

## NEWS COMMENT AND ANALYSIS ON THE YOUNG COMPANY MARKET

# Clear Returns convinces angels



Clear Returns provides predictive analytics services to e-commerce retailers, to help them reduce the number of returns.

The company has completed a £220k fundraising, comprising £100k investment from Angels Den and Angel Academe, together with £20k SEIS angel investment already in place, and matching funding from the Scottish Seed Fund. The investment will be used to expand the sales team and further develop the company's technology.

Clear Returns founder and CEO Vicky Brock notes "Our focus now is to close our first wave of enterprise sales and build up valuation ahead of a £1 million series A ideally by Christmas."

Angel Academe (<http://angelacade.me>) is a network for professional women with extensive business experience who want to support tech entrepreneurs, particularly other women, as mentors, non-execs and angel investors. Its members have skills including finance, HR, legal and marketing through to technical, PR and sales.

Vicky met Angels Academe via Astia (<http://astia.org>), an organisation that provides "capital, connections, and guidance that fuel the growth of highly innovative, women-led ventures across the globe". The funding resulted from a pitch in London at Angels Den Tech Club, following introductions from Harper Macleod and Entrepreneurial Spark. In the same week Vicky pitched to the Angel Academe investors, who came in to fill the

gap between the Angels Den commitment and the company's remaining SEIS allowance.

The SEIS limit was restricted because the £30k which Clear Returns was awarded from the Scottish EDGE fund is classed as de minimis aid. Vicky comments that "it was actually very problematic and in retrospect, I may not have taken the EDGE money if it meant it was at the cost of SEIS, because it limited how much I could match from SIB".

Vicky was very keen to keep the investor base gender balanced, given it is a female led company and board, and was pleased to achieve this by involving both groups:

- 40% of shareholders are women
- 35% of all the angel investors are female and
- 50% of all the equity held by angels is with women

Earlier this month Clear Returns won the UK Business Angels Association best female led investment, and was also recently named the winner of Tech All Stars 2014 by European Commission Vice President Neelie Kroes as part of the EC's Startup Europe programme, an EU-wide search to find Europe's best young startup company and celebrate European entrepreneurship.

## Company

Company: Clear Returns  
 Incorporated: April 2012  
 Location: Glasgow  
 Sector: e-commerce

## Contact

Contact: Vicky Brock  
 Telephone: 0141 554 4175  
 Website: [www.clearreturns.com](http://www.clearreturns.com)

## Deal data

Deal date: 15 June 2014  
 Amount: £220k  
 Investors: Angels Den, Angel Academe, SIB (SSF)  
 Advisers: Harper Macleod

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## NetThings builds on Ewgeco success

NetThings is building on the success of its Ewgeco display system by widening its product range to address the market opportunities associated with the 'internet of things'.

The Ewgeco award-winning energy monitor has achieved a strong market position over the past couple of years, earning over £2 million in revenue from some 4,000 installations. The device allows the monitoring of any energy source in homes and businesses and features a patent pending traffic-light display which brings consumption data to the attention of users, giving them control and helping them to save costs. The main markets have been new-build housing developments and some local authorities, both for housing associations and for educational facilities.

Following what chief executive George McGhee calls a 'complete re-engineering' of the business, the company has re-launched as NetThings Ltd taking the name from its new hardware, software and services platform that will enable a wide array of meters, sensors, devices, plant, machinery and appliances to be interrogated and controlled via the internet. This platform will enable collected data to be analysed in the NetThings cloud and be presented to any web-connected display, whether a smart phone, tablet or third party dashboard.

NetThings is now starting to partner with other organisations which can see useful applications for the technology. One such sector is utilities, and NetThings is in discussions with a number of energy providers about applying its technology to

the control of central heating system boilers as well as intruder alarms and security monitoring.

Its first collaboration is with German energy metering firm iSTA for monitoring domestic dwellings supplied by heat from district heating plant where one boiler is shared by an entire block of flats. There is now a European Directive requiring landlords to bill apartment dwellers for the heat they actually use and not just assign an equal share of the heat bill for the entire building. This can only be determined by accurate meter readings, and the NetThings system will both enable this metering and give users the ability to control their energy usage more effectively. The company has already shipped its first prototype units to iSTA, and volume manufacturing will begin in September.

NetThings recently completed an investment of £1.3 million from existing investor Archangel Informal Investments (bringing new Archangel members on to the shareholders register) along with co-investment from the Scottish Venture Fund.

McGhee believes the company has exciting technology, in an exciting market. The internet is going through a period of explosive growth during which the number of connected devices will increase from 9 billion today to 24 billion by 2020. "We are in the right place at the right time to take advantage of a huge commercial opportunity" says the NetThings CEO.

### Company

Company: NetThings  
Incorporated: December 2006  
Location: Edinburgh  
Sector: energy & environment

### Contact

Contact: George McGhee  
Telephone: 0131 331 5445  
Website: [www.netthings.co.uk](http://www.netthings.co.uk)

### Deal data

Deal date: 9 May 2014  
Amount: £1.3 million  
Investors: Archangel Informal Investment, SIB (SVF)  
Advisers: DWF Biggart Baillie, MBM Commercial

## Flexiworkforce connects employers and jobseekers looking for flexible work

The new recruitment website has recently been soft-launched, with an official launch scheduled for later this year

The new service will benefit from changes to flexible working legislation which came into force on 30th June. Until now, only parents of children aged 16 or under, or of disabled children under the age of 18, have had the right to apply to work more flexibly. Now however all UK employees will have the right to request flexible working after 26 weeks' service.

