ProKyma will move to a location in Merseyside. YCF understands that within the next two or three months the company will be established in the MerseyBio facility, where ProKyma chief executive Damian Bond previously started another company, Platform Diagnostics.

**Contact: Damian Bond
www.prokyma.com
01980 590060**

Tidal wave of funding for Pulse

Sheffield-based Pulse Tidal is to become the first marine renewable device company to feed power into the national grid on the UK mainland, following a £580k investment from a consortium recently joined by Japanese investment giant, Marubeni.

Pulse, the tidal stream energy generator, will place the system in the Humber estuary later this year. It will capture some of the vast energy in the tides that flow up and down the estuary twice daily and convert this to electricity to be fed back to the national grid onshore. The Pulse Tidal device will be connected to the UK's power system through Millennium Inorganic Chemicals on the south bank of the Humber, making it the first UK company to take a direct feed from tidal power.

The system has been trialed successfully at Hull University and uses high-performance hydrofoils similar to aeroplane wings that move up and down like whale tails, taking energy from tidal stream currents. The Pulse generator can operate in only five metres of water and will produce 100kW of power, enough electricity to power up to 70 homes.

In addition to this equity round £1.1 million of grant funding had already been secured by Pulse, including a major grant under the UK Government's Technology Programme, and funds from the European Union's European Regional Development Fund delivered through the South Yorkshire Objective 1 Programme.

Pulse director Howard Nimmo says: "These investments will take us to the stage where we have a fully developed business and a fully functional device

that demonstrates our unique technology.

"With Marubeni onboard we have a global partner that can advise and assist us in taking the product forward."

Prior to Marubeni's commitment, previous investors included Yorkshire-based Viking Fund and members of the Viking Club, the LIFE business accelerator, and other private backers.

The South Yorkshire-based LIFE helped Pulse to develop its business and attract funding. Chief executive Philip Johnson says: "Pulse is typical of the companies involved in LIFE, with a commitment to bring renewable energy products to a rapidly-expanding market which, for tidal power, could be worth as much as £10 billion in the UK alone."

Andrew Burton, managing director of Viking Fund said: "Tidal power is

recognised as a major source of energy and Pulse is well ahead of the game in ensuring it can harness energy from near the shore, close to where it will be needed.

"Pulse has developed a simple and practical system that will soon feed power to the national grid. Our

investment recognises the huge potential of the project as a market leader of the future."

Graeme Francis, COO of Marubeni Europe plc's Investment and Development group, said: "Pulse's technology has exciting potential. Marubeni intends to exploit synergies

with Pulse and our other operations wherever possible, and we are pleased to be on board as an investor at this early stage."

Contact: Howard Nimmo
0114 254 1232
www.pulsegeneration.co.uk

Alternative Waste Solutions to expand UK's largest plastic recycling facility

Newcastle-based Alternative Waste Solutions (AWS), established in 2000, describes its core business as the purchasing of a wide variety of waste plastics from recycling companies throughout the UK and Ireland, for reprocessing itself, or selling on to plastics reprocessing companies in the UK and overseas.

In 2006 AWS opened the UK's largest and most technically advanced plastic bottle sorting / processing plant at Hemswell in Lincolnshire, which produces PET and HDPE flake (different types of polyethylene) with a customer base in Europe and the Far East.

At the beginning of January AWS received £2 million equity funding which will underwrite a £14 million expansion of its processing plant, creating the world's largest facility with food grade capability able to process up to 100,000 tonnes of mixed plastic bottles annually.

The funding was led by E-Synergy, which invested £1.5 million from its Sustainable Technology Fund (STF) alongside £400k from NorthStar Equity Investors and £100k from a private investor. Andrew Stevenson of E-Synergy has joined the board of AWS as investor director.

He commented: "AWS has a huge opportunity to capitalise on its unique market knowledge, operational experience and contacts and to lead the UK market in food grade recycled plastics – a fast-growing industry.

"Currently much of the UK's recycled plastic output is transported to China, some of which is remade as consumer goods and shipped back overseas again. There is growing demand in the UK for food-grade recycled plastic which has been recovered from the UK waste stream.

"The UK has lagged behind Europe so far in operating the advanced technology to convert waste plastic bottles to high quality pellets – which can be as good as or in some cases better than the virgin material. Government agencies such as WRAP are actively encouraging improvements both in recovering plastics from the waste stream – avoiding landfill – and in recycling facilities.

"AWS has a substantial opportunity to grow very quickly driven by strong customer pressure on drinks companies to use more recycled content in their bottles, and by government authorities to recycle more materials, reducing pressure on landfill sites. Currently only a small percentage of plastics consumed in drinks bottles is recycled back into bottles."

The investment in AWS is the seventh by the STF, which is a £30 million UK limited partnership fund backed by a mix of institutional and private investors focusing on UK companies which develop clean and efficient industrial processes where the use of advanced technology is a key part of the business plan. It is the 23rd investment from NStar's Co-investment Fund.

AWS managing director Jonathan

Short was impressed by the investors' operation: "What has been particularly pleasing is the speed at which E-Synergy grasped the potential and timing of the opportunity and the relatively short space of time from agreeing terms to signing the final documentation – two months in total including the comprehensive market, technical and financial due diligence.

He told trade journal PRW.com that he had placed orders for £2 million worth of machinery before Christmas to expand the plant's existing sorting capacity from 20,000 tonnes to 100,000 tonnes. Completion of this phase is expected by the end of May. Orders valued at £8 million were scheduled to be placed by the end of January for hot wash and extrusion equipment to create the food grade area of the enlarged plant. This will produce both HDPE and PET pellet materials for production of food grade bottles, as well as PET flake suitable for thermoforming.

"This announcement shows AWS is set to be a serious contender in the 'food grade' market and we look forward to finalising some significant offtake contracts within the coming weeks," said Short.

Contact: Jonathan Short
0191 296 8045
www.cutwastecosts.com

Vizimo provides guide through broadcast media forest

Vizimo™, an innovative media guidance platform, has announced £650k of new funding from Northstar Equity Investors and a syndicate of private investors. The new funding will be used to accelerate development and support commercial projects that are underway.

Vizimo was founded in May 2006 to address fundamental issues faced by media providers and end consumers as the volume of content and means of content distribution proliferate. The company provides end users with a personalised view of the massive universe of available content, and a set of tools to discover, plan and discuss content across multiple devices.

