

MAZARS 2016 CORPORATE FINANCE HIGHLIGHTS



MAZARS SECTOR SUMMARY

Aerospace

Cloud Computing

Construction

Engineering

Food

Health & Science

IT Software

Motor

Precision Engineering

Power Generation

Travel

Oliver Hoffman
Head of Corporate Finance



Happy New Year and welcome to 2017.

2016 was a very active year for the Corporate Finance team at Mazars and this document showcases a selection of the transactions that we advised on during the year.

Reflecting on the year and what we have done, there are some recurrent themes that have influenced our activity during the year and these are as follows:

- **Very strong overseas interest in UK companies.** An increasing proportion of companies we sell are bought by overseas acquirers; the selection of deals herewith include buyers from Germany, Japan and India. This has been positively influenced by a weaker sterling but, moreover, UK assets are seen as high quality and relatively safe by many international buyers.
- **Private equity keen to buy.** There is no shortage of capital looking for a home and private equity continues to compete strongly for acquisition opportunities. The market has also broadened with the establishment of more debt funds seeking safer, lower return transaction opportunities.
- **M&A activity across the sectoral spectrum.** Whilst some sectors are hotter than others, we have seen a broad array of buyers and sellers in virtually all sectors where we have transacted in. M&A activity is firmly on the board room agenda and confidence is higher than it has been for a number of years.

These themes continue to be evident in the transactions that we are advising on currently and we expect them to influence M&A activity into the medium term.

Oliver Hoffman
Head of Corporate Finance



Selection of 2016 Corporate Finance transactions



Mazars advises on the management buy-out of care provider, **Home from Hospital** backed by **Spring Ventures**.



Mazars advises the vendor on the sale of drinks wholesaler, **H B Clark & Co (Successors) Limited** to fast growing wholesale group **Kitwave**.



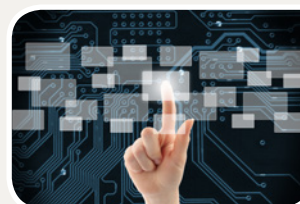
Mazars advises on the double acquisition by **innergy Group** of Castleford-based **Castle Energy Group** and Harrogate-based **HB Dobson Limited**.



Mazars advises on the acquisition by **Liberty Hall Capital Partners** of global aerospace and power industries supplier **Bromford Industries**.



Mazars advises the vendors on the sale of North East based **JBT Waste Services Limited** to German waste management group **Remondis**.



Mazars advises the vendors on the sale of software-as-a-service provider **ICON** to **Elecosoft plc**.



Mazars advises the vendors on the sale of **Scaffold Erection Services Limited** to **Denholm Industrial Group**.



Mazars advises the vendors on the sale of ethnic food supplier **Scotch Frost of Glasgow Limited** to Japanese agricultural cooperative **Zen-Noh**.



Mazars advises the vendors on the sale of precision engineering business **SPAW Engineering Limited** to **Shield Group Limited**.



Mazars advises the vendors on the sale of cloud computing services provider **NetCentrix Limited** and its subsidiary **SystemHOST Limited** to **Elitetele.com plc**



Mazars advises the vendors on the sale of specialist holiday operator **Travelstyle Tours Limited** to **National Holidays Limited / Shearing Leisure Group**.



Mazars advises on the sale of specialist audio equipment manufacturer **SME Limited** to **Cadence Audio**.



Mazars advises on the management buy-out of care provider, **Home from Hospital** backed by **Spring Ventures**.

Management buy out of care provider Home from Hospital

The Corporate Finance team from Mazars advised on the acquisition of Home from Hospital Limited (HFH), by a management team led by CEO Catherine Hellary, supported by private equity firm Spring Ventures (Spring), from its original founders.

HFH was founded in 2010 to provide long-term homecare for individuals with highly complex medical needs such as acquired brain injuries or neurological conditions. The business currently works with 22 Clinical Commissioning Groups across London and the South East, and cares for the needs of c.130 individuals.

"The Corporate Finance team from Mazars were instrumental in the successful completion of the HFH Healthcare MBO demonstrating exceptional commitment, expertise and dedication throughout. The professional guidance from both the Corporate Finance team and the Tax team was outstanding which helped to make the process straightforward and logical. I would like to thank them for all their hard work and efforts in what has been achieved."

Catherine Hellary, CEO



Mazars advises on the acquisition by **Liberty Hall Capital Partners** of global aerospace and power industries supplier **Bromford Industries**.

Acquisition of Bromford Industries by Liberty Hall Capital Partners

The Corporate Finance team from Mazars advised on the acquisition by Liberty Hall Capital Partners (Liberty Hall), a US private equity firm focused exclusively on investments in businesses serving the global aerospace and defence industry and complementary industrial end markets, of Bromford Industries (Bromford), a leading supplier of complex, close tolerance engine components, fabrications and assemblies and landing gear components for the global aerospace and power generation industries.

Bromford will serve as the foundational asset for Liberty Hall's newest strategy to build a diversified engine component supplier to the global aerospace and power generation industries through organic investments and strategic acquisitions.