Tracey Eker, the founder of the business, is of the opinion that the changes will force employers to consider flexible working as a mainstream option that brings a multitude of benefits

to businesses, rather than a solution solely for carers and mothers of young children.

Tracey was inspired by the difficulties she herself faced trying to get back to work after having her daughter and twin boys. "It really wasn't easy", she reflects. "With my three children getting older I was seeking employment as a skilled and experienced candidate, but found it almost impossible to find genuine part-time opportunities online, with giant job boards being hard to navigate and teeming with scams and dubious-

sounding posts. In a sense, looking for a job almost became a full-time job itself!”

She came up with the idea for Flexiworkforce just nine months ago, and approached business accelerator Entrepreneurial Spark. In September last year she entered ESpark’s Glasgow Hatchery, working alongside a host of diverse start-up entrepreneurs each developing their own individual enterprises.

Tracey herself is no stranger to the recruitment industry, having accumulated ten years of experience in the sector. Similarly, this is not her first entrepreneurial venture: “Before starting Flexiworkforce I supplemented my income by means of my two cottage industries, one based around selling vintage fashion

and the other a furniture upcycling business, Funked Up Junk. “But I thought to myself, mainstream job sites are missing a trick. Someone needs to start offering real, high-quality flexible and part-time work, in order to harness all of these experienced, skilled individuals, who, for whatever reason are excluded from the conventional ‘nine to five’ working schedule. As it stands, companies are cut off from a huge pool of untapped talent.”

The company already has a number of corporate clients, including a FTSE 100 company, and recently raised funding from business angel syndicate Kelvin Capital.

### Company

Company: Flexiworkforce  
Incorporated: 4 September 2013  
Location: Glasgow  
Sector: online recruitment

### Contact

Contact: Tracey Eker  
Telephone: 0771 992 3661  
Website: www.flexiworkforce.com

### Deal data

Deal date: 24 June 2014  
Amount: £150k  
Investors: Kelvin Capital

## Celtic Renewables signs test partnership

Celtic Renewables has signed an agreement with Europe’s foremost biotechnology pilot facility to undergo next stage testing of its process to turn whisky by-products into biofuel.

The partnership, which will allow the company to develop its technology at the Bio Base Europe Pilot Plant (BBEPP) in Ghent, has been made possible by second round funding worth £1.2million, including more than £800k from the UK Government.

Celtic Renewables, a spinout company from the Biofuel Research Centre at Edinburgh Napier University, has already proved the concept of producing biobutanol from draff – the sugar-rich kernels of barley which are soaked in water to facilitate the fermentation process necessary for whisky production – and pot ale, the yeasty liquid that is heated during distillation. In 2012, the company signed a memorandum of understanding with Tullibardine Distillery in Perthshire, which has provided it with the raw materials necessary to develop its process. It will spend the next few months seeking to replicate work done in its Scottish laboratory at an industrial scale.

It is the first company to trial biobutanol technology at the Belgian demonstrator pilot facility and also the first Scottish company to sign a partnership with BBEPP.

BBEPP was established by the EU to support the advancement of sustainable biobased processes that cut reliance on non-replaceable fossil fuels. Its focus is on converting bio-

mass, starch, cellulose, vegetable oils and agricultural waste to produce bioproducts, biomaterials and bio-energy that can be applied in a variety of sectors such as the chemical industry, food and feed, personal care, paper and pulp, textiles and energy.

It is anticipated that the work done by Celtic Renewables at BBEPP will facilitate the production of the world’s first industrial samples of biobutanol derived from whisky production residues, allowing it to be used as a direct replacement for petrol and diesel, without the need to modify engines.

The company plans to build its first commercial demonstration facility in Scotland and it is targeting a proposed £25 million fund operated by the Department of Transport to help fund this.

Celtic Renewables recently gained second round investment of £410k from private investors, and has been awarded funding worth over £800k from the Department of Energy and Climate Change (DECC) Energy Entrepreneurs Fund, which was designed to help SMEs to develop state-of-the-art technologies, products and processes that will help the UK become more energy efficient.

### Company

Company: Celtic Renewables  
Incorporated: March 2011  
Location: Edinburgh  
Sector: renewable energy

### Contact

Contact: Mark Simmers  
Telephone: 0131 455 3313  
Website: www.celtic-renewables.com

### Deal data

Deal date: 16 May 2014  
Amount: £1.2 million  
Investors: private investor, DECC Energy Entrepreneurs Fund  
Advisers: MBM Commercial

## Curapel progresses clinical trials for skin care products

Curapel has created a range of patented treatments for common and distressing skin conditions.

The company, which was spun out of The University of Manchester by UMIP, its agent for intellectual property commercialisation, is based on award-winning translational research originating from the Faculty of Medicine.

Curapel (Scotland) has received £200k, the first tranche of a potential £350k investment from Glasgow-based business angel syndicate Lancaster Capital. It will use the funding to reach key milestones on the path towards clinical trials, consumer studies and commercialisation.

Commenting on the investment, Dr Neil Gibbs and Dr Cath O'Neill, the joint founders of Curapel, said "We're delighted to have received this initial funding, which will enable Curapel to progress its technology and products towards partnering and the commercialisation of new, safe and effective treatment for patients."

