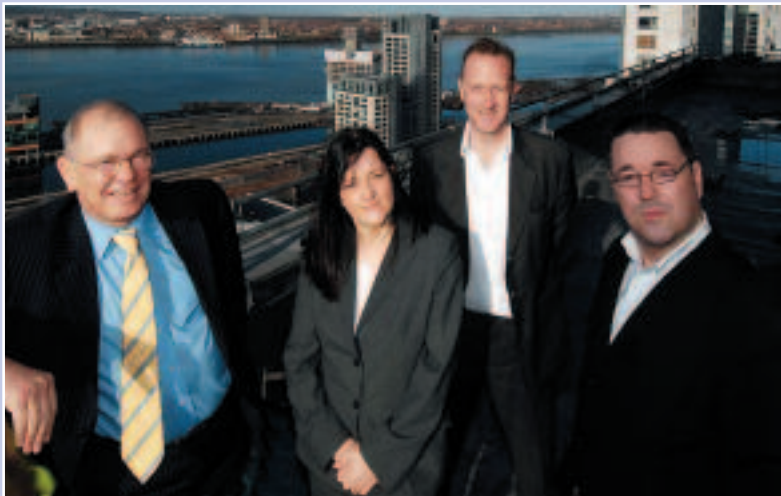


Mezzanine Fund Case Study Management Buy Out of Paver Smith



Merseyside Special Investment Fund



“MSIF gave us clear support and confidence in our Business Plan at the outset of the buy-out opportunity, which enabled us to proceed with the transaction with the minimum of fuss. The Mezzanine Fund gave a great example of supportive funding which is exactly what we required.”

*Dougal Paver
Managing Director*

The company

Paver Smith is one of Liverpool's top PR consultancies, advising leading regional and national businesses on their PR and communications strategies. The company was formed following the management buyout of the PR division of a larger, full-service agency in June 2006. All PR clients made the move to the new agency, alongside eight staff. Clients include DLA Piper, Land Securities Plc, M&S Simply Food, BT, Yorkshire Bank, and Government Office North West.

The proposition

The buy-out team, led by MD Dougal Paver, and Head of Operations, Rachel Smith, were joined by Martyn Best, an experienced investor. Both recognised the need in the local and regional market for a professional PR agency that matched the standards of the best in Manchester and London.

MSIF agreed with this broad proposition and backed the management team, recognising the strength of its wide sector and business experience.

The transaction

MSIF provided £200,000 of mezzanine capital alongside further comparable investment from the company's directors and selected private investors. The funding was used to complete the management buyout and establish a strong working capital platform for the company's growth.

What's happened since...

Paver Smith has grown from an original team of eight to more than 20, and fee income has more than doubled. The company has outgrown its initial office space and has recently relocated to The Plaza in Old Hall Street. It has made further investment in staff and training to enable them to continue their first-rate service to its growing client base. Paver Smith expects continued growth and its aim is to continue to deliver great results for clients, and to be recognised as the region's leading PR agency.

For further details about Paver Smith & Co contact Dougal Paver on 0151 239 5000

The MSIF Group of Funds is managed by Alliance Fund Managers which is regulated by the FSA in the course of investment business.