For media providers, Vizimo's offering supports service innovation across mobile, web and set-top box, which enables effective promotion of on-demand content, a multi-platform service guide, powerful search and in-

guide advertising.

Vizimo enables users to discover, plan and discuss media consumption across scheduled broadcasts and also across the vast body of video content that is increasingly available on demand. The company makes use of automated content analysis, profiling and social networking to guide users to content of interest and offers tools that allow users to set recordings and reminders and to engage in discussion about content. The tools work in a coherent way across mobile, web and compatible set-top boxes.

Vizimo is currently running trials with leading European media providers and is also running an invitation-only beta trial directly with end users.

Alasdair Greig of NorthStar Equity Investors said "We were really impressed with the company's clear vision. They have managed to make sense of the numerous disruptive trends in media and have created a compelling model for next-generation

media guidance. They have built this around in-guide advertising and promotion that gives their corporate customers an immediate revenue stream."

Simon Steward, Vizimo's CEO, adds "People want to know what's on TV. We start with enriched listings and use this as the basis for providing guidance across a wider range of media sources.

"The clever part of the platform is our automated content analysis and recommendations engine that enables users to see items of interest specifically for them, and allows us to present users with highly targeted promotions for either products or content. Our experience suggests that this approach is key to driving uptake of new services."

**Contact: Chris Roberts
0191 580 0067
www.vizimo.com**

Aerogistics are go

In January Liverpool-based aerospace company Aerogistics secured funding of £1.4 million from Merseyside Special Investment Fund to support development of its state-of-the-art HQ and expansion plans, as well as provide a partial exit to two non-active shareholders.

This investment is in addition to ongoing support from Barclays and grant funding of £1 million from the NWDA in April last year and £300k from Business Liverpool.

Aerogistics, winner of the 2007 British Chamber of Commerce 'Most promising new business' award, provides supply-chain management services and surface treatments to the aerospace industry. Its customer base

includes industry giants GE Aviation, Airbus, Boeing, and Rolls Royce. It was formed in 2003 as a supply management company, and in 2005 acquired King and Fowler, a 120 year old Liverpool aerospace manufacturing business which specialises in surface treatment and inspection processes. This acquisition enabled Aerogistics to provide customers with a full low cost service and also strengthened the Aerogistics brand within the sector.

The company has also recently opened a new facility in Poland, King and Fowler Polska, which acts as a logistics and project management hub for its Eastern European supply chain.

Tom Dawes, managing director of Aerogistics, says: "The investment means we can strengthen the management team and gives us the working capital to significantly develop

the company. We will considerably grow the breadth and depth of expertise at our Liverpool headquarters by teaming up with knowledge based partners and investing in new value-adding technologies."

Tom Dawes' co-directors are Alan Bold, Nick Bell and chairman, David Bundred.

"MSIF has also been very supportive in the recruitment and development of our executive team and sourced us a proven FD and sector experienced chairman, both of whom will be a great asset to the team.

"We now want to build Aerogistics into a global market leader and put Liverpool on the map in this industry. In addition to our growth in Liverpool we also want to build on the successful introduction of our Polish operation, the

only independent aerospace treatment facility in Eastern Europe, and replicate this in India and Mexico which will enable us to penetrate new markets abroad."

Says Matt Allen, investment director of MSIF's £40m Venture Fund: "Tom is

a true entrepreneur and he has great vision and drive. We are delighted to support Aerogistics and think the company has excellent growth potential in an increasing global marketplace."

Aerogistics employs 175 staff and expects to create a further 70 jobs over

the next two years.

Contact: Tom Dawes
0870 142 3109
www.aerogistics.com

Electrokinetic pursues market acceptance

Electrokinetic, a spin-out from Newcastle University, was established four years ago as a geotechnical engineering and knowledge-based company, and has developed a patented technology for ground improvement and material handling operations in the construction, extractive, sewage, environmental and sports turf industries.

At the end of January the company received an equity investment of £100k from investment funds managed by NEL Fund Managers.

Electrokinetic's technology is based upon electrokinetic geosynthetics (EKG). The electrokinetic part of this term refers to the way in which charged particles and free ions are transported in water through fine-grained soils when an electric field is applied. Geosynthetics are man-made polymer-based materials used as barriers, membranes, or composites.

EKG allows the use of such materials to incorporate the cathodes and anodes required to produce the electrokinetic effect without the problems such as corrosion encountered with traditional materials.

The company's products are used in civil engineering, for example to stabilise embankments and cuttings by controlling the water in the soil; in reducing the water component in sewage slurries and sludges, making them more amenable to removal or treatment; and for the control of moisture content and associated features of natural sports turfs.

David Huntley, chief executive of Electrokinetic, said: "There is an increasing and now widespread interest in our technology, particularly in the waste and civil engineering sectors. Field trials into the application of the technology are taking place in South Africa, USA, and Australia, in addition to the UK.

"We will be using this funding to

further develop the applications of the technology to complete the development process in our key markets. Thereafter we will introduce our products to these markets as we move into the commercial phase.

"We currently have four members of staff and hope that within a few months we will have expanded to at least six people with further growth planned as our products gain market acceptance.

"NEL is extremely supportive of our growth plans and has continued to be in regular and productive contact with the in-house team. The team at NEL is very professional. They understand and contribute to the challenges faced by the company and do so in a positive and helpful manner."

Contact: David Huntley
0191 243 0685
www.electrokinetic.co.uk

Paraytec's third round of funding

In December, York-based Paraytec, the scientific instrument company which spun out from the University of York in 2005, completed its third round of equity funding, raising £500k from the Viking Fund, the Viking Club, and YFM Group, company staff, and private investors.

Commercialisation began with the help of Connect Yorkshire in late 2004.

By 2007, Paraytec had established itself as a credible player in the lucrative multi-billion dollar analytical and life sciences instrumentation market.

The company manufactures scientific instruments that are vital for the discovery of new drugs and pharmaceutical products. Its *ActiPix* detector uses capillaries the width of a human hair to carry tiny liquid samples through a beam of UV light. The images are then processed by an Active Pixel Sensor which uses similar

technology to that used in digital cameras and mobile phones. The *ActiPix* detector allows scientists to 'see' a complex reaction taking place in real time and to quantify the components. This third round of investment will fund the company's growth ambitions for 2008, which include strengthening the technical and commercial teams and developing applications in new areas.