Curapel's technologies are targeted at the large, unmet clinical need within the dermatology and the wider skin care sector for safe and effective treatments for eczema, psoriasis and disorders of skin pigmentation. Its products include:

*Histimex*: an oral prescription medicine for atopic dermatitis that is poised to enter Phase II clinical trials.

*Melidex*: a topical cosmetic product to manage skin pigmentation that is now entering consumer studies.

*Olidex*: a topical prescription medicine for psoriasis that is currently undergoing final studies prior to being clinically tested.

The initial cash injection from Lancaster Capital represents first round funding, and the Curapel will be seeking additional funds to take forward its three programmes through further development and clinical testing, with the aim of partnering with industry participants to commercialise the products internationally.

### Company

Company: Curapel (Scotland)  
Incorporated: October 2011  
Location: Glasgow  
Sector: healthcare

### Contact

Contact: Dr Neil Gibbs,  
Dr Cath O'Neill  
Telephone: 07764 587 698  
Website: www.curapel.com

### Deal data

Deal date: 11 June 2014  
Amount: £200k (of £350k total)  
Investors: Lancaster Capital  
Advisers: McClure Naismith,  
Weightmans

## Ocutec accelerates commercialisation of new contact lens material

Ocutec has transformed itself over the last six months and has made significant strides with its contact lens materials technology

Since November, Ocutec has brought in a new management team led by Scott Carnegie CA (chairman), Dr Roderick Bowers (CEO), and Jim Reid (sales director), who have rapidly turned the company around to create a specialist contact lens material business.

The company has closed a new funding round of approximately £500k which has been raised from founders, and from existing shareholders including angel groups Discovery Investment Fund and ChimaeraBio, along with co-investment from the Scottish Investment Bank.

This has allowed Ocutec to increase its material chemistry staffing and bring in industry technical expertise. This in turn has permitted the company to accelerate its novel polyethylene glycol (PEG) material optimisation/selection process.

PEGs are well known polymers widely used in medical devices, food packaging, skin care products and pharmaceutical injections. New lenses are now being manufactured based

around the properties of PEG science, and covering the areas of PEG based reaction cast moulding, and PEG silicone lenses. A bespoke pilot line is expected to be commissioned by the start of August, with lenses expected to complete clinical evaluation by the end of September 2014, and enter the market in late 2014.

Progress is also being made on injection moulding materials and the manufacturing process, with optimism that key solutions will emerge in 2015.

Dr Bowers commented "Our goal is to use our technology to make lenses which feel as comfortable at the end of the day as when they are first put in the eye in the morning. We are also working on our new injection mouldable materials which can significantly reduce the cost of manufacturing lenses."

Chairman Scott Carnegie added "This funding has allowed us to build on and refocus the scientific core of our business, and this has already paid dividends in permitting us to find earlier/

faster solutions on the materials side. We now also have a very strongly focused financial and commercial team to complement this with myself, Roderick and Jim directly engaged on delivering the new products to the market."

### Company

Company: Ocutec  
 Incorporated: July 2001  
 Location: Bellshill  
 Sector: materials & manufacturing

### Contact

Contact: Dr Roderick Bowers  
 Telephone: 01698 849876  
 Website: www.ocutec.com

### Deal data

Deal date: 11 June 2014  
 Amount: £500k  
 Investors: Discovery Investment Fund, ChimaeraBio, SIB (SCF), founders  
 Advisers: Quest Corporate, Brodies, Burness Paull

## Plan Bee funds expansion

Plan Bee, which offers managed bee-hive services, has completed the first investment in Scotland to combine equity crowdfunding with private and public capital

As reported in last month's YCF, Plan Bee raised £105,500 from 177 investors on the Crowdcube platform, almost 176% of its target of £60k. The company has now secured a further investment of £70k from business angel syndicate Kelvin Capital and the Scottish Investment Bank (SIB) taking its total funding past £300k since last year.

Earlier this month, Plan Bee was named Small Business of the Year at the Business Green Leaders Awards in London, the UK's most prestigious awards for the growing green economy. Warren Bader, the founder of Plan Bee, said "This funding will enable us to fully implement our business and marketing plan, as well as source more stock. We're looking to take on more permanent staff, develop our e-commerce and expand our education offering. We have a pipeline of potential deals with major organisations in both the public and private sectors, and are

now in a position to capitalise on the interest in Plan Bee in Scotland and beyond."

Plan Bee already counts Balfour Beatty, Land Securities, Royal Troon golf club and Highland Spring among its clients. SIB and Kelvin Capital backed Plan Bee with £130k through the Seed Enterprise Investment Scheme in July 2013, and have again shared a £70k investment in this round of funding.

Harper Macleod partner Paula Skinner, who specialises in advising start-up and high-growth companies, said "In the current climate both businesses and their advisers have to be more innovative to access pots of funding from a range of areas. To pull off such a successful crowdfunding campaign, at the same time as securing investment from more traditional channels, demonstrates the appeal of Plan Bee and it's been incredible to play a part in its success to date."

### Company

Company: Plan Bee  
 Incorporated: September 2011  
 Location: Motherwell  
 Sector: food & drink

### Contact

Contact: Warren Bader  
 Telephone: 01698 580572  
 Website: www.planbeeltd.com

### Deal data

Deal date: 30 June 2014  
 Amount: £175k  
 Investors: Crowdcube, Kelvin Capital, SIB (SCF)  
 Advisers: Harper Macleod, MMS, McClure Naismith

## Busy time for Kelvin

Kelvin Capital hosted its very first portfolio showcase in the Blythwood Hotel on June 24th.

