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Encore announces investment in oil and gas technology business

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Encore Capital LLP (“Encore”), the London based investment firm focused on backing entrepreneurial growth businesses, has completed an investment into Technical Software Consultants Limited (“TSC”), a designer and manufacturer of non-destructive testing equipment. The transaction was supported by Octopus Investments (“Octopus”), the investment specialist, which provided a £3m facility to enable the acquisition.

Encore has acquired a majority shareholding, providing a partial exit for TSC’s two owners, David Topp and Martin Lugg, who will continue as directors and shareholders in the business.

TSC uses its proprietary electromagnetic ACFM® technique to detect and size cracks in metals. Established in 1984, TSC is highly profitable, selling its equipment globally via an international network spanning over 40 countries. During 2011, sales to international markets represented almost 90% of turnover, primarily into the integrity management segment within the oil & gas sector. The business has enjoyed strong growth over the past five years as adoption of the technology has increased.

TSC's patented technology works through coatings of paint and other coverings, thereby minimising the potential down time for mission-critical equipment. The technology can be used in a range of hostile environments, including at ultra-deep subsea levels and in extremely high temperatures. Through the software that TSC has developed, an audit-trail is produced which makes the inspection process significantly more robust than traditional methods.

TSC has also developed equipment that measures loads and maps stresses on metallic structures (StressProbe), such as oil platforms and mooring chains. Demand for these enabling technologies has also increased as asset lives have been extended and where the risk and consequence of failure can be high.

TSC’s technologies provide unique solutions and have been accepted by several leading firms in the oil & gas sector. Its products are also applied in several other sectors including engineering, rail, nuclear, mining and drilling. It is the market leader within its sector and has an exciting range of growth opportunities ahead.

Commenting on the investment, Shirin Gandhi, Partner at Encore, said: *“We have been actively looking for investments within the integrity management space. TSC has developed market leading technologies and has demonstrated rapid international growth through a blue chip customer base. We believe there is exciting potential for further growth with the additional resource and expertise that management recognised they need and which Encore has a track record in helping to source.”*

Hugh Costello, Investment Manager at Octopus, added: *“We are pleased to be able to support Encore in their investment into TSC. It is an impressive business, which has a track record of consistently delivering for its customers. Octopus is well positioned to provide flexible finance to high calibre small to mid-sized companies like TSC that would benefit from funding, whatever sector they operate in.”*

As part of Encore’s investment, Maurice McBride has been introduced to the business and will take on the role of Executive Chairman. Commenting on his appointment, Maurice McBride said: *"It was quite clear from my first meeting with TSC and the management team that the future prospects for the business are quite significant and I am looking forward to working with both them and Encore to help exploit these opportunities".*

David Topp added: *"We are pleased to have Encore as a partner in the business. Their approach has been very commercial from day one and their experience and contacts will help us accelerate the growth of the business".*

**About TSC**

Since its establishment in 1984 TSC has gained an international reputation as an expert innovator of advanced Non-Destructive Testing (“NDT”) solutions. TSC is *the* world authority on the ACFM®, *StressProbe*, ACPD and ACSM NDT inspection techniques.

[www.tscinspectionsystems.com](http://www.tscinspectionsystems.com)