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Headline: Davy BES fund to inject €4 million into SMEs

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The Davy BES Fund has raised €4 million for investment in SMEs under its 19th investment round.

The fund, which is managed by BES Management, a limited company owned jointly by BDO and Davy Stockbrokers, will invest the money in suitable BES-qualifying companies during 2011.

BDO director Sinead Heaney said that the fund would target export-driven companies, and that ventures involved the renewable, food, technology and pharmaceutical sectors.

"Qualifying trades include companies carrying out traditional manufacturing activities, including renewable energy generation, companies that are involved in internationally traded services, approved tourism projects and certain recycling activities," said Heaney.

The BES is an equity investment, which is repayable after a five-year investment period. The funds can be used to finance working capital or capital expenditure and typical investment amounts range from €500,000 to €1.5 million.

"The scheme facilitates qualifying companies to secure funding at a competitive cost of finance and with no repayment until the end of the five-year investment period."

"Certain key criteria, which may be used in assessing potential investees, include a strong management team, a three to five-year track record and the prospect for realisation of the investment after the five-year BES period."

Since 1995, BES Management has invested €125 million in 140 Irish-owned companies. Its most recent fund, raised in December 2009, invested €6 million in seven companies. These included IBAT College in Dublin, which secured €750,000 in January.

In December, the fund also made €570,000 available to Cork company B9 Power to develop a landfill gas facility outside Tralee in Co Kerry.

Investment Fund:
Davy BES
New funding:
€4 million
Range:
€500,000 to €1.5 million
Total investment:
€125 million over 18 funds
Established: 1995



Sinead Heaney, partner, Stephen McGivern, partner, **BDO**; and Brian Davy, chairman, Davy Stockbrokers