The showcase was a chance to bring together all portfolio companies - old and new - with Kelvin Capital's most influential investors. The aim of the day was to connect investors with the teams that run the portfolio companies and give the companies a chance to show off their achievements and successes. In attendance were 13 of Kelvin Capital's current portfolio companies and three new opportunities for which they have decided to raise funding.

Kelvin Capital director and core investment member Jim Hall said of the event "The day was a huge success allowing some of our more long standing portfolio companies and brand new start ups a chance to offer support to each other and communicate with investors in a relaxed environment. We hope to make this showcase a regular event."

Since September 2012 Kelvin Capital ([www.kelvincapital.com](http://www.kelvincapital.com)) has invested £5.68 million in 13 companies.

## Deals Monitor – last 2 months

YCF issue	deal date	company	location	sector/ activity	TOTAL '000	investors, lenders, advisers grants
185	May-14	<b>Calcivis</b>	Edinburgh	life sciences	£1,300	Archangels, SIB (SCF), TSB Biomedical Catalyst Nimmo WS, MBM Commercial, Johnston Carmichael
185	May-14	<b>ZoneFox</b>	Edinburgh	security software	£450	Archangels, TRI Cap, SIB (SCF) Harper Macleod, Morisons, Johnston Carmichael
187	May-14	<b>Netthings</b>	Edinburgh	electronics	£1,300	Archangel Informal Investment, SIB (SVF) DWF Biggart Baillie, MBM Commercial
185	May-14	<b>Jellagen Pty</b>	Pembroke & Glasgow	life sciences	£550	Finance Wales, xenos, SWAIN
	May-14	<b>VeriSIM</b>	Edinburgh	software	£500	Archangels, SIB (SCF) MBM Commercial
187	May-14	<b>Celtic Renewables</b>	Edinburgh	renewable energy	£1,200	private investor, DECC Energy Entrepreneurs Fund MBM Commercial
186	May-14	<b>Mallzee</b>	Edinburgh	e-commerce	£500	Par Equity, SIB (SCF), private investors MBM Commercial
186	May-14	<b>Blackford Analysis</b>	Edinburgh	software	£800	Archangel Informal Investment, TRI Cap, Old College Capital, SIB (SCF) MBM Commercial
186	May-14	<b>Fios Genomics</b>	Edinburgh	life sciences	£300	Archangels, TRI Cap, SIB (SCF) MBM Commercial
186	May-14	<b>Outplay Entertainment</b>	Dundee	mobile games	US\$5,000	Oxford Capital, Pentech Ventures, SIB (SVF)
186	May-14	<b>Ateeda</b>	Edinburgh	electronics	£750	Archangels, Souter Investments, SIB (SCF) MBM Commercial, Nimmo WS
	Jun-14	<b>Ciqua</b>	Edinburgh	telecoms/ mobile	n/d	Par Equity, SIB (SCF) MBM Commercial
	May-14	<b>My1Login</b>	Glasgow	security software	tbc	Equity Gap, TRI Cap, Par Equity, SIB (SCF)
	May-14	<b>NCTech</b>	Edinburgh	electronics	tbc	Archangel Informal Investment Morisons, Lindsays
186	May-14	<b>Touch Bionics</b>	Edinburgh	medical devices	£2,500	Archangels, TRI Cap, SIB (SCF) MBM Commercial
	May-14	<b>Waveblade</b>	Dumbarton	power tool	£175	Kelvin Capital, SIB - convertible loan Harper Macleod
187	Jun-14	<b>Curapel</b>	Glasgow	healthcare	£200	Lancaster Capital McClure Naismith, Weightmans
187	Jun-14	<b>Ocutec</b>	Bellshill	life sciences	£500	Discovery Investment Fund/SCF, Chimaerabio, founders Brodies, Quest Corporate, Burness Paull
187	Jun-14	<b>Clear Returns</b>	Glasgow	e-commerce	£220	Angels Den, Angel Academe, SIB (SSF) Harper Macleod
187	Jun-14	<b>Nova Innovation</b>	Edinburgh	renewable energy	£3,750	European investors, Scottish Enterprise
187	Jun-14	<b>Sirakoss</b>	Aberdeen	biomedical	£25	Venture Prize, Worshipful Company of Armourers and Brasiers
187	Jun-14	<b>Flexiworkforce</b>	Glasgow	online recruitment	£150	Kelvin Capital Harper Macleod
187	Jul-14	<b>Plan Bee</b>	Motherwell	food & drink	£175	Crowdcube, Kelvin Capital, Harper Macleod, MMS, SIB (SCF) McClure Naismith

### Glossary

SIB - Scottish Investment Bank (Scottish Enterprise)

SSF - Scottish Seed Fund

SCF - Scottish Co-investment Fund

SVF - Scottish Venture Fund

TSB - Technology Strategy Board

UKSE - UK Steel Enterprise

# Work in Progress

We catch up this month with three companies which have put their SMART grants, awarded last year, to good use.