Mazars Corporate Finance advised the management team led by Gary Lowe, CEO.



Mazars advises the vendors on the sale of **Scaffold Erection Services Limited** to **Denholm Industrial Group**.

Sale of Scaffold Erection Services Limited to Denholm Industrial Group

Scaffold Erection Services Limited (SES), based in North Birmingham, has over 40 years of experience as a family owned premier contract scaffolding and access solutions provider. The business has an excellent reputation in the marketplace and has developed a diverse blue chip customer base which includes Jaguar Land Rover, Wates, Interserve, Wilmott Dixon and Walsall Housing Group.

Denholm has a longstanding history in the fields of Shipping, Logistics, Oil Field Services and over recent years has developed a Contracting Division. The acquisition of SES provides this Contracting Division with a strong platform for growth across the wider Midlands and facilitates national coverage for the business.

Mazars Corporate Finance advised the shareholders of SES.



Mazars advises the vendors on the sale of cloud computing services provider **NetCentrix Limited** and its subsidiary **SystemHOST Limited** to **Elitetele.com plc**.

Sale of NetCentrix Limited and its subsidiary SystemHOST Limited to Elitetele.com plc

NetCentrix Limited, based in Lancashire, specialise in architecting bespoke cloud platforms for a mixture of public and private sector clients.

NetCentrix was founded in 2002 and enjoys an excellent reputation for designing, implementing and managing enterprise IT solutions.

Elite Telecom is the leading unified communications provider (it has been named in the Sunday Times Tech Track 100 list four times), delivering an unrivalled, next generation product portfolio to businesses that is designed to increase efficiency, cut costs and deliver return on investment.

The acquisition of NetCentrix is a key move for Elite Telecom as it continues to grow its Managed IT and Cloud division by acquiring an established group offering a complimentary, innovative product set.

"We are extremely excited to be joining Elite and becoming part of the team. Our products greatly complement Elite's existing solutions and we are very much looking forward to launching the combined offering into the market."

Phil Scanlon, Managing Director



Mazars advises the vendor on the sale of drinks wholesaler, **H B Clark & Co (Successors) Limited** to fast growing wholesale group **Kitwave**.

Sale of drinks wholesaler H B Clark & Co. (Successors) Limited to Kitwave

H B Clark & Co. (Successors) Limited, headquartered in Wakefield, is one of the UK's largest independent alcohol and soft drinks wholesalers, supplying alcohol and soft drinks to the on-trade sector. Operating across the wider North of England from 11 depots, the company also produces its own brand craft ales. It generates an annual turnover in excess of £80m.

Kitwave is a circa £300m turnover group with a clear strategy to grow by acquisition (it was named in the Sunday Times Top Track 250 list) and prior to this deal was the 15th largest UK based wholesaler. The acquisition of H B Clark gives the group access to a new market and significantly increases total group turnover.



Mazars advises the vendors on the sale of North East based **JBT Waste Services Limited** to German waste management group **Remondis**.

Sale of JBT Waste Services Limited to Remondis

JBT Waste Services was founded in 1972 by John and Glynis Binks who have grown the business to make it one of the leading waste collection and treatment companies in the North East of England. From its two sites in Bedlington and Birtley, North and South of the River Tyne, the company offers a wide range of waste management services. In recent years JBT has experienced rapid growth and now processes over 220,000 tonnes of waste per annum, employing 150 staff.

Remondis UK, part of the €12bn turnover Rethmann Group, currently offer hazardous waste services through its collection and treatment operations in Prescot, located between Manchester and Liverpool. With the JBT acquisition, Remondis will be able to complete its portfolio with a view to becoming one of the major full-service suppliers on the UK waste management market.



Mazars advises the vendors on the sale of ethnic food supplier **Scotch Frost of Glasgow Limited** to Japanese agricultural cooperative **Zen-Noh**.

Sale of Scotch Frost of Glasgow Limited to Zen-Noh

Scotch Frost of Glasgow was established in 1967 and is credited as being one of the longest established suppliers to the UK's specialist ethnic food sector. It is a leading importer and distributor of frozen, fresh and ambient food products, drinks and packaging, from Europe, Asia, Australia, Africa, New Zealand and South America, with a product range in excess of 1,000 lines. Based in Glasgow, the business also operates sites in Inverness, Newcastle, Harlow and Dublin, generating annual turnover of around £55 million.

Zen-Noh, a federation of agricultural cooperatives in Japan, is a supplier of fresh, Japanese produced agricultural and livestock products to consumers, and is one of the world's largest importers of animal feeds and agricultural fertilizers. Zen-Noh's combined revenue is in excess of £38.7 billion.

"Having the backing of the Zen-Noh cooperative will give Scotch Frost the platform to further increase our presence in the UK whilst also providing Zen-Noh access to a comprehensive distribution network and a route to market for its high end products in the UK. The completion of the transaction marks a strategic acquisition for Zen-Noh, and we wouldn't have been able to locate this buyer without the help of Mazars".

Derek Loudon, Scotch Frost of Glasgow Limited vendor



Mazars advises the vendors on the sale of specialist holiday operator **Travelstyle Tours Limited** to **National Holidays Limited / Shearings Leisure Group**.

