PURPOSE OF REPORT

1. This report seeks Greater Manchester Combined Authority (“Combined Authority”) approval for an equity investment into Tootoot Limited. The investment will be made from recycled funds. This report also provides an update on ecomnova Limited.

2. Further details regarding the investment are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the company.

3. Due to there being no GMCA meeting in April, an investment to Shaping Cloud Limited and an amendment to the EON Reality Limited grant were approved under delegated authority. The details of these approvals are included in section four of this report for information.

RECOMMENDATIONS:

4. The Greater Manchester Combined Authority is requested to:

   a) agree that the funding application for Tootoot Limited (equity investment of £240k) be given conditional approval and progress to due diligence;

   b) delegate authority to the Combined Authority Treasurer and Combined Authority Monitoring Officer to review the due diligence information in respect of the company, and, subject to their satisfactory review and agreement of the due diligence information and the overall detailed commercial terms of the transaction, to sign off
any outstanding conditions, issue final approvals and complete any necessary related documentation in respect of the investment at a) above; and

c) note the investment to Shaping Cloud Limited and the amendments to the GM Business Support loan and the EON Reality Limited grant agreed under delegated authority.

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BACKGROUND PAPERS:

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<tr>
<th>TRACKING/PROCESS</th>
<th>YES</th>
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<td>Does this report relate to a major strategic decision, as set out in the GMCA Constitution</td>
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<th>EXEMPTION FROM CALL IN</th>
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<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?</td>
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PUBLIC DOMAIN RELEASE DATE: 31 MAY 2034

Risk Management – see paragraph 5

Legal Considerations – see paragraph 6

Financial Consequences – Revenue – see paragraph 7

Financial Consequences – Capital – see paragraph 8

1. INTRODUCTION AND OVERVIEW

1.1 The Combined Authority maintains and develops a pipeline of projects submitted by applicants seeking funding from either the Combined Authority’s Regional Growth Fund Programme or Growing Places Fund allocation. These projects are assessed against criteria based on the GM Investment Strategy, developed to underpin the economic growth of GM.
1.2 This assessment incorporates:

a) an appraisal by the GM Core Investment Team; and
b) a review by a sub group of GM Chief Executives.

2. INVESTMENT RECOMMENDED FOR APPROVAL IN PRINCIPLE

2.1 Tootoot Limited (Tootoot), Manchester
Sector: Digital & Creative

The business case in respect of Tootoot (an equity investment of £240k) has been submitted to, and appraised by, the Core Investment Team and subject to the outcome of the due diligence is recommended to the Combined Authority for conditional approval.

Tootoot is a tech business, which provides a platform to institutions for reporting of bullying, mental health issues, safeguarding issues and morale. It was established in November 2013 and is based in central Manchester.

The investment of £240k will be matched by c£300k of private sector investment and will be used to improve the technology, increase sales and marketing and fund working capital. Tootoot expects that 12 jobs will be created over a two-year period at its headquarters in Greater Manchester as a result of the investment.

Summary appraisal notes on the investment are included as a more detailed report, considered in the confidential part of the agenda due to the information relating to the business affairs of the company.

3. PROJECT UPDATE

3.1 ecomnova Limited (ecomnova)
Sector: Digital & Creative

An update on ecomnova has been provided in the confidential part of the agenda.

4. DELEGATED AUTHORITY UPDATES

4.1 Shaping Cloud Limited (Shaping Cloud), Manchester
Sector: Digital & Creative

Shaping Cloud are a Cloud consultancy business based in Manchester that help to support organisations transition their IT systems onto the Cloud. The Combined Authority has previously
approved a loan of £500k to Shaping Cloud and approval was given under delegated authority for a further investment up to £250k.

Further detail on the investment into Shaping Cloud has been provided in the confidential part of the agenda due to the financial and commercial detail relating to the business.

4.2 EON Reality Limited (EON)  
**Sector: Digital & Creative**

EON are a reality software company based in Manchester. EON received a £1,800k grant from the Combined Authority in 2012 alongside a £2,200k from Manchester City Council. An update on EON has been provided in the confidential part of the agenda due to the financial and commercial detail relating to the business.

5. **RISK MANAGEMENT**

The investments noted in this paper will be governed under the existing investment framework which includes several levels of review and ongoing monitoring of performance.

6. **LEGAL CONSIDERATIONS**

The legal agreement will be based upon the existing templates for the fund, amended for the specific requirements of the individual funding arrangements.

7. **FINANCIAL CONSEQUENCES – REVENUE**

There are no revenue implications.

8. **FINANCIAL CONSEQUENCES – CAPITAL**

The proposed investments will be made from recycled funds.