## Bellrock Technology

The University of Strathclyde spinout, Bellrock Technology, delivers innovative decision making support products. The software company secured £100k from SMART:Scotland in the 2012/13 grant year to assist with the development of 'smart apps'. These user-configurable tools enable and assist decision makers, such as those responsible for critical equipment operating in industrial environments, to analyse data and extract valuable information without specialist IT skills or support.

Despite encountering a number of technical challenges, the SMART project was completed in September 2013, having successfully built and deployed 'smart apps' within the company's existing Lumen platform product. The project's outcomes have directly supported wider commercial activity, including attracting UK network operators, generators and service companies in the offshore wind sector and leading to new business models. The company is now increasingly cloud and web based, which has made it easier to provide software trials and client support.

Bellrock Technology's success has also facilitated a variety of collaborations with industry partners, a number of which are developing technologies in conjunction with University research teams. As a result Bellrock Technology and Lumen are enabling several large organisations to establish highly-innovative data analysis tools and integrate these with their own data systems.

The 'smart apps' were originally designed to assist electric power generation and network companies to minimise equipment operating costs and manage the impact of low carbon technologies. However since their debut, they have demonstrated applicability to a variety of other sectors. As managing director Adam Brown reflects, "There remains an ever present need to interrogate and contextualise data from several sources in a variety of sectors, including manufacturing, transport, and oil and gas, which demonstrates the potential wider applicability of Bellrock's offering. Tapping into these new markets is a considerable part of our long-term, strategic vision."

Adam Brown 01415 482 655 [www.bellrocktechnology.com](http://www.bellrocktechnology.com)

## Beamshare (formerly OneCodec)

Based in Aberdeen, OneCodec has developed Beamshare, an innovative cloud-based service that allows users to share media files easily and securely. When we last caught up with the company in June 2013, it had been using its £98k SMART:Scotland grant to develop its core technology.

Twelve months on, and with the help of Scottish Enterprise, the company has enjoyed significant evolution. The organisation has refined its brand identity, launched the product, formed a strong team and secured a solid customer base.

Although the road to success has not been entirely smooth, most of the difficulties Beamshare has faced have been

welcomed by the company. Getting to know and understand existing and prospective customers for instance is an undertaking enjoyed by the team. Yet the most persistent challenge recognised by Beamshare founder, Professor Iain Richardson, has been managing all of the opportunities presented to the company and ensuring that their efforts remain focused.

With increasing demand from a variety of sectors, Beamshare's attention has been drawn in different directions, often away from its initial target market of media and broadcast production. There has been considerable interest from the oil and gas industry, which could be the ideal candidate for Beamshare's applications due to its geographically dispersed nature. Indeed, the company has now secured its first customers in this sector. Training is another potentially profitable area for the Beamshare service.

To capitalise on the product's widening appeal, Beamshare has worked hard to build a small but effective team, knowledgeable and experienced both technically and developmentally. As Professor Richardson observes, "Ensuring that our two core business functions work together seamlessly has been difficult but rewarding. Our development team now feeds customers' comments directly into the technical side of the business, which helps us to continually adapt our offering, look ahead and strive for further long term investment."

Professor Iain Richardson 01224 586 949  
[www.beamshare.com](http://www.beamshare.com)

## Supply Design

Rosyth based Supply Design was awarded £100k by SMART:Scotland in 2012/13 to help develop a demonstrator for its 3-phase AC to DC technology. The product has the power to reduce energy losses by 50% in the process of electrical current conversion. This time last year the company had ambitions to produce a demonstrator for the concept to help cement its diversification from electronics consultancy to industrial and commercial product design.

Since its SMART:Scotland award, Supply Design has secured a further £165k grant from the Technology Strategy Board to help commercialise its patented 3-phase AC to DC technology. The company has also enhanced its industrial reputation with awards from Shell Springboard, NMI, and latterly the IET's innovation awards, where the company was rated among the best of 400 entries from 30 countries, further evidence of the product's benefits.

The power conversion technology is suited to multiple industries, enabling Supply Design to pursue a variety of revenue channels through product and licence sales. Yet it is the product's application to the charging of Electric Vehicles (EV) which has proven notably fruitful. Marc Brand, business development manager at Supply Design, said "We have created the most efficient EV charger on the market, cutting losses by over 50%, reducing power consumption, emissions and costs. This has attracted potential business from prominent EV car

and bus manufacturers, interested in the leading environmental performance and significant size and weight improvements that will make home, office and car park installations more appealing to consumers.”

In addition to EV, the technology can be adjusted to a variety of voltage levels to suit other high energy demand applications where minimising energy consumption and costs are crucial for

success, such as DC smart grid, datacentres, electric aircraft, telecoms and industrial applications. Supply Design is currently funding such progress through consultancy services, grant funding and custom designs, whilst actively looking for supply chain opportunities, products and licensing for its advanced 3-phase power technology.

**Marc Brand 01383 842477 [www.supplydesign.com](http://www.supplydesign.com)**

## SMART:Scotland - continued

We listed all the SMART grants awarded from October 2013 to March 2014 in our May issue, and are now able to give details of two further companies which have not previously appeared in YCF.

### Akurix

Date: 14-Feb-14 Grant: £80k

*Innovative investment risk and compliance management system.*

Akurix is an Edinburgh based financial services company, which specialises in investment compliance and risk management, numbering some major investment banks and asset management companies, including JP Morgan, Barclays, Fidessa, UBS, PinAn Asset management among its clients.