The company raised £170k equity funding in 2005 from the Viking Fund and private investors to develop its first

products, and last year completed a second round of funding to finance its growth in collaborative development projects and OEM contracts.

This time last year, Paraytec won three awards, including one of the most important technology awards in its sector.

Paraytec beat off challenges from more than 1000 exhibiting companies at Pittcon 2007 in Chicago, the world's premier exposition in the scientific instruments field, to win the Pittcon 2007 Editors' Choice Silver Award - coming second only to the US\$1 billion giant, Waters Corporation.

Company CEO Carolyn Parkinson

said: "For a small company from Yorkshire to have its first product voted number two in the world demonstrates the importance of this technology on the world stage."

Paraytec's other winning successes were at Venturefest Yorkshire 2007, where it won the GSPK New Product Award, and at the Yorkshire and Humber Passport to Export and Targeted Export Support Awards 2007, where it received the Best Prepared for Export award.

Dr Bill Gosling, non-executive chairman representing the Viking Fund on Paraytec's board of directors said: "Paraytec has done what so many

university spin-outs fail to do; they have addressed manufacturing and certification issues from the outset to the point where they are already achieving a good gross margin that they know how to increase.

"Viking Fund and YFM Group are happy to have had the opportunity to increase their equity stakes in this exciting business opportunity."

**Contact: Professor David Goodall
01904 526270
www.paraytec.com**

MSIF helps Host Telecom to launch video ringback tone service

Host Telecom has developed a video ringback tone for use on mobile phones and VOIP networks. The video images will replace the usual ring tone and enable brand and commercial advertisers to access a new, mass market advertising medium.

With backing from Merseyside Special Investment Fund's Liverpool Seed Fund, the company has relocated from Rochdale to Liverpool.

Host's concept is based on the observation that mobile users must listen to their phone's ringtone when waiting for the call to be connected, and thereby represent in effect a 'captive audience' for promotional messages, which can be audio or video.

The Liverpool Seed Fund has invested £100k to support the proof of concept of the technology and of potential market demand. Liverpool

Ventures has assisted Host Telecom throughout the investment process and continues to work closely with the company.

Host Telecom was the brainchild of chairman, Martyn Butterworth. He set up the company in 2006 with co-directors Colin Barnes and Ian Hollingworth. He said: "In the UK there are over 60 billion mobile connections per year which represents 400 million hours of available advertising and social networking space a year. We have already received significant interest from potential advertisers.

"We are also looking to partner with mobile network operators who will be able to gain new revenue sources from the advertiser. The user will also benefit by being able to access and generate extra content and also get calls and texts subsidised by the advertiser.

"The support from the Liverpool

Seed Fund and Liverpool Ventures has been crucial in getting Host Telecom started. It is quite hard to find investment for a business at this early stage and in addition to finance, their knowledge, advice and network has been very important."

Liverpool Seed Fund investment manager Mike Bakewell added: "Mobile-based marketing offers huge opportunities and could be one of the biggest advertising channels yet seen. We believe this product to be groundbreaking and think the company has excellent market potential."

Host Telecom has already had excellent feedback from its demo which was shown to various advertising and media experts.

**Contact: Colin Barnes
07774 924 500
www.host-telecom.co.uk**

Deals Monitor 2007

The following table shows all the investment deals over £100k tracked by YCF during 2007. We have omitted MBOs/MBIs, and fundings which had no equity component (ie all debt finance and/or grants). A spreadsheet of all transactions in the year, including details of advisers when known to YCF, is available on request from sales@ycf.co.uk.

company	town	deal date	amount £'000	main investors
Optasia Medical	CHEADLE	8-Jan-07	£2,600	Sitka Health Fund, Noble VCT, Saffron Hill Ventures
Premier Events & Leisure	HEXHAM	12-Jan-07	£200	NEL Fund Managers
Silistix	MANCHESTER	15-Jan-07	US\$6,000	Intel Capital, Seven Spires, BSTC VCT, NWBIS, Manchester Technology Fund, Partnerships UK
Integrated Modular Control Systems	BIRKENHEAD	24-Jan-07	£100	MSIF, HSBC, directors
Bluebird Vehicles	SCARBOROUGH	25-Jan-07	£250	Partnership Investment Finance
Applied Neurodiagnostics	CRAMLINGTON	29-Jan-07	£1,200	NSEI COIF, individuals
DDL (Dynamic Distance Learning)	NORTH SHIELDS	29-Jan-07	£150	individual
Sivex Engineering	SOUTH SHIELDS	29-Jan-07	£500	NEL Growth Fund
Deva Composites/Ultra-Core	LIVERPOOL	9-Feb-07	£250	Liverpool Seed Fund, NWEF, individuals
DataLase	WIDNES	15-Feb-07	US \$10,000	MTI Partners, Hotbed, BASF Venture Capital GmbH
CMM Technology	SHEFFIELD	21-Feb-07	£273	angels, founders
L3 Technology	DARESBUURY	21-Feb-07	£1,200	NWEF, EV/RisingStars, Rainbow Seed Fund
Belle Maison Home Interiors	ST HELENS	27-Feb-07	£650	MSIF, Lloyds Commercial Finance
ACAL Energy	RUNCORN	28-Feb-07	£1,600	RisingStars, CT Investment Partners, NSEI, Porton Capital/Synergis Technologies
Steritrox	STOCKPORT	28-Feb-07	£2,500	NWEF, WHEB Ventures
Albion Legal Services	LIVERPOOL	7-Mar-07	£650	MSIF, directors
Gentronix	MANCHESTER	7-Mar-07	£1,400	NVM PE, Manchester Tech Fund, NWBIS (YFM)
Chocpix	BARNARD CASTLE	14-Mar-07	tba	NEL/Evolve Finance
BabyBiB	SHEFFIELD	15-Mar-07	£120	SYIF Seedcorn
North West Precision Forms	BIRKENHEAD	21-Mar-07	£800	MSIF, NatWest
PointOV	NEWCASTLE	02-Apr-07	£800	NSEI COIF, individuals
ffA (Foster Findlay Associates)	NEWCASTLE	4-Apr-07	tba	NEL/Evolve Finance
7KS	SCUNTHORPE	5-Apr-07	£1,200	Partnership Investment Finance
Chromatide	RUNCORN	5-Apr-07	£100	EV RisingStars GF II, MSIF
Excelsyn	NEWCASTLE	18-Apr-07	n/d	NSEI, Endless LLP
e-Therapeutics	NEWCASTLE	23-Apr-07	n/d	NSEI, Katalyst Ventures, Novotech Investment
Femeda	MIDDLESBROUGH	23-Apr-07	£2,000	NSEI, Stargate/Trapezia Fund, Acceleris Corporate Ventures
PalindromX	LIVERPOOL	25-Apr-07	£100	Liverpool Seed Fund
etr-unidata	SHEFFIELD	10-May-07	£200	Viking Fund, individuals
Infoflow	SHEFFIELD	10-May-07	£130	Viking Fund, individuals
Trackaphone	NORTH TYNESIDE	10-May-07	£200	NEEMF, individual
Cometa Wireless	SHEFFIELD	17-May-07	£1,000	mFUSION
Photopharmica	LEEDS	18-May-07	£5,500	IP Group
Lattice Voice Technologies	YORK	29-May-07	£150	YHEF
Auralis	DARESBUURY	31-May-07	£450	Northern Entrepreneurs Fund
ROAR Particles	SEDFIELD	1-Jun-07	£650	private individuals

