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“GOLDEN OPPORTUNITY” FOR GROWTH OF HIGH-TECH COMPANIES IN GREATER BIRMINGHAM

Entrepreneurs, particularly in high technology companies, have a golden opportunity to fund and develop their businesses in the greater Birmingham area as a result of new, coinciding initiatives - according to the boss of one of the region’s most prolific investors in start-up companies.

Tony Stott, chief executive of Midven, which invests in start-ups and high growth prospect companies, said several factors had emerged which meant that there had never been a better time to develop high technology enterprises.

“We will soon have a new Enterprise Zone in Birmingham; there has been a significant increase in research and development tax credits as well as a number of other positive changes in the tax environment; there is a new version of the Research and Development Grant Scheme and The Technology Strategy Board (TSB) has opened competition for grants to science, engineering and technology SMEs.

“We also have major proposed developments at Birmingham Science Park and schemes to support entrepreneurs, our universities are expanding their support to business and crucially there is funding available - including from ourselves - for businesses that have high growth prospects and can create wealth in the region,” he said.

“Research and development are critical if the West Midlands is to re-emerge as the UK’s leading manufacturing and high technology centre,” said Mr Stott.

“Over the past 12 months, we have invested in 19 businesses, many of whom are making a real contribution to the positioning of the West Midlands as being the best place in which to start and run successful companies. Entrepreneurs with ideas and businesses with research and development projects need to grasp the opportunities that these new initiatives are creating.”

Greater Birmingham and Solihull Local Enterprise Partnership is recommending that the new Enterprise Zone will be located in and around Birmingham city centre including existing high-technology and innovation centres.

At the same time, there has been an increase in research and development tax credits to 200% from April this year rising to 225% in April 2012 - from the previous 150%.

“This is great news for early stage and technology companies who spend significant amounts of money on research and product development,” said Mr Stott.

An improved version of the Research and Development Grant Scheme was launched early in April with small technology businesses being invited to apply for government funding. In addition, the Technology Strategy Board, a non-departmental government body, has opened competition for grants to science, engineering and technology SMEs. Grants are to support R&D projects which offer potentially significant rewards and could stimulate UK economic growth.

“The corporation tax rate has been reduced and at the same time, the Enterprise Investment Scheme has been improved with a widening of its scope and increase in the tax relief from 20%-30 for private investors. This will be particularly welcome by early stage businesses that often rely on business angel funding to get started,” said Mr Stott.

“For years, we’ve been seeking an improved environment in which early stage and smaller growing businesses can operate. The convergence of all these activities and schemes presents a real opportunity for the regional economy -to recover fully from the downturn of the past three years. Birmingham is exceptionally well placed to benefit,” said Mr Stott.

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About Midven

Midven Limited is a privately owned commercial fund manager with a successful track record of investing in small and medium-sized enterprises in the Midlands. Midven manages five funds representing £61m under management. The funds have invested in a wide variety of sectors, including software, biotechnology, healthcare, engineering, manufacturing and distribution.