Since the 2008 financial crisis, and the series of new regulations which followed, risk and compliance management has become one of the most important and fastest growing markets in the financial industry. There remain a number of new challenges to be addressed, such as the need to cover a much broader range of financial products, increasing trade and the real time nature of risk and compliance management.

Existing risk management products are struggling to cope with these new challenges. However with the Smart grant, Akurix is undertaking a feasibility analysis of a new system of risk and compliance management. Using the latest technologies and innovative architecture, Akurix's system will be capable of handling large trading volume risk management in real time.

**Biao Cheng 07530 599 059 [www.akurix.net](http://www.akurix.net)**

### Jeremy Benn Associates t/a JBA Consulting

Date: 12-Dec-13 Grant: £100k

*ForeCoast<sup>®</sup> Marine: A strategic planning tool for the marine renewable energy sector.*

JBA Consulting was founded in the UK in 1995 and has grown to be one of Europe's leading specialists in environmental engineering and environmental management. In 2007, JBA's Marine and Coastal Risk Management division was established to bring together specialist marine scientists, modellers, forecasters and engineers to develop innovative solutions to identify, evaluate and mitigate risk and opportunity in the marine environment.

At present, conducting installation and Operation and Maintenance (O&M) activities in the marine environment can bring significant business risks for the marine renewable energy sector, which often fails to account fully for the impact of sea-state and weather conditions. However through its SMART project, JBA Consulting is determining the viability of developing and implementing a strategic planning tool to address this issue.

The tool, branded ForeCoast<sup>®</sup> Marine, will be designed to simulate potential O&M options, or scenarios, for offshore wind, wave and tidal array sites. From these simulations, strategies to maximise the project's performance with respect to O&M activities will be developed. The background methods associated with ForeCoast<sup>®</sup> Marine will be developed and applied to a high profile, real world tidal array off the west coast of Scotland.

**Donna Neely 01756 799 919 [www.jbaconsulting.com](http://www.jbaconsulting.com)**

## Scottish EDGE awards

The latest round of Scottish EDGE funding has awarded 15 Scottish companies with a share of £660k, and support for their businesses.

All 30 finalists had to demonstrate how they would grow their company with up to £50k in the 'Dragon's Den' style competition. Seven of them were awarded the full £50k on offer.

**Airts - £50k: Technology to help schedule work activity**

Airts is transforming business decision making and work scheduling, making the process more intuitive and efficient. Using Artificial Intelligence techniques, Airts help organisations

make the best use of their resources by eliminating the need to produce staff rotas, delivery routes and work schedules manually. The technology proves invaluable during times of rapid change as it automates multi-task coordination, thus freeing

staff to apply their skills where they can have most impact. Using the cloud minimises server costs allowing Airts to maintain its client focus. The EDGE award will enable Airts to acquire the necessary development staff to fulfil significant projects with two large organisations which have the potential for further business and ultimate growth acceleration.

**Alastair Andrew 07789 384 056 [www.airts.co.uk](http://www.airts.co.uk)**

**Biogelx** - £17k: *Gels for toxicology*

Biogelx's peptide hydrogels have sparked considerable interest in the global cell culture market. The company has significantly expanded its customer base in recent months, demonstrating ample promise and potential for its innovation. Major pharmaceutical companies in the US have been attracted by the flexible nature of the product and its potential for use in research and regenerative medicine applications. Such demand has resulted in the recent delivery of Biogelx's first shipment across the Atlantic. The EDGE award will facilitate further business and market development in the potentially lucrative US market, specifically allowing Biogelx to establish a New York office to improve support for existing customers and enhance company profile through access to a vast range of networking opportunities.

**Eleanore Irvine 07813 980 273 [www.biogelx.com](http://www.biogelx.com)**

**Coast & Glen** - £24k: *Fish boxes*

**[www.coastandglen.com](http://www.coastandglen.com)**

**Cohesion Medical** - £46k: *Clinical data capture*

Cohesion Medical has developed an integrated software technology which allows patients with long term health conditions to manage their medical treatment from home, thus reducing significant healthcare costs. The software has been designed to elicit maximum patient engagement, and integration with specialist clinical software, to deliver better treatment outcomes. The innovation thus facilitates high quality data capture and valuable healthcare analytics, an aspect of particular interest to the pharmaceutical industry. Cohesion Medical's Scottish EDGE award will support the expansion required to meet increasing international interest, by enabling the employment of sales, marketing and specialist IT personnel. The organisation is part of Scottish Enterprise's High Growth and Start Global Programmes and recently participated in a Bio-Launcher master class.