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company	town	deal date	amount £'000	main investors
MyZones	NEWCASTLE	4-Jun-07	n/d	Evolve Finance
Visitech International	SUNDERLAND	08-Jun-07	n/d	Evolve Finance
Metalysis	ROTHERHAM	25-Jun-07	£13,000	ETF, 3i, QinetiQ, Seven Spires, Chord Capital, Cambridge Capital Group
The Alternative Energy Company	RIPON	25-Jun-07	£250	YHEF, individual
Wadaro	DARESBUY	29-Jun-07	£300	RisingStars II, NWBIS
Pulse Generation	SHEFFIELD	1-Jul-07	tba	private investors
Appcon	SUNDERLAND	2-Jul-07	£125	Evolve Finance
J2 Aircraft Dynamics	LIVERPOOL	3-Jul-07	£300	Liverpool Seed Fund
Tanfield Food Company	CONSETT	09-Jul-07	£250	individuals
Iota Nanosolutions	LIVERPOOL	25-Jul-07	£300	Unilever
Elizabethan	WAKEFIELD	31-Jul-07	n/d	PIF, EV Coalfields Enterprise Fund
Into Technology	STOCKPORT	31-Jul-07	£1,250	RisingStars GF, NWEF, Liverpool Seed Fund, individuals
Kirkstall	SHEFFIELD	31-Jul-07	£100	SYIF Seedcorn Fund
Teletoddler	SHEFFIELD	31-Jul-07	£450	SYIF, Coalfields Enterprise Fund, individuals
Bradford Pharma	LIVERPOOL	01-Aug-07	tbc	MSIF, individuals
Thermilate	HUDDERSFIELD	1-Aug-07	£750	EV Coalfields Enterprise Fund, Cattles Invoice Finance, Standard Chartered Bank
Broadband Computer Company	NEWCASTLE	3-Aug-07	£1,500	NSEI COIF, individuals
Medical Waste Solutions	STOCKTON	3-Aug-07	£2,200	NSEI COIF, individuals, State Street Securities
EditLite	WIRRAL	15-Aug-07	£300	MSIF Liverpool Seed Fund
Denby Dale Pie Company	HUDDERSFIELD	16-Aug-07	£250	Partnership Investment Finance, YHEF
Gemini Biomedical	LIVERPOOL	16-Aug-07	£250	MSIF Liverpool Seed Fund
Intempo Digital	MANCHESTER	25-Aug-07	£11,800	YFM Private Equity
Newsplus Media	SHEFFIELD	31-Aug-07	£100	SYIF
Technologies t/a Create-3D				
Quadratica (UK)	GRIMSBY	31-Aug-07	£250	PIF, YHEF
Taecanet	LIVERPOOL	31-Aug-07	£800	MSIF Venture Fund, Liverpool Seed Fund
Ensembli	SHEFFIELD	12-Sep-07	£100	EV/RisingStars, SYIF Seedcorn, Viking Fund
Epitomy Solutions	SHEFFIELD	15-Sep-07	£170	SYIF, Connect Fast Invest, Business Link South Yorkshire, Barclays, NatWest
Detectagas	WIRRAL	18-Sep-07	£300	MSIF Liverpool Seed Fund
Medical Device Innovations	DARESBUY	18-Sep-07	£1,175	NWBIS, Avlar Bioventures
Triscan Systems	BLACKBURN	19-Sep-07	£225	Symphony Equity Investment Syndicate
Applied Superconductor	BLYTH	26-Sep-07	£1,400	NSEI, NEL, New Energy
Lakeland Timber Framed Homes	NEWCASTLE	30-Sep-07	£260	NEL/Evolve Finance
Eldapoint	LIVERPOOL	01-Oct-07	n/d	Close Growth Capital
Yuuguu	MANCHESTER	19-Oct-07	£340	Alliance Fund Managers, EV/Rising Stars
Medalytix	DARESBUY	24-Oct-07	£175	Alliance Fund Managers
Drivestyle (Williams of Harrogate)	HARROGATE	29-Oct-07	£200	YHEF
GO-SIM	YORK	01-Nov-07	£250	YHEF, Royal Bank of Scotland
Pro-Cure Therapeutics	YORK	01-Nov-07	£550	White Rose Technology Seedcorn Fund, Yorkshire Cancer Research
Reaxa	MANCHESTER	01-Nov-07	£1,000	NWBIS, RisingStars GF II, individuals
So Protect Me	LIVERPOOL	01-Nov-07	£200	Liverpool Seed Fund
Neoss	HARROGATE	05-Nov-07	£10,000	MMC Ventures
Riverdale Publishing	SILSDEN	19-Nov-07	£4,700	Aberdeen Asset Managers, PIF
Intoscape	STOCKPORT	30-Nov-07	£500	NWEF, individuals
Paraytec	YORK	07-Dec-07	£500	Viking Fund, Viking Club, YFM Group, company staff, individuals
Palringo	CRAMLINGTON	10-Dec-07	£2,400	ePlanet Ventures, NTEC, NE Coinvest, Prime Tech Ventures, Esther Finance
JPM Eco Logistics	ROCHDALE	21-Dec-07	£100	individuals

2007 "a bumper year" for tech VCs and their investees

This is the conclusion of Ascendant, which provides advisory services to growth companies and investors, specialising in financial and business strategy, in its recently published analysis of VC investments in the ICT sector.