Sale of Travelstyle Tours Limited to National Holidays Limited / Shearings Leisure Group

Travelstyle Tours Limited, headquartered in Chesterfield, which operates through the brands Travelstyle and UK Breakaways, is a highly regarded and award winning provider of coach and self-drive holidays to numerous destinations throughout the UK and Europe.

The Company has over 20 years of experience in the industry.

As part of its long-term growth strategy, the Shearings Leisure Group completed the acquisition of Travelstyle to further consolidate its position as one of Europe's largest specialist holiday operators, saying it would complement its business by expanding its regional presence in the UK.



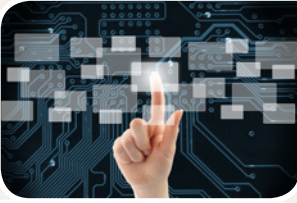
Mazars advises on the double acquisition by **innergy Group** of Castleford-based **Castle Energy Group** and Harrogate-based **HB Dobson Limited**.

Acquisition of Castle Energy Group and HB Dobson Limited by innergy Group

innergy Group, the Yorkshire-based gas and equipment experts, has acquired Castleford-based Castle Energy Group and Harrogate-based HB Dobson (Gas) Limited.

One of the largest independent suppliers of solid fuels in the UK, Castle Energy supplies hundreds of forecourts, restaurants, garden centres and wholesalers with coal, charcoal, wood and bottled gas throughout Yorkshire, Humberside, Lancashire and the North Midlands. HB Dobson is a leading supplier of bottled gas to local businesses in North Yorkshire.

Castle Energy will become innergy Solid Fuels Ltd and HB Dobson (Gas) Limited will be integrated into innergy LPG Ltd, divisions of the fast growing innergy Group.



Mazars advises the vendors on the sale of software-as-a-service provider **ICON** to **Elecosoft plc**.

Sale of ICON to Elecosoft plc

Market Harborough-based software business which works with many of the UK's best-known retailers has been acquired by Elecosoft for £2.4m.

ICON is a software-as-a-service provider of building information and related data management and storage systems, principally to the UK retail sector.

Customers include Asda, Boots, the Central England Co-operative, John Lewis, Morrisons, Sainsbury's and Waitrose.

The deal is expected to assist Elecosoft and ICON in accessing new markets, benefit from cross-selling opportunities and enhance the recurring revenue generated by their respective software solutions.



Mazars advises the vendors on the sale of precision engineering business **SPAW Engineering Limited** to **Shield Group Limited**.

Sale of SPAW Engineering Limited to Shield Group Limited

SPAW Engineering, operating from a 40,000 square foot site in Oldham, is a precision engineering business who specialise in the machining of turbo charger components to the automotive and commercial vehicle industry.

The Company is highly regarded and well known within this sector.

Shield Group, a Leicester-based business and one of the largest engineering Groups in the UK, specialise in providing machining and assembly solutions to the power generation, off highway, construction and automotive industries. Shield Group was looking to further grow its existing business within the automotive supply chain to the customer book which SPAW has.



Mazars advises on the sale of specialist audio equipment manufacturer **SME Limited** to **Cadence Audio**.

Sale of SME Limited to Cadence Audio

SME Limited designs and manufactures high end turntables and pick up arms and are known to be the elite of the Hi-Fi industry.

The company also has a precision engineering division which has carried out work for the F1, aviation industry and food industry in the past.

The sale was a cross border deal, to Indian-owned Cadence Audio S A – a large player in the Hi-Fi industry, manufacturing audio amplifiers, speakers, signal processors and subwoofers.

Mazars provided a full project-managed sale service to the shareholders of SME Limited.

Mazars key contacts

Oliver Hoffman, Partner

National Head of Corporate Finance

T: (0)113 387 8725

E: oliver.hoffman@mazars.co.uk

Birmingham

Nick Johnson, Partner

T: (0)121 232 9631

E: nick.johnson@mazars.co.uk

Leeds

Rob Burton, Partner

T: (0)113 387 8726

E: robert.burton@mazars.co.uk

London

Simon Fitzsimmons, Director

T: (0)20 7063 4382

E: simon.fitzsimmons@mazars.co.uk

Manchester

David Hilton, Director

T: (0)161 831 1126

E: david.hilton@mazars.co.uk

Sutton

Adrian Alexander, Partner

T: (0)20 8661 4196

E: adrian.alexander@mazars.co.uk

East Midlands

Paul Bevan, Partner

T: (0)115 964 4727

E: paul.bevan@mazars.co.uk

Edinburgh

Kevin Windram, Partner

T: (0)131 313 7900

E: kevin.windram@mazars.co.uk



Mazars LLP is the UK firm of Mazars, an international advisory and accountancy organisation, and is a limited liability partnership registered in England with registered number OC308299. A list of partners' names is available for inspection at the firm's registered office, Tower Bridge House, St Katharine's Way, London E1W 1DD.

Registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861.

© Mazars LLP 2017 –01 34533