**Euan Cameron 07775 844 824 [www.cohesionmedical.com](http://www.cohesionmedical.com)**

**Coleman & Knight t/a DiaryDoll**

*£50k: Specialist female underwear*

**[www.diarydoll.com](http://www.diarydoll.com)**

**DM Handling Systems** -

*£50k: Tagging, weighing and conveying sheep*

**[www.dmhandlingsystems.com](http://www.dmhandlingsystems.com)**

**ECHO** - £50k: *Built capsules for holiday lets*

**Get2Grips with Grants**

*£40k: Supporting grant applications for social sector*

**[www.get2grips.org](http://www.get2grips.org)**

**Hebridean Spa** - £50k: *Spa products*

**Kirsteen Stewart** - £49.5k: *Designer clothing*

**[www.kirsteenstewart.co.uk](http://www.kirsteenstewart.co.uk)**

**Miss IntegriTea** - £45k: *Herbal tea range*

**[www.missintegritea.com](http://www.missintegritea.com)**

**Mo's Cookie Dough** - £50k: *Baking products*

**[www.moscookiedough.co.uk](http://www.moscookiedough.co.uk)**

**MotoScotland.com**

*£50k: Moto training, tours and links to tourism*

**[www.motoscotland.com](http://www.motoscotland.com)**

**Opinurate** - £40k: *Customer experience management*

**[www.opinurate.com](http://www.opinurate.com)**

**Shand Cycles** - £48.5k: *'The Stoater' bicycle*

**[www.shandcycles.com](http://www.shandcycles.com)**

This was also the first year of the **Young EDGE** awards, which granted £70k to entrepreneurs aged 18-25. The ten companies, which were awarded up to £10k and in-kind support, were Articulate Language Camps (£7,500), Banton Frameworks (£5,000), Freedom One Life (£9,500), Hectares Food (£7,500), Krotos (£5,500), Lux Illuminating (£7,500), Patience Jewellery (£9,500), Rebecca Torres (£5,500), Town Rock Energy (£9,500) and VH Innovation (£3,000).

## Changes to SMART

With effect from the 1st July 2014, the level of support available under the SMART: Scotland Feasibility study grant has changed in line with changes to the EU R&D&I framework.

The previous level of support provided up to 75% towards eligible costs for a feasibility study and up to £100k of grant can be awarded. As of the 1st July, the levels of support have dropped to the following:

- Up to 70% towards eligible costs for a small company (up to £100k grant)
- Up to 60% towards eligible costs for a medium sized company (up to £100k grant).

The definitions of small and medium sized companies follow the latest EU guidelines.

The SMART R&D Grant is unaffected by this change, remaining at up to 35% of eligible costs.

## Scottish Funding Council provides £2 million to boost university spinouts

A new £2 million pilot project, backed by the Scottish Funding Council over the next three years, aims to support the formation of 90 new technology companies with high growth potential at Scotland's universities.

A partnership of three universities, the project will benefit every university in Scotland as part of the wider Innovation Scotland strategy. Led by Edinburgh Research and Innovation at the University of Edinburgh, a core group of three regional university 'hubs', based at Edinburgh, Aberdeen and Strathclyde, will offer a structured suite of complementary enterprise support services to local campuses, such as one-to-one advisory clinics, workshops, mentoring, and support in raising finance.

This new project aims to capture the greatest strengths from company formation services across Scottish universities to form an enhanced offering allowing more universities to contribute to the sector's outputs.

Grant Wheeler, ERI's Head of Company Formation, comments "The economic need for Scottish universities to improve and accelerate the company formation process is clear. This initiative provides an opportunity to share valuable expertise and resources in the highly-specialised area of high-value

knowledge-based company formation to produce more sustainable companies, from the Scottish university sector. The proposal is workable because it builds on what is already happening around Scotland.

At present, the support mechanisms for this activity are highly variable at institutional and regional level. This new initiative will address this variability and ensure that all high value company formation projects at universities participating in the pilot project are optimally supported."

The project will focus on high-value start-up projects led by PhD and Masters-level students. Experience at the University of Edinburgh suggests that this group contains entrepreneurs with the genuine potential to create companies of scale based on more market-ready knowledge and technology. However, they are often overlooked as they can be too complex for existing enterprise support functions available.

## SIRAKOSS wins Venture Prize

The SIRAKOSS MaxSi™ Graft technology has the potential to treat many thousands of patients who need spinal fusion surgery for back pain, or repairs for traumatic bone injuries.

This innovation has won SIRAKOSS, a spinout company from the University of Aberdeen, the £25,000 Venture Prize from The Worshipful Company of Armourers and Brasiers.

The Armourers & Brasiers Company ([www.armourershall.co.uk](http://www.armourershall.co.uk)) is a leading supporter of materials science education and research in the UK. Its Venture Prize is aimed at helping scientists commercialise the early stage research and the exploitation of new and exciting ideas. The Company also seeks to encourage education in science from primary to postdoctoral levels supporting schools and universities throughout the UK. Professor Iain Gibson, a University biomaterials chemist and principal investigator of the SIRAKOSS MaxSi™ Graft technology, said "Funding from the prize will help bring our unique synthetic bone material closer to market. This could help the many hundreds of thousands of people who need bone grafts or bone repairs following the type of fractures suffered in road accidents which can be difficult to heal."

Professor Gibson and the SIRAKOSS team have spent eight years developing and refining the MaxSi™ Graft technology which has a unique chemical composition and scaffold structure for achieving bone repair and fusion.

"We are taking a different approach to the synthesis of our material which we believe will make it more successful than other artificial bone products currently available to surgeons. Our product contains no human or animal proteins which removes the risk of potential batch-to-batch variability in performance. Also, because it's made in the lab, it could be available in endless supply."

Brian Butchart, CEO of SIRAKOSS, added "In a very competitive field we are delighted to have won this award which recognises the outstanding material science in the development of our synthetic bone graft and the clearly defined commercial opportunity. Receiving this recognition from the Worshipful Company of Armourers & Brasiers, with its origins dating back to 1322, is a huge endorsement of the development efforts undertaken by the team and in particular Professor Iain Gibson and Jordan Conway. The Prize will progress efforts in achieving regulatory approval for clinical use. The aim is to have MaxSi™ Graft technology approved for use in patients in two years' time."