The charts and comments below cover a rather different set of deals than the ones normally reported by YCF (although there is a considerable overlap). Ascendant tracks deals throughout the UK and Ireland solely in the ICT sector, omitting such areas as

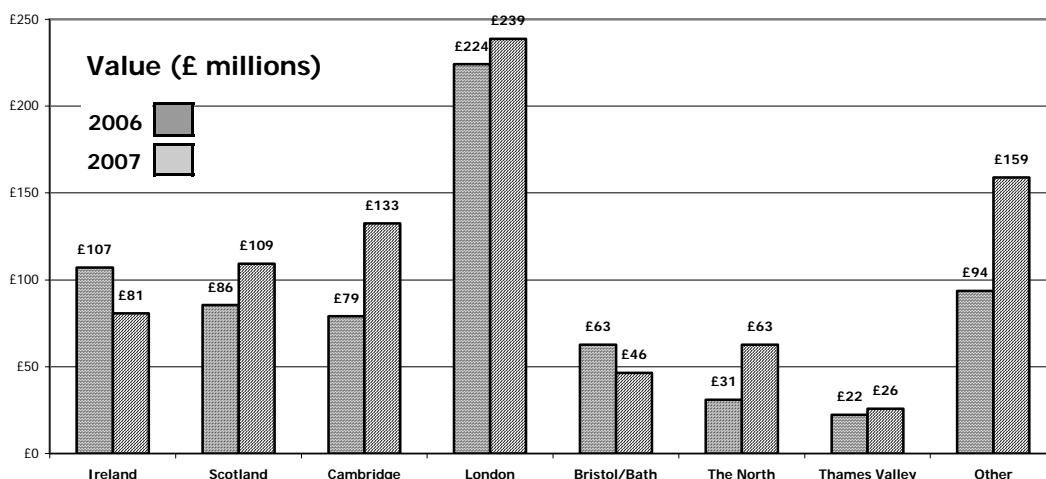
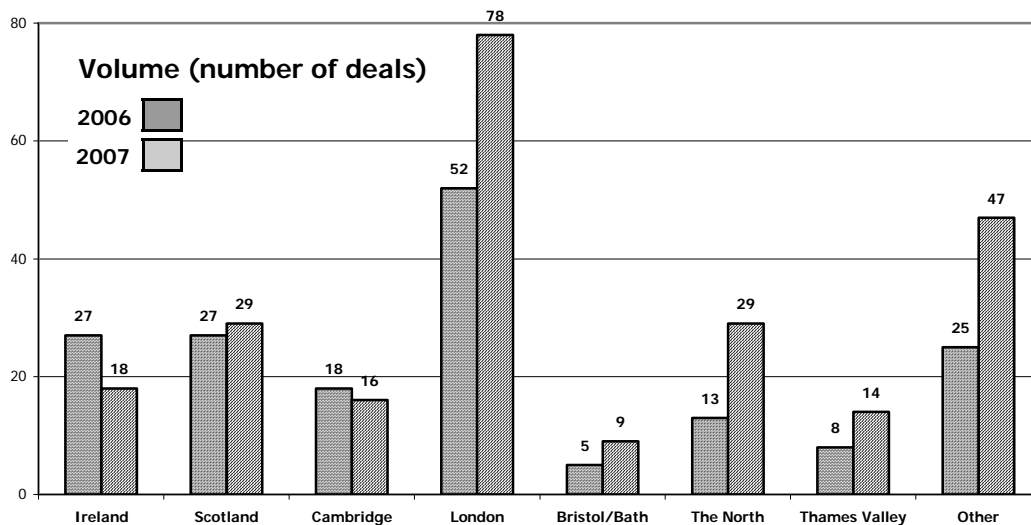
life sciences which now accounts for a large proportion of investment activity. Ascendant's figures include deals over £0.5 million – the higher end of those reported by YCF.

According to Ascendant, there was a substantial increase in the value of the funds invested (£894m – up 27%) and in the number of deals done (242 – up 39%). A number of VCs raised new funds and tech business angels participated in more deals – often working with VCs.

Ascendant's Stuart McKnight comments: "In January 2007 alone 21 companies raised £135m. At that time

it looked possible to many of us that the market might just breach the £1bn threshold, which has not been seen since 2000 in the days of the "bubble". But as the year went on this confidence softened and we observed many VCs slowing the pace of their investment.

"This was probably a good thing as it gave the opportunity to some of the non-top tier VCs to invest in higher quality assets, but also took a little steam out of valuations – although in certain areas scarcity of good deals (eg cleantech) still keeps pricing at the upper levels. Perhaps 2008 will be the £1bn year?"



His analysis highlights a number of trends:

- ❖ In 2007, £894m was invested in 242 deals of over £0.5m by 282 investors.
- ❖ The busiest investors were Spark Ventures, Amadeus, Balderton, Intel, SEP, 3i, Eden, Foresight, Imperial Innovations, Accel, Advent, Close Ventures, Enterprise Ventures, Low Carbon Accelerator, South West Ventures and Tudor Investment Group
- ❖ Levels of syndication spiked during the year – perhaps indicating a loss of confidence - but overall 63% of deals involved more than one investor
- ❖ The 10 biggest deals took 27% of funds invested. Plastic Logic (£51m) and Picochip (£35m) were the two biggest deals.
- ❖ Cleantech (£171m), semi/opto (£178m), comms hardware (£77m) and other technologies (£101m) all received a substantial increase in investment. Comms services (£17m) and software (£159m) experienced sharp declines.
- ❖ Despite taking more investor money

than all other subsectors, fewer semi/opto companies were funded; 19 in 2007 vs 23 in 2006.

