

# Corporate **UK**

• the premier strategic finance magazine

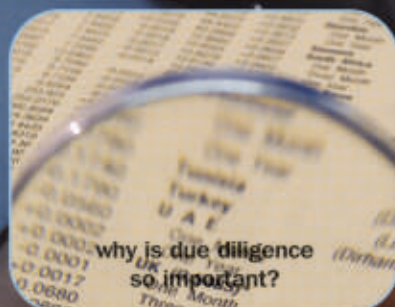
## spreading the risk

the advent of UK  
multi-managing  
pension funds

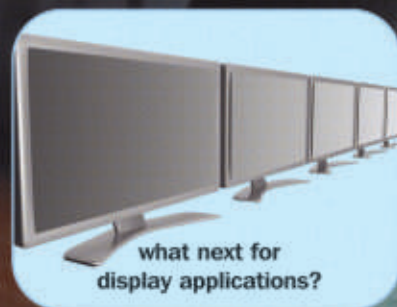
the steps to AIM



the rise of  
due diligence



life after LCD



## Digital Healthcare funding

**Digital Healthcare, Cambridge-based manufacturers of ophthalmic and diabetic retinopathy software, have received £3m of funding from numerous venture capital and private equity firms.**

The consortium of investors consists of Albany Ventures, Elaia Partners, Sitka Partners and YFM Private Equity.

Digital Healthcare are collaborating with Graphnet to provide digital retinopathy screening that links in with GP patient records held on Graphnet software.

Digital Healthcare has been very successful in developing medical imaging software applications for use worldwide. The Company has established links within the UK and US ophthalmology networks.

Steven Fraser of Grant Thornton acted as reporting accountant to the providers of equity in Digital Healthcare.

Mr Fraser said: "The syndicate members are well placed to provide more than just equity to Digital Healthcare. They will be able to support the already strong management team in developing and managing the growth of the business into the future.

"Following the "dot-com" boom it is clear that companies in the technology space with a credible product, a proven

management team and a clearly defined target audience will continue to attract equity investment. Digital Healthcare have met all of these criteria and are well placed to succeed in the future."

Green Island Software conducted the technical due diligence on the product and the technical team. David Williams, who led the Green Island team, said: "I regard Digital Healthcare as a very promising company combining well-crafted technology with excellent sector knowledge."

Brocair Partners advised Digital Healthcare on the transaction, particularly with respect to the due diligence on the U.S. healthcare market vs. the U.K. NHS, the ophthalmology and diabetes markets in the U.S., Digital Healthcare's U.S. competitive landscape, and potential exit strategies for the principals and investors.

Gregg Blake led the Brocair team and said: "The cross-border flavour of the transaction was very interesting. While this was a situation where a European company received an investment from a group of European VCs, a large part of the opportunity the investors perceived in Digital Healthcare was their U.S. strategy: to stake a claim in a growing therapeutic area (the diagnosis and treatment of diabetic retinopathy) within the largest healthcare market on earth."

## Brambles eat up Harry Mason

**Brambles Foods Group Ltd, a sandwich manufacturer that was subject to a management buy-in backed by NBGI Private Equity two years ago, has acquired the trade and assets of a competitor, Harry Mason (UK) Ltd.**

Both Brambles and Harry Mason supply sandwiches and related products to the food service sector with focus on the education, health, leisure and corporate sectors. Brambles is based in Middlesbrough and the Harry Mason facility is in North London.

Brambles has grown at 25 to 30% per annum since the buy-in and the acquisition will allow the business to accelerate its ambitious development plans. The Harry Mason manufacturing facility will double the group's production capacity and provide a gateway to better servicing of customers in Southern England. The deal will take the group's turnover to over £20 million.

Chief Executive, Howard Farquhar, said, "Acquiring a base in the South of England is the latest step to realising our ambitious growth plans and we believe it will unlock further potential and provide Brambles Foods with the capacity to provide an even better service to customers."

NBGI Private Equity Director, Richard Morley, said, "Brambles has been a real success story since our Fund invested in

the business in July 2003. The Harry Mason acquisition enables the group to take advantage of the enormous opportunities in the market for further substantial growth."

NBGI Private Equity was formed to invest in established small to medium-sized "traditional economy" businesses across the UK. This sector is the backbone of the economy but, as the marketplace has matured, NBGI believe it has become less well served by many private equity providers.

Since the first fund of Euros 100m was launched in June 2000 they have rapidly established a strong reputation in the private equity market

The Royal Bank of Scotland provided senior debt to Brambles Food Group Ltd.

Lindsay Evans, Senior Manager in Corporate & Structured Finance at The Royal Bank of Scotland commented: "The deal provides an excellent growth platform in an area where there is growing demand for these services. This is the first time we have worked with the management team at Brambles and we look forward to building a strong relationship with them moving forward."

Financial due diligence was conducted by Tenon. Brambles Foods were advised by Eversheds in Nottingham and Ernst & Young in Newcastle.

### Digital Healthcare Funding

Equity Provider:



Financial Due Diligence provided by:



Legal Adviser to Management:



### Brambles Foods acquisition of Harry Mason (UK) Ltd

Debt provided by:



Legal Adviser to Royal Bank of Scotland:



Legal Adviser to Brambles Foods:



Financial due diligence provided by:

