

August 2009

Latest News from YFM Group in the North West

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The Bank and the Banks what next?

Given the unprecedented economic situation, our annual North West portfolio event looked at the future of banking.

The **Bank of England** was represented by **John Young** who spoke about the statistics behind the headlines.

"In the short term, after firms have depleted stocks, there will be some recovery. There are upward trends in some markets which might lead to cautious optimism. But on balance uncertainty remains the prevailing mood."

Ismail Ertürk's, senior fellow in banking at **Manchester Business School**, has been widely reported in the financial press and on Bloomberg in recent months having spotted with his colleagues from the research centre CRESC the conditions that led to the banking crisis.

"there needed to be a return to some form of traditional banking model, with banks being viewed as utility companies, the go-between depositors and borrowers rather than mass marketers of financial products that they tend to missell to financially illiterate customers"

He was more sanguine about the rescue packages given to the banks who tread a tightrope between being incentivised to repay their debt to Government and the political will to commence lending again in volume. This creates a pressure to widen margins and up quality on the one hand, compared to meeting 'SME' needs in the other.

David Hall, Managing Director YFM Private Equity, summed up the debate and emphasised that,

"Whilst in the short term economic conditions remain uncertain and volatile, given YFM Group's experience from investing across economic cycles we believe that the medium term is likely to offer some excellent investment opportunities for businesses and their funders with significant liquid resources in place, YFM Group remains well placed to take advantage of them as they arise."

Our events bring together Investors, Executives and Non-Executive Directors from our 50+ investments across the North West.

If you wish to join us in the future, you can register your interest [here](#).



Portfolio Developments

Plant Impact signs "company-changing" deals

Based in Preston Plant Impact has completed two significant deals which will be 'company-changing'. A 20-year multimillion-pound licensing agreement with Japanese agrochemical company Arysta Lifescience will grant them the rights to manufacture, market, sell and distribute their flagship BugOil product. BugOil is a pesticide that targets sap feeding pests such as whiteflies and mites. Plant Impact has also signed an agreement with the US Department of Agriculture to trial its nitrogen technology. It is hoped the trials will lead to commercialisation of the product in the US.

DxS appoints new chairman

Manchester-based biotechnology business has appointed Ron Long as its new chairman. Ron has been a non-executive director of DxS since July 2008. He replaces David Evans as chairman, who is stepping down from the firm. Long will also retain other positions at Medivir AB and ProcoRNA Israel Ltd. DXS has grown significantly over the last year, doubling its size, taking on new manufacturing space and signing global deals.

Surface Transforms increases sales

Surface Transforms, the Ellesmere Port-based manufacturer of brakes for vehicles and aircraft, has said turnover has increased 34 per cent to £679,000, in the 12 months to 31 May 2009.

For further details please call us on 0161 832 7603 or email info@yfmgroupp.co.uk

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