- ❖ Cleantech was again the fastest growing sector both in terms of value and volume of deals. Investors backed 36 companies in 2007 with many companies raising substantive sums. The average deal size did not vary between 2007 and 2006 reflecting both the breadth of investment opportunities and diversity of investors .
- ❖ Funds committed to internet/wireless service companies were static at £168m. However the volume of deals still rose by 82% to 69 companies, resulting in the average deal size almost halving.
- ❖ The communications hardware sector received almost double the funds it took in 2006 – 14 companies shared £77m. In Q3 alone, just under £36m was invested in 4 companies – Ubiquisys, Intune Networks, U4EA and Last Mile Coms.
- ❖ Software was the largest subsector in 2006, but in 2007 it came 4th with fewer software companies securing smaller amounts.

- ❖ Finally we noticed a potentially interesting trend in the percentage of deals involving private investors – individuals not VCs. Historically it was rare to have a private investor involved in a deal of £0.5m or more. In 2007, 13% of the deals Ascendant tracks were funded by private investors or a syndicate of private investors and a VC working together. This percentage has been moving up slowly over the last 3 years.

Against this background, the North of England continued to fare better than the national average. The charts on p10 summarise Ascendant's figures, which show that in 2007 more companies were funded in the North than in Cambridge. The latter received more than double the amount of money invested in the North but a smaller number of Cambridge companies received investment than in 2006.

Contact:
Stuart McKnight, Ascendant
020 7993 8700
www.ascendant.co.uk

Go Eco-Print offers eco-friendly printing

Go Eco-Print was started in Newton Aycliffe, County Durham, in August last year by local entrepreneur Nikki Rotheram, employing four staff.

Nikki had previously worked in the printing industry, and indeed helped her father in his printing business when still a teenager. The firm she worked for stopped trading, and Nikki saw that there was an opportunity to combine her interest in the industry with the general trend towards environmental awareness.

She approached One NorthEast for help and support a month after starting her new business and was awarded a Selective Finance for Investment (SFI) grant of £120k towards her £400k project, the majority of which represents the cost of investing in up to date and eco-friendly printing equipment.

Nikki said: "The One NorthEast grant has been fantastic. It has enabled us to purchase brand new machinery, take on 15 additional skilled members of staff and attract large contracts, such as House of Fraser, The Tanning Shop, and two of the top five supermarket chains.

"What makes our company different is our environmentally-friendly approach to printing, using print machines that run using water based inks and organic toners and which use half the energy of a typical machine.

"We are also the first company in the whole of North East England to have installed an O-CE eco-solvent machine which prints external marketing materials, such as banners, using sustainable corn-based inks."

Not only does Go-Eco Print use environmentally friendly printing methods, it also uses sustainable

materials to print on, such as recycled paper and paper made from elephant dung and grass. The approach is claimed to guarantee top print quality while still being cost-effective, both for customers and for the environment.

Nikki added: "We have expanded much faster than originally planned, including achieving the ISO14001 accreditation for a high standard of environmental management. I am confident the growth will continue and I am pleased to be able to offer any business the option to carry on promoting and marketing their sector with print but giving them the added assurance that our print really doesn't cost the earth."

Contact: Nikki Rotheram
01325 318166
website in preparation

Dragon's Den entrepreneurs invest in Rochdale haulage firm

Readers of YCF may have seen the presentation by JPM Eco Logistics in July, where Dragon's Den panellists Theo Paphitis and Deborah Meaden agreed to invest £100k in the business for 40% of the equity.

The investment was completed just before Christmas – the business did not start trading until September, when it took delivery of its first environmentally friendly trucks – and joint founder Jerry Mantalvanos told YCF some of the background to the deal.

Jerry and his colleague Paul Merker were already well set on the way to starting the company, and could have gone ahead without external finance, when Jerry's partner Jill Law saw a Dragon's Den programme and entered the new business without the knowledge of its founders. After a screening event in Manchester, the duo found themselves taking part in an actual programme. Jerry says that they were confident of their business proposition, and were well prepared

with all the facts that the Dragons might demand, but they were unused to making presentations and not surprisingly found the experience nerve-racking. But they were delighted with the result, pleased not only for the publicity but also for the opportunity to work with two very experienced business people.

Jerry explains that JPM Eco Logistics was set up in response to demand both from users of haulage services and from the industry trade bodies to improve the poor environmental performance of bulk transportation. JPM leases its vehicles from Volvo, and claims to be the only haulier in the UK to use 100% bio-diesel produced from rape seed oil; the company also ensures that all consumable parts, such as filters, brake pads, and tyres, are fully recyclable or bio-degradable.

JPM has already taken delivery of six trucks, with a further six due before the end of the month, and the fleet building to 24 units by the end of the year. Jerry Mantalvanos stresses that

the company puts no premium on giving an eco-friendly transport service, but can compete on cost with other haulage firms.

The two Dragons have already been very helpful to the business, with Deborah in particular giving useful contacts and generally promoting the company. It is in terms of business advice that JPM's founders expect to get most value from the arrangement; Jerry confirms that the Dragons imposed no special conditions on their investment, and are leaving the owners to run the business, but he expects to have regular meetings with them both to benefit from their advice.

Since appearing on Dragon's Den, JPM has had approaches from various other investors, some offering more money than the Dragons, but Jerry and Paul are very satisfied with the deal they accepted in July.

Contact: Jerry Mantalvanos
01706 654070
www.jpmeocologistics.co.uk

Bank of Scotland Corporate Entrepreneur of the Year: Matt Riley of Daisy Communications

Having won the regional final of this competition in November, Matthew Riley went on to win the UK title the following month.

The title brings with it a couple of mouthwatering prizes: a £5 million interest free loan from the Bank, which Nelson-based Daisy Communications intends to use to accelerate its acquisition strategy, and four day's mentoring from Arcadia boss Sir Philip

Green. YCF understands that Riley and Green have already met once and are in regular contact, so the initial four days may well turn into a longer relationship.

Daisy was established in 2001, and aims to provide cost-effective communications with unrivalled customer service to SME customers across the UK. The company's services include fixed and mobile voice, data and IP, standard and specialist non-

geographic numbers, line rental and broadband. The company has been much awarded, with Riley named Ernst and Young's National Young Entrepreneur of the Year 2007, and the business regularly appearing in the Deloitte UK Fast 50 and Sunday Times Tech Track listings.

Contact: Matthew Riley
0845 450 4520
www.daisyplc.com

Science parks & incubators: Daresbury Innovation Centre

In just three short years, the *Daresbury Science & Innovation Campus* has accomplished what science parks can only dream about: it has established a visible and self-regulating network of over 1,000 experts and it has completely exceeded the occupancy predictions for its incubation facilities.

