

FIN(4)FW041  
Finance Wales Inquiry  
Response from Geoff Andrews

Dear Sirs, I respond to the consultation document as someone who has worked with SMEs over the past 30 years as Chief Executive, Business mentor, Business Angel and also as Incubation Director for 5 years at OpTIC. During this time I have had contact with over 100 early stage or start up high tech companies.

I have worked with the WAG various grant schemes, banks, venture capitalists, other business angels and Finance Wales. In my experience there are very many potentially good businesses in Wales struggling to raise sufficient funds to get beyond first base. The WAG grant schemes are excellent but as I am sure you are aware they are retrospective in that money needs to be spent then claimed back under these schemes which immediately puts a cash problem back onto the business. The other problem is that "clean" money needs to be used to match grant funds {typically around 50%}.

Where does the SME go for "clean" money? My experience is that the only opportunity is the Business Angel community {apart from family and friends}. My experience also is that the Angels {of which I am one} is able to engage with Finance Wales on a commercial basis and any consideration of bringing this vehicle under direct WAG control would be a retrograde step. Government does an excellent job with the grant schemes but relies on the commercial partnership which is provided via Finance Wales to bring a funding package together on a commercial basis which currently is working.

Geoff Andrews