Contact: **Brian Butchart** 07545 186410 [www.sirakoss.com](http://www.sirakoss.com)

## REAP Report published

YCF's editor Jonathan Harris has been part of a Scottish team participating in the MIT Regional Entrepreneurship Acceleration Programme over the past two years.

The team has now published a Report entitled *Increasing innovation driven entrepreneurship in Scotland*. The Report can be downloaded from the YCF Scotland website. It describes the research undertaken for the programme, the consultation

with a wide range of stakeholders across the entrepreneurial ecosystem, and the calls to action for all participants in this sector to make a 'collective impact' to accelerate entrepreneurship across Scotland. In the coming months there will be further news of the work already put in hand and of progress with other proposals in the Report.

## EOS Technology Investment Syndicate

### EOS is a new angel group providing seed funding for technology and science startups

The EOS Technology Investment Syndicate is based in St Andrews but with members from across Scotland, and has been set up to provide seed funding to start-up, or early stage, technology or science based businesses operating in a range of sectors such as software, renewables, bio-medical, oil and gas, marine, and others.

The investment opportunities presented to the Syndicate's members will have been selected not only for their technology excellence, but also for their market potential, management team and exit potential. They will be predominantly (but not exclusively) Scottish based businesses, often spin-outs from Scottish universities. They will generally be pre-revenue. The objective of the Syndicate is to identify for the members exciting new technology businesses which require an initial round of equity funding and which have a strong possibility of a successful exit for the investors, typically within 3 to 5 years.

There are six members' meetings a year during which the members are given presentations from two or three technology businesses, carefully selected from dozens of applications by

the Syndicate's 'gatekeeper' in conjunction with the Syndicate's board and advisors. The typical seed funding investment requirement for any one opportunity is likely to be in the range of £20k to £100k. This investment would usually be provided by a small group of the Syndicate's members who have a mutual interest in that particular investment opportunity.

EOS has applied to become an investment partner with Scottish Enterprise (SE) / Scottish Investment Bank (SIB) which will present the opportunity for 50/50 co-funding, thus leveraging the members' investment.

EOS strives to present tax efficient investment opportunities which are eligible for schemes such as the HMRC Seed Enterprise Investment Scheme (SEIS).

If you are interested in finding out more about EOS, either as a potential member, or regarding an investment opportunity, please contact its gatekeeper **Kevin Grainger** at [kevin@EOS-tech-investors.com](mailto:kevin@EOS-tech-investors.com)

## Nova Innovation secures £3.75 million funding for Shetland Tidal Array

### Nova Innovation and ELSA from Belgium have teamed up to build five 100kW tidal turbines in the Bluemull Sound site that will power the equivalent of 300 homes.

The array will be developed in two phases with commissioning of the first three devices by the end of 2015.

Edinburgh-based Nova Innovation has secured £1.85 million from European investors, and Scottish Enterprise is providing a further £1.9 million of grant and loan funding for the project and to help accelerate the company's growth of new projects across Europe.

The news comes weeks after Nova Innovation announced the successful deployment of the world's first community owned tidal turbine in Shetland.

Simon Forrest, managing director of Nova Innovation, said "This partnership agreement will accelerate Nova Innovation's technology development; help secure the company's Scottish manufacturing base and expand the integrated supply chain here in Shetland and Scotland.

"The pan-European vision of the partnership will open up export markets and deliver real growth for the marine energy sector."

**Simon Forrest** 0131 554 2242 [www.novainnovation.co.uk](http://www.novainnovation.co.uk)

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## YCF Annual Conference

Shared goals: aligning the interests of entrepreneurs and investors

WEDNESDAY 17 September 09:30 to 16:30 - Westerwood Hotel, Cumbernauld

We are delighted to announce that patent and trademark attorneys Marks & Clerk LLP are once again lead sponsors for the conference.

**Marks&Clerk M&C**  
Intellectual Property Services

We will also this year repeat the successful Young Company Showcase, and with more space available in the new venue, we expect to have at least 20 young companies exhibiting and explaining their business propositions to delegates. BioCity Scotland and the Scottish Insititue for Enterprise have both confirmed that they will be bringing Showcase companies to the event, and other are waiting in the wings.

Not to be missed is the early stage investment game to be run by exhibitor KKI Associates ([www.kkitech.com](http://www.kkitech.com)) during the day.

For further details and to secure a place, go to: <http://www.eventbrite.co.uk/o/ycf-scotland-2059873885>



## New Start Scotland Exhibition

SECC Glasgow, 13/14 November

Young Company Finance will be exhibiting at this event, and holding funding clinics on both days. A combination of teach-in and Q&A, the funding clinics will explain the different types of finance available, which are most suitable for your business, and where to find further information.

Last year's New Start Scotland Exhibition was the biggest and best ever.

Running alongside The Scottish Business Exhibition, these events combined to deliver Scotland's largest ever business event and was an overwhelming success with over 8,000 visitors.

Register for free tickets at [www.newstartscotland.com/tickets](http://www.newstartscotland.com/tickets)

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LS Ventures Ltd, c/o LINC Scotland,  
Queens House, 19 St Vincent Place,  
Glasgow G1 2DT  
tel: +44 (0)131 315 4443  
web: [www.ycfscotland.co.uk](http://www.ycfscotland.co.uk)  
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