This has been achieved through a clear and uncompromising strategy based on one critical principle - understanding and measuring value.

Located between Manchester and Liverpool in rural Cheshire, Daresbury Laboratory has been on the scientific landscape since 1962 when it was set up as part of the National Institute for Research in Nuclear Science. Shake-ups in Government funded science had a major impact on the Laboratory in the 1990s and the then threat to its future triggered a new era of regional collaboration.

The Science & Technology Facilities Council and three universities (Lancaster, Liverpool and Manchester) joined forces with the North West Development Agency and Halton BC to pursue a strategy to make this location a 'centre of excellence' in scientific innovation and entrepreneurial thinking and practice. These stakeholders have been crucial in shaping and delivering the longer- term vision.

NWDA's investment of £50 million and a clear and focused strategy for this once academic community has seen the site transformed into a mixed economy campus. With restaurants, a gym, shops and a scientific library the campus is now home to the *Cockcroft Institute* - the national centre for accelerator science and technology - to the *Daresbury Innovation Centre*, a high-end business incubation facility. (For those who are curious, Sir John Cockcroft was one of people who split

the atom and a Manchester University graduate.) The Daresbury ethos is to be a real entrepreneurial community and there is evidence to suggest that this is happening.

Today over 60 early stage technology companies have chosen Daresbury as the place to be during their formative stages. Pioneering young companies from across a number of market sectors including digital / ICT, healthcare, electronics, instrumentation and advanced engineering have been attracted - not just for easy access to world-class science, but for the added value of a business support strategy which is entirely focused on growth and acceleration. These companies currently generate over £10 million in sales with a growth rate of over 30% per year.

Daresbury Innovation Centre manager, Dr Paul Treloar: "Our business support services focus entirely on a company's critical path analysis. We are only interested in providing support where it will have most impact. This approach means that services and impact can be measured by both the company and the Centre."

Paul understands what it takes to turn science into a viable business. He has founded three start-up technology companies - Sensor Solutions, SensAlyse and BioChem Sensors. He draws on this experience and that of his close colleagues to set the agenda for the Campus. Paul performed a number of essential business roles within each of his start-ups, in particular raising millions for research and technology development. This is yet another advantage for tenants because Daresbury has a 100% success rate in the government's GRAND Awards - Grants for Research and Development.

In addition to his role as Innovation Centre manager, Paul is the business development manager for the Campus

as a whole. As well as developing the internal culture, he set out to map expertise in the region and beyond that to act as an essential additional knowledge network.

The rapidly growing *Daresbury Network* and *access2experts* programme brings together a powerful community of high tech SMEs, multi-national companies, universities, service providers and other business support organisations. In particular, strong links into the Campus' stakeholders' organisations has played a significant part in this. The network has no formal structure and this is proving to be a successful approach to managing such a diverse group of individuals. It also means there is no place for those with the deepest marketing budgets to think that sponsoring events is the way to win business within this community.

"We know the members. We know what they do and where they can add value. They also understand that in order to gain in the long term, they need to go beyond talking and theory and actually demonstrate their value-add." This is where the self-regulation framework operates best.

This approach to engaging a wider community is working because nearly all of the 60 plus tenants have come via recommendation of the network members.

Plans for a multi-million pound 'grow-on' facility are already well underway. The Daresbury model for success has attracted the interest of private investors. Watch this space for further news!

Contact: Dr Paul Treloar
01925 607012
www.daresburysic.co.uk

- Jeanette Ives

Daresbury Science & Innovation Campus

— examples of companies on the Campus

BioEDEN (www.bioeden.co.uk) claims to be the first company in the world to collect, assess and cryogenically store living tooth cells from deciduous baby teeth. The company was founded in Austin, Texas, with the Daresbury office being its international laboratory serving Europe and the Middle East.

Instrument Design Technology (IDT) (www.idtnet.co.uk) serves synchrotron facilities around the world, providing a design and project management resource in mechanical precision instrumentation. The company can offer complete beamlines (there may be 20 to 50 at a large synchrotron) built from modular systems or can generate an engineering specification from basic source parameters and scientific objectives.

Clipstar (www.clipstar.com) is a new internet business that mixes social networking and talent scouting. Its website allows users to upload video clips of performances in any of nine categories from singing and dance, to comedy and acting, and animation and film. Users vote for their favourite clips and every three months a winner from each category wins \$10,000.

The following Daresbury companies completed funding rounds in the past twelve months:

Wadaro (www.wadaro.com) markets software for monitoring the performance of mobile phone networks. Its patented technology will help mobile phone service providers ensure good quality of service, reduce costs and maintain customer satisfaction. In June last year the company raised £300k from Enterprise Ventures' RisignStars Fund and from the North West Business Investment Scheme (NWBIS).

Auralis (www.auralis.com) has a partner network of companies, each a specialist in its field, with which it has created a platform to ensure the supply and continual delivery of critical care products. The company secured an investment of £450k in May last year from the Northern Entrepreneurs Fund.

Medical Device Innovations (MDi) (www.mdi-md.com) is an IP management company, created to realise value from inventions made by leading surgical & biomedical engineering groups in Europe, focusing on interventional (cf diagnostic) products, and hospital (cf consumer) products.

MDi recently completed its most recent investment round with current partners Avlar Bioventures and YFM, taking the funds raised to date to c£6 million, and it is now actively seeking additional investment partners for a further round targeted for the summer of 2008.

L3 Technology (L3T) (www.l3technology.co.uk - in preparation) is a spin-out from Daresbury Laboratory established in 2003 to commercialise a new method for directly measuring the constituent parts of blood liquids, using fluorescent light intensity and lifetime decay, with the first target market being tests for cholesterol. The company has been funded by the Rainbow Seed Fund, EV's RisingStars and the North West Equity Fund, and was awarded the largest GRAND grant ever in the North West. In January it completed a further funding round of £175k from the West Midlands' Advantage E&I Fund, NWEF, and a number of individuals.

And a newcomer to Daresbury is StructureVision:

Nuclear software technology company wins £350k NWDA grant

The Northwest Regional Development Agency (NWDA) has awarded a £350k Grant for Research and Development (GRAND) to StructureVision, a software company providing forward planning tools for dismantling machinery and plant.

