

KPMG to cash in on tech funding boom with new venture

The big four accountancy firm KPMG is seeking to cash in on the booming market for technology company fundraisings by acquiring a stake in a venture capital advisory specialist.

Sky News understands that KPMG will announce on Thursday that it is forming a joint venture with Acceleris, with the audit giant acquiring a 50% stake in its new partner.

The deal, which will be subject to Financial Conduct Authority approval, will lead to the formation of KPMG Acceleris.

The new entity will offer fundraising and advisory services in the UK and elsewhere, and will focus on fast-growing companies in the technology and life sciences sectors.

It will also target entrepreneurs operating in the environmental, social and governance (ESG) space, reflecting the surge in demand from investors in this area.

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The market for early-stage companies trying to raise capital has exploded in recent years, according to tech-focused trade groups, despite the recent correction in the valuations of many publicly traded tech companies.

Jon Holt, KPMG UK chief executive, said: "Fast-growing companies are the heartbeat of the UK economy, but access to funding remains a big barrier for entrepreneurs trying to grow their businesses.

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“By partnering with Acceleris we will enable companies to unlock the finance they need, and help them navigate what remains a volatile operating environment.”

The move from KPMG into the venture capital fundraising space comes amid far-reaching changes to the structure of the big four auditors in Britain.

Last year, it sold its restructuring practice to its management team and private equity firm HIG Europe because of growing concerns about the impact of audit conflict rules on

the division's ability to take on new clients.



Image:

Jonathan Boyers and Norman Molyneux. Pic: KPMG

Acceleris launched in 2000, and says it has raised more than £150m for clients during that period.

The KPMG joint venture will be led by Acceleris's management team, including founder Norman Molyneux.

Jonathan Boyers, a KPMG UK partner and head of its corporate finance division, said: "The number one issue for most start-ups, particularly in the tech and life sciences sectors, is the need to raise funding.

"The UK's VC market has seen a rapid increase in the number of early-stage businesses successfully raising money to grow in recent years, along with interest from investors looking to deploy capital in quality companies.

"However, fundraising is still a challenge, and the need for stronger infrastructure to better support those looking to take their businesses to the next level remains."

He added that access to KPMG's network would help early-stage

businesses to “grow from early-stage fundraising right through the lifecycle to exit, and beyond”.

Mr Boyers and Warren Middleton, senior partner of KPMG’s Manchester office, will join the board of the joint venture.