



# Phase Vision receives £1.5m investment to fund growth and export

The Lachesis Fund are delighted to be able to report that Phase Vision has closed a £1.5m funding round led by Qi3 Accelerator and Octopus Investments.

A Loughborough-based industrial inspection instrumentation company Phase Vision's instruments help the aerospace, automotive and nuclear industries to manufacture and test systems more quickly and cheaply and with reduced environmental impact.

Phase Vision has developed and sells a range of high precision measurement devices to manufacturing companies. Its white light metrology products bring analysis tools that were once the domain of the metrology lab to the production line, aircraft hangar or shipyard. Results are obtained in seconds, not the hours or days required by other systems. This is crucial to 21<sup>st</sup> century manufacturing, and Phase Vision's systems are already installed in a variety of manufacturing applications. The company will use the funds raised to employ more staff and grow its UK and export sales.

Following a successful presentation at London Business Angels, Qi3 Accelerator offered to work with Phase Vision and existing investors Octopus, Lachesis and Loughborough University to bring together a syndicate. This broad group includes investors from Qi3 Accelerator, London Business Angels and the LBA EIS Roundtable Syndicate Fund, MDT, Wren Capital, East Midlands Business Angels, Martlet, Cambridge Angels, Cambridge Capital Group and a co-investment fund. Existing investors, management and staff backed the round.

Phase Vision CEO Ralph Weir said 'I'm delighted to have received this support from our existing investors and the business angel community. We have an exciting and innovative product which is now being adopted by major manufacturing companies and I'm keen to see it roll out around the world. Our team has worked hard to get Phase Vision to this stage and now we have the resources to go for growth'.

Qi3 Accelerator Managing Director Nathan Hill, who has joined the Phase Vision Board as a non-executive Director said 'I'm passionate about participating in the resurgence of British High Value Manufacturing and Engineering businesses. We work as an open syndicate, bringing together the skills and financial resources of a wide range of investors with technology and business experience. I'm particularly pleased that Phase Vision's products enable efficient manufacture with reduced environmental impact. I look forward to seeing this business grow from strength to strength'.



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### **Background notes on consortium members**

#### **About Phase Vision [www.phasevision.com](http://www.phasevision.com)**

Phase Vision has been a pioneer in the development of full field white light 3D micro-metrology since 2002. We design and manufacture one of the fastest, most accurate medium- to large-volume 3D measurement solutions in the world, with clients spanning some of the biggest names in Aerospace Engineering, F1 Motorsport, Marine, Advanced Composites and General Industrial Manufacturing. Robust hardware and software solutions engineered for the most demanding customers are designed, manufactured and quality tested at our new high-tech facility in the UK. Leading-edge scanners, seamless compatibility with the latest 3D CAD software together with a “Can Do” approach to problem solving makes Phase Vision the ideal metrology partner for manufacturers. Phase Vision technology helps optimise processes, save time, reduce costs and offers new ways of approaching common engineering and measurement problems more effectively.

#### **About Qi3 Accelerator [www.qi3.co.uk/accelerator](http://www.qi3.co.uk/accelerator)**

Qi3 Accelerator is a team of active angel investors which specialises in supporting companies by rapidly commercialising their products; achieving early sales without the expense of full time staff or the payment of high upfront fees. Qi3 Accelerator is suitable for entrepreneurs who know that they need expert and enthusiastic input from our commercial and engineering teams in addition to financial capital. We invest primarily in the domain of High Value Manufacturing and engineering, including the sustainability, security and healthcare sectors.

Experienced investors Nathan Hill, Paul Anson and Tim de Vere Green lead the Qi3 Accelerator team, supported by investment analysis and other skills sourced from Qi3. We work with an Accelerator Club formed from a number of trusted Associates, who offer extensive business, technical and engineering expertise. This allows us to form a flexible ad hoc team to evaluate propositions and then support the business. The Qi3 Accelerator team is linked to several formal and informal Business Angel networks.

