



Issue date: 10 December 2010

NVM Private Equity supports management buy-out of Cawood Scientific

NVM Private Equity Limited (NVM) has invested £4 million into the management buy-out of Cawood Scientific Limited, the UK's largest independent provider of analytical laboratory testing services to land-based industries. The new investment will support the company's independent growth of its services across the UK and Europe.

Cawood Scientific operates from two main facilities, **NRM Limited** in Berkshire and **Sciantec Analytical Services Limited** in Yorkshire, both providing a "one-stop-shop" range of testing services for businesses engaged in the agricultural and environmental sectors. The company specialises in the analysis of animal feed, grain, soil, fertilisers, composts, contaminated land and renewables such as composted waste and anaerobic digestate, and boasts a high level of accreditation from the United Kingdom Accreditation Service ("UKAS"). The need for land-based industries to be environmentally friendly, reduce costs and provide product assurance will continue to be strong drivers for growth across its key fields of activity.

Nigel Patrick, managing director of Cawood Scientific comments: *"Many factors have determined the growth in analytical testing in the field of agriculture and the environment over the years, such as ever-developing EU and national legislation encompassing food, animal feed, the environment and health and safety. As an example farmers are increasingly sophisticated in their approach to farming and understand the advantage of soil testing services to optimise the levels of fertilizer needed for their fields. The sector as a whole has increased 6% annually for the past five years and is forecast to continue this growth in the future. Cawood is an exciting business to lead into the next stage of its growth and we are pleased to have NVM as a partner."*

Peter Hodson, who managed the deal for NVM, comments: *“Cawood is led by an established, successful and committed management team. They have a loyal customer base and increasing opportunities for new contracts across Europe. The team has developed a wide ranging growth strategy involving the introduction of new services to niche markets. This company represents an ideal investment for NVM and its funds and we look forward to working with the Cawood team.”*

Ian Latham, partner at Baker Tilly Corporate Finance, along with Helen Brocklebank, led the deal commenting: *“The successful completion of this deal reinforces the positive outlook for private equity deals in the current market. There is a definite appetite from private equity for investment in well-run businesses.”* He adds: *“In a depressed M&A market it is more important than ever before to plan properly for any transaction and to seek high quality advice from professionals who specialise in corporate finance. Cawood Scientific has a market leading position in the UK and Nigel has been at the forefront of the industry providing the sector with a one-stop shop range of testing services. The business is now well placed and has support from NVM to grow organically and by acquisition.”*

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Notes to editors:

Cawood Scientific Limited: Natural Resource Management (NRM), an independent analytical business, was set up in 1990 following the decision by ICI to dispose of their ‘agricultural testing facilities’ in Berkshire.

The facilities and capability expanded considerably within Berkshire, so it was deemed necessary to develop a new laboratory site at Cawood, North Yorkshire in 2003. NRM at that time employed over 60 staff, and had a proven record of providing fast, high quality analytical services (physical, chemical, spectroscopic and microbiological) to the majority of organisations operating in the land-based sectors throughout the UK, with work also coming from Eire and other countries throughout Europe.

In April 2006, under a new holding company of ‘Cawood Scientific’, NRM was joined by Sciantec Analytical Services. This company was established in 1991 in Dalton, North Yorkshire, offering a specialised analytical testing service to the animal nutrition and health sectors. Sciantec re-located to the purpose built facilities at Cawood, where it merged with the NRM business that was operating at this facility.

In February 2008 Sciantec expanded its animal nutrition service through the acquisition of the analytical business of Banbury-based Central Laboratories from AB Agri. In late 2008 this operation was fully integrated into Sciantec's Yorkshire operation, with a widening scope of analytical capability for its customers. The combined business has created the largest truly independent and fully accredited provider of animal nutrition testing services in the UK.

The group now employs 130 staff with a high proportion of skilled graduates and over 10% holding Masters or PhDs.

www.nrm.uk.com www.sciantec.uk.com

NVM Private Equity Limited (NVM) is independently owned with over 25 years' experience of investing in unquoted UK businesses. NVM is a generalist investor, managing £200 million of funds, and is differentiated by having executives living and working in regional business communities throughout the UK. NVM seek investment opportunities in UK businesses which have the right mix of growth potential and market vision. They may be looking to grow organically, acquire another business or secure a management buy-out. Typically, NVM look to invest between £2 million and £10 million. www.nvm.co.uk

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