

FIN(4)FW039  
Finance Wales Inquiry  
Response from BDO LLP

Further to the recent Access to Finance Review it is disappointing to see Finance Wales criticised for not being fit for purpose and a question being raised over whether they should continue to exist.

Finance Wales has provided access to funding which would not have been available to SME businesses by more traditional funding sources over a very difficult period for the UK economy. It is important for businesses to be able to differentiate that the funding from Finance Wales is not seen as an alternative to the Grant Funding or Government support and is seen as real Development Capital funding. The difference between the two is that whilst potentially more expensive than traditional finance, development capital allows business to grow and invest in projects where the balance between risk and reward has been carefully considered. If you remove this criteria, businesses will potentially deliver the more steady rate of growth as they do not look to the bigger picture and longer term. The money they raise needs to be invested and 'worked' to ensure the rational to why they raised the funding is achieved. This is where private equity funding has supported SME growth and succeeded over a number of years and where there is a real place for Finance Wales to support the growth in the Welsh economy.

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For and on behalf of BDO LLP