

## **For Release**

23 March 2004

### **£2 Million Backing Funds Management Buy-Out of HQC**

HQC are pleased to announce the completion of a Management Buyout by members of its senior management team.

The management team, led by newly appointed Managing Director, Keith Parkes, Finance Director, Sheila Bowden, Customer Support Manager, Peter O'Neale and Sales Director, Eoghan McTiernan, took control of the business on 16th March 2003, with the full and ongoing support of the departing owners.

The £2 Million package includes almost £1Million from Merseyside Special Investment Fund (MSIF) and £1Million from Lloyds TSB Corporate Banking, Liverpool with the remaining amount coming from the HQC Management Team.

HQC Ltd provides Metal Fabrication and Assembly services to some of the world's leading players in the telecoms and data networking industries in Europe and North America. The company began trading in 1986. Turnover is currently approaching £4m and around 50 staff are employed from premises in Haydock.

Managing Director, Keith Parkes initially joined the company in 2000 as Operations Director. When the owner of the business decided to retire, Keith saw an opportunity to lead a management buy-out, expand the business and penetrate new markets including the Computing, Medical, Industrial and Automotive sectors. Keith and the management team chose chartered accountants, CLB to advise on the negotiations with the vendors and the funding of the MBO.

Keith said: "The backing from MSIF and Lloyds TSB was crucial. We have exciting plans for HQC, and this investment, coupled with an experienced and highly skilled workforce, means we are now ideally positioned to enter a new phase of development."

It is expected that the cash injection will contribute to a 25% growth in sales and staffing levels over the next three years.

Dan Jackson, Assistant Investment Director of MSIF's Venture Fund said: "We were impressed with HQC's track record and the strength of its management team. Our MSIF Venture and Mezzanine Funds worked together to provide a tailored package of equity and debt which, alongside funding from Lloyds TSB, will enable the management to build on HQC's achievements to date."

Steven Lindsay of CLB said: "HQC has an established reputation for the quality of service they provide in the marketplace, a dynamic and committed team and an impressive client base. We believe the company has the potential to achieve significant growth."

Liverpool based solicitors, DLA acted for as legal advisors for MSIF whilst Manchester-based Pinsents acted for HQC.

Ends

For further information contact Eoghan McTiernan at HQC on 01942 722770