#### **About Octopus Investments Ltd [www.octopusinvestments.com](http://www.octopusinvestments.com)**

Octopus Investments, founded in 2000, is a leading investment specialist. It offers innovative core and satellite investment solutions to UK investors, and a wide range of funding options for exceptional companies. Its core investments include a discretionary management service, multi-manager multi-asset OEICs, and single manager OEICs. These are complemented by a range of satellite solutions, including venture capital trusts, enterprise investment schemes and inheritance tax products. Each product has been designed to solve specific problems faced by financial advisers and their clients. Its funding solutions cover the entire capital structure, from equity through mezzanine to senior debt, and it seeks out outstanding management teams in unlisted companies with whom it can partner.

Octopus has built its business around three core pillars: customer led innovation, excellence in customer service and the quality of its people. It employs more than 200 people and currently manages more than £2.3 billion on behalf of investors. Octopus has won a number of awards for its products and customer service, has twice been voted one of the best 100 SMEs to work for by the Sunday Times, and is one of only two UK fund management companies to be AAA rated by financial advisers for customer service.



**About Cambridge Angels <http://cambridgeangels.com/>**

The Cambridge Angels is a group of angel investors who have proven experience as successful entrepreneurs in technology and bio-technology. Members invest in and mentor high quality start-up and early-stage companies in these sectors in Cambridge, across the UK and sometimes internationally.

**About Cambridge Capital Group <http://www.cambridgecapitalgroup.co.uk/>**

Cambridge Capital Group (CCG) is a leading business angel group of 40 investors who have been investing in hi-tech businesses for ten years. We formed in the autumn of 2000 and have been backing technology start-ups in the region since then. Members have invested several millions of pounds into more than 25 live portfolio companies in the Cambridge technology cluster.

We are a private syndicate of angel investors and have been active since our first investment in early 2001, although the founders have been successful private investors in technology start-ups since the mid 1990's: the founders of Cambridge Capital Group backed Bookham Technology and nCipher in early funding rounds, both of which floated very successfully on the London Stock Exchange in 2000.

Successes include ITM Power and Bango, both listed on AIM, and DanioLabs, sold to Summit Plc. Most recently portfolio company, Phonetic Arts, was acquired by Google in December 2010, and Ubisense listed on AIM in June 2011, giving attractive returns to seed investors.

**About East Midlands Business Angels <http://www.em-ba.co.uk/>**

East Midlands Business Angels runs an investor club enabling members to make tax efficient investments together in growth companies with strong management.

**About the Lachesis Fund [www.lachesisfund.co.uk](http://www.lachesisfund.co.uk)**

The Lachesis Fund invests in spin out companies emerging from our partner Universities (De Montfort University, University of Derby, Loughborough University, University of Leicester, University of Lincoln, University of Northampton, University of Nottingham and Nottingham Trent University). Investments range in size from £25k to £250k.

Lachesis is a £10.25m fund, seeking to fill the 'seed-corn' funding gap that exists for very early technologies in the higher education sector and is part-financed by the European Regional Development Fund. Investments from the fund will help the commercialisation of promising University research by starting a new business, leveraging in co-investment and furthering the enterprise culture within the partner institutions. Investments support projects in various ways: securing of commercial staff, enhancing and verifying intellectual property, prototype development, market research and business plan preparation. The Lachesis fund invests in projects where it sees the potential for financial return. It is not a grant funder.

**About London Business Angels <http://www.lbangels.co.uk/>**

LBA is one of the most experienced private angel networks in the UK. Since the early 1980s the network has been connecting innovating fast growth small and medium sized enterprises with investment through our network of business angel investors. LBA, part of Angel Capital Group, is professionally managed by a highly experienced management team, leveraging over 15 years' experience in the early stage investment marketplace as established leaders in the development of new angel-led early stage investment initiatives, and nearly 30 years' investing experience through the LBA network. LBA is a founding member of the British Business Angels Association, the industry's best practice trade association, and is also a member of EBAN, the European Business Angels Network.

