

SMITH COOPER



Deal DISPATCH

ISSUE 24



insider DEALMAKERS
DINNER 2016 EAST MIDLANDS SME
DEAL OF THE YEAR

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WELCOME TO ISSUE 24

WELCOME

It would be foolhardy for anyone to say with any certainty what the long-term impact the events of 23rd June will have on the UK. One just has to look at the varied, and often wildly contradictory, commentary in the media for proof. The gravity of the situation is without question – we are about to enter a long period of change – what that change means will only become clear in the months and years ahead.

However, the day to day workings of the UK as a whole have to, and need to, continue unabated; the swift appointment of a new Prime Minister has avoided procrastination and will hopefully restore some stability and provide a positive footing for the future.

In the M&A world we are already seeing an increased level of enquiries because, whilst Brexit has paralysed some, many see only opportunities. Since the vote we have had both investors and clients reaffirming their readiness to invest in UK businesses, and to continue to grow and look for opportunities both here and overseas.

For us it is business as usual. We will keep a watching brief on Brexit as it unfolds over the coming months and continue to provide relevant and informed advice to help our clients realise value, or grow both organically and by acquisition.



Dan Bowtell,
Corporate Finance Partner

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SME DEAL OF THE YEAR 2016

We are delighted to announce that we have won SME Deal of the Year for the second year running at Insider's Dealmaker Awards.

The Insider Dealmaker Awards remain an extremely prestigious and well regarded event in the region's calendar, bringing together the key corporate finance firms and individuals who have been busy successfully creating deals over the past 12 months.

Smith Cooper were shortlisted for three categories; Advisory Team of the Year, SME Deal of the Year and Deal of the Year at the 2016 Awards which took place on 19th May, and on the night scooped the SME Deal of the Year for the sale of the UK's largest designer-outlet jewellery chain, Chapelle Jewellery, to Hilco Capital.

John Farnsworth, Corporate Finance Partner commented: "We were delighted to be shortlisted for three Awards, but winning SME Deal of the Year two years running was the icing on the cake – and a tribute to the hard work of the whole Smith Cooper team".

The deal was led by Smith Cooper's Corporate Finance team members John Farnsworth and David Crump who acted as lead advisers to Paul and Margaret Mortimer, shareholders of the 24-site Chapelle Jewellery business. Legal advice was provided by Martyn Brierley of Flint Bishop, whilst Natasha Smith, a Partner specialising in transactional tax at Smith Cooper, provided tax advice.

In 2015 Smith Cooper Corporate Finance had a record year, ranking 9th in terms of deal volume in the Midlands.

MEET OUR NEWEST TEAM MEMBER

We have recently expanded our Birmingham team with the appointment of Adam Widerkiewicz.

Adam joins our Birmingham office as a Corporate Finance Senior Executive.

Prior to joining Smith Cooper Corporate Finance Adam worked at E&Y specialising in the Financial Services sector. He worked with some of E&Y's largest clients, namely BlackRock and M&G, and specialised in working with asset management firms, ranging from individual investment funds to large corporate asset managers.

Adam commented: "What attracted me to Smith Cooper is the firm's excellent reputation in the region created through its depth of knowledge.

"The latter combines multidisciplinary skillsets (being corporate finance, taxation, sector knowledge etc.) which differentiates Smith Cooper's transactional expertise from its competitors. Such expertise ensures the delivery of outstanding results for the firm's entrepreneurial client base."



Adam Widerkiewicz,
Corporate Finance Senior Executive

LEADING FROZEN MEALS BUSINESS ACQUIRED BY APETITO

WFF Crieff Limited, the operator of a large Wiltshire Farm Foods (“WFF”) business in East Central Scotland, has been sold to apetito Limited, the parent of the WFF business in the UK. WFF is the UK’s leading frozen meals delivery service, operating a franchise model with over 70 franchisees in the UK.

The deal was initiated, and full deal management services were provided to the Sellers, by Smith Cooper.

The Seller, comprising various members of the Lamont family, were amongst the earliest UK franchisees, starting their WFF business in Crieff, north of Edinburgh, in 1992. Since then they successfully built the business to become a multi-million pound turnover operation delivering over 1 million meals a year in a territory north and south of Edinburgh.

Former owner and Managing Director Douglas Lamont commented “Wiltshire Farm Foods is the clear market leader in its sector and we have thoroughly enjoyed being a part of its growth story and success over the last 23 years here in Crieff. As regards our advisers, the skill and professionalism shown by Smith Cooper exceeded the family expectations resulting in a very swift completion to everyone’s mutual satisfaction. They come with our highest recommendation”.

Corporate Finance Partner John Farnsworth, commented: “We are delighted to have secured an exit for the Lamonts who have built one of the largest WFF businesses in the UK; it is very satisfying to have worked with the family to crystallise all the hard work and care they have poured into the business over the last 23 years”.

apetito Limited, which operates its franchise business through WFF in the UK, is a subsidiary of German-headquartered apetito group which has operations in Germany, France, the Netherlands and Canada as well as in the UK. The group, which has a turnover of over €800m and employs over 8000, manufactures and supplies carefully nutritiously balanced meals to Care Homes, Local Authorities and Hospitals and, through WFF, to individual householders.

Spokesman for apetito Limited, Kevin Rosevere said “we are delighted to have acquired WFF Crieff and wish the Lamont family a long and enjoyable retirement”.



EXPERT ADVICE SOUGHT BY FOOD AND DRINK SECTOR OPERATORS

Smith Cooper's leading position in the food and drink retail sector has brought in 3 further assignments in the last couple of months.

The first was a valuation of a very large coffee shop business on behalf of the company and its private equity backers. Our knowledge in

this sector was then sought by a very large hospitality group which needed commercial diligence and bid support advice on the potential acquisition of an independent retail coffee brand. Smith Cooper were able to draw on a significant cache of sector experience that ranks us no.1 UK adviser in a number of coffee sector brands.

The third assignment was a diligence exercise on the sustainability of the multi-million profit flow of a significant restaurant group, also involving the creation of a complex financial model, in connection with its acquisition from its international parent.

TEAM TELECOM GROUP (TTG) REFINANCE BANKING FACILITIES

Smith Cooper recently advised TTG in securing a funding package to aid its next stage of development and allow for further international growth.

TTG is based in Derby and delivers mission critical communication solutions to its global customer base many of which are blue chip clients and Governments.

Darren Hodson, Corporate Finance Partner, commented "We are delighted to have advised in this important fundraising, provided by HSBC. The Midlands has regularly produced

entrepreneurial businesses that can operate globally. TTG exemplifies this, possessing the expertise and having invested in technology and skills which resonate with clients globally, many being Government bodies. TTG has been supported by HSBC over a number of years and it will remain a strong funding partner for the group in the future."

Stuart Grantham, director of HSBC Leveraged Finance Midlands, said: "HSBC has supported TTG over a number of years and we are delighted to continue this support, enabling this dynamic and experienced management

team to further grow the business. We look forward to working together with TTG as it continues to expand its global presence."

Phil Williams of TTG commented "TTG have found Smith Cooper to be an extremely professional organisation that has allowed us to put in place a package that fits our needs for the next period of growth."



OTHER RECENT TRANSACTIONS



Smith Cooper were recently referred into an Irish accounting software client to provide diligence services in connection with its acquisition of a £3m software developer target based in Southern England.



Smith Cooper recently provided due diligence support by way of a desktop pre lending review on behalf of Royal Bank of Scotland and their client, Adept Care Homes, in the acquisition of part of Avery HealthCare's portfolio of care homes.



The management team of a London-based designer and installer of air conditioning have recently bought out their company, funded by bank debt.

The company mainly services large multi-national customers' London offices and employs around 40 staff.

Smith Cooper advised on the transaction, which involved two of the director/shareholders buying out the third shareholder, assisted on the fundraising and group restructuring, and provided tax advice.



Smith Cooper recently provided corporate finance advisory, VAT and diligence services to a US based industrial conglomerate making its first UK acquisition.

The acquired business is a leading £2m turnover UK-based manufacturer of clean room testing equipment that is exported globally.

The products, which are used in hospitals, labs and other such "clean environments", and the international distribution channels provide the buyer with an important foothold in Europe and access to European and African markets for its products.

OUR TEAM



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