The company's NuPAC product optimises the way in which nuclear waste can be dismantled and packed during a decommissioning project.

The technology can analyse and

consequently model object interaction enabling the packing of objects into confined spaces such as containers. It will be launched as the world's first wholly digitally based industrial packing analysis tool. It will also be able to analyse and predict the most appropriate cutting lines for the cutting up and disposal of Intermediate Level Waste (ILW) during a nuclear decommissioning process.

StructureVision was founded in 2003 by Dr Xiaodong Jia and Professor Richard Williams of Leeds University, and in November 2006 it secured an

investment of £300k from IP Group and from the White Rose Technology Seedcorn Fund, which provides funding for spin-out companies from the universities of Leeds, York and Sheffield.

StructureVision has opened a new office on the Daresbury Campus, bringing it within NWDA's area.

Contact: Bob Ward
0870 126 3200
www.structurevision.com

Meet the entrepreneur: Clive Fencott, founder of Strange Agency

Academic and aspiring entrepreneur Clive Fencott admits that if the first product from *Strange Agency* had worked then he would not have learned some valuable lessons about the relationship between knowledge creation and its commercial exploitation.

A senior lecturer in the design of computer games and virtual environments within the School of Computing at the University of Teesside, Clive has dedicated much of the past three years to university spin-out Strange Agency.

Established in 2004, Strange Agency develops software systems enabling companies to harvest, analyse and data warehouse information from the web, or from offline resources, and return results via its own Smart Client, Smart Server technology. Domains in which this technology is currently being deployed include market research, public relations and e-commerce.

Clive Fencott says: "These software systems precisely target specific domains, without the need for highly complex AI and natural language systems." This enables users to create knowledge on any identifiable domain of discourse, containing significant amounts of text information.

Clive and his business partner Jo Clay believe that their systems are much more powerful than traditional search engine technologies because the knowledge created is not only unique to each company but also far more subtle and in-depth.

Clive continues: "Knowledge is the key to competitive advantage in today's increasingly global online business environment. Strange Agency markets and sells its products to other entrepreneurial companies so they can create and manage their own knowledge."

This focus is a totally different product and business model from the one which set them out on this

commercial journey in 2004. "Originally we were working on a software system to help video game developers and publishers analyse a computer game concept during the development stage."

A positive response from developers didn't mean they would pay for it. This focus on a single market so early on in the company's evolution was to have a major impact. Clive felt it was a mistake to define its products so early. It focused the market research in a narrow way which took them down the wrong track. The company came close to being wound up in 2006.

"Once involved in developing this momentum in the games industry it was difficult to see ourselves as anything else. We didn't sit back and look at the bigger picture."

Clive sees business in the creative industries as both creatively and technically demanding, so being highly adaptive and pragmatic is as important as more traditional business skills. He is a highly creative person and his life journey so far demonstrates his ability to experiment.

Born in the Forest of Dean but brought up in London, Clive's career has been shaped by his natural creative talents: artist, poet, civil servant, lecturer, and aspiring entrepreneur. As a sixteen year old Clive told one of his grammar school teachers that he planned to train as an architect. The teacher's dismissive tone explaining that he would need Latin to get there – Clive wasn't good at Latin – disillusioned him. He ditched the idea and pursued a life around poetry and art by becoming a performance artist and travelling the world.

He was always keen on the idea of education but found it difficult to find a course that truly inspired him. He tried art for instance but gave up midway through. That inspiration came when he picked up one of his wife's course books – she was studying for a part time degree in psychology at the time – and was suddenly turned on to the philosophy of science. He found that the then North East London Polytechnic

ran a Degree by Independent Study and this allowed him to package his own learning path in the philosophy of science, computer science and maths.

He also found a real love for maths and computing; disciplines he believes allow for high degrees of creativity.

He graduated determined to continue work in computer science and was able to gain a place at Imperial College to do an MSc in FAIT (Foundations of Advanced Information Technology). This led eventually to a job at the University of Teesside, where he started out teaching and later researching in formal methods, the application of formal logic and set theory to the design of computer systems.

"Business life moves rather faster and more purposefully than the typical academic one. Academics look at a problem and think this is interesting whereas in business the work and output is totally focused on how it will generate income."

He feels that the breadth of knowledge and general inquisitiveness of academics add an interesting dimension to a young developing business, but it does need to be controlled.

"Our academics are shareholders in the company so they have a vested interest in its success. They don't get involved in the day-to-day running of the company and I think that's the way it should be. I'm a bit of both. I am heavily involved in the business process and strategy but not the day-to-day technical development of projects or IP."

Strange Agency is now on a new path with a clear strategy and product offering. "Once you have experienced business it does shape your thinking."

Contact: Clive Fencott
01642 384540
www.strange-agency.com

To:

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Summary of main deals in this issue:

company	location	deal date	TOTAL £'000	investors, lenders, grants	advisers
Alternative Waste Solutions	NEWCASTLE	08-Jan-08	£2,000	E-Synergy, NSEI COIF, individual	
Electrokinetic	NEWCASTLE	31-Jan-08	£150	NE Seed Capital Fund	Dickinson Dees
Go Eco-Print	CO DURHAM	07-Feb-08	£120	One NorthEast/SFI	
Host Telecom	LIVERPOOL	28-Jan-08	£100	MSIF/Liverpool Seed Fund	
JPM Eco Logistics	ROCHDALE	21-Dec-07	£100	individuals	
Palringo	CRAMLINGTON	10-Dec-07	£2,400	ePlanet Ventures, Natl Tech Enterprise Co, NE Coinvest, Prime Technology Ventures, Esther Finance	Muckle LLP
Paraytec	YORK	07-Dec-07	£500	Viking Fund, Viking Club, YFM Group, company staff, individuals	
ProKyma	LIVERPOOL	07-Feb-08	£470	MSIF/Liverpool Seed Fund, NESTA, Rainbow Seed Fund, management	
Pulse Tidal	SHEFFIELD	08-Feb-08	£580	Marubeni Europe	
StructureVision	LEEDS	28-Jan-08	£350	NWDA/GRAND	
Tissue Regenix	LEEDS	30-Jan-08	£3,000	IP Group, individuals	
Vizimo	NEWCASTLE	21-Dec-07	£650	NSEI, individuals	

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