**About The London Business Angels EIS RoundTable Syndicate Fund (2011)**

The London Business Angels EIS RoundTable Syndicate Fund is the culmination of 30 years' experience of pioneering innovation in the UK Angel investment market. This HMRC Approved EIS Fund offers LBA Investors a way to acquire a portfolio of investments, while taking advantage of the personal tax relief offered by the Enterprise Investment Scheme.



**About Loughborough University [www.lboro.ac.uk](http://www.lboro.ac.uk)**

Loughborough is one of the country's leading universities, with an international reputation for research that matters, excellence in teaching, strong links with industry, and unrivalled achievement in sport and its underpinning academic disciplines.

Loughborough University has an excellent track record in commercially applying world-class research to maximise the economic and societal impact of its work. This is carried out in partnership with multinationals to SMEs, spanning all industry sectors.

Phase Vision is one of numerous spin out companies which have been generated from Loughborough's diverse research portfolio. The commercialisation and licensing of new technologies is supported by the IP Commercialisation Team within the University's Enterprise Office.

**About Martlet <http://www.martlet.org.uk/>**

Martlet is the investment arm of the Marshall of Cambridge group, providing small (initially £10K to £100K) sums of capital for early-stage technology start-ups that are located in the UK, with a bias towards Cambridge and East Anglia. Martlet will almost always co-invest with angels and small seed funds, and has the capacity to follow in subsequent investment rounds.

We focus on companies that have completed the proof of concept stage, and usually will have achieved some sales/grant revenues. In all cases, there must be a strong and demonstrable commercial demand for the technology under development.

As part of the Marshall Group (encompassing aviation, aerospace and commercial/consumer vehicles), with approximately £1 billion of sales, employing over 4000 people, our investees may have the opportunity to work with our operating companies.

**About MDT [www.mdt-uk.com](http://www.mdt-uk.com)**

MDT is an independent firm with over 20 years of experience in providing financing solutions across a broad range of industries and sectors including cleantech and transportation. In aggregate, MDT has raised over \$30bn for its clients.

Other investors include early stage investors Wren Capital [www.wrencapital.co.uk](http://www.wrencapital.co.uk)

Advisors to the transaction included Gates and Partners, Osborne Clarke, Shoosmiths and Wragge & Co.

**Notes for editors:**

**About ERDF**

The East Midlands is one of nine English regions to qualify for Competitiveness and Employment funding.

Under the 2007-13 programme, the region can receive €268.5m of European Regional Development Fund (ERDF) investment.

**Priorities**

The East Midlands Operational Programme Document outlines the investment priorities for the region. It focuses on two main priorities:

Priority 1 - Increasing productivity through innovation and sustainable business practice  
This priority will focus on increasing commercialisation of innovation of small and medium-sized enterprises in the region's priority sectors: transport equipment, construction, food and drink, health and in businesses with high growth potential to create higher value added products and services. It will include support for small and medium-sized enterprise engagement in Research and Development for emerging technologies and for innovation to improve resource efficiency.





Priority 2 - Increasing sustainable economic and enterprise activity in disadvantaged communities  
This priority will focus on stimulating economic and enterprise activity in the most disadvantaged areas whilst exploiting the potential linkages to adjacent areas of economic growth, through a range of actions but with a strong focus on enterprise and start-up activity. It will also aim to create new economic opportunities by building local capacity, resources and support; reviving local infrastructure and environments and stimulating and supporting enterprise.

The full East Midlands Operation Programme Document setting out the strategy of the programme can be found with other documents of interest on the following pages.

For more information contact the ERDF Programme Delivery Team: East Midlands on 0303 444 6427 or email [em.erdferquiries@communities.gsi.gov.uk](mailto:em.erdferquiries@communities.gsi.gov.uk).