



Richard Beaton back on buyout trail

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BUY-AND-BUILD software tycoon Richard Beaton is back in business after a £3.5m deal.

Mr Beaton, who established Manchester group Tekton in 2005 and sold it to Sage for £21m in 2008, has taken a 15 per cent stake in an information security software business which counts government departments across the globe among its clients.

The deal sees Cheshire-based Mr Beaton join Deep-Secure as chairman and reunites him with Kieron Sambrook-Smith, who becomes chief executive.

The pair worked together at another software business, Boldon James, based in Crewe, before the firm was sold to QintetiQ for up to £20m in 2007. Mr Beaton was its chairman and Mr Sambrook-Smith its sales director.

Deep-Secure has acquired the specialist products division of Clearswift and is based in Reading.

It has 14 staff and expects to post turnover of £5m next year with pre-tax profits of £2m.

Mr Beaton said he is targeting revenues of £6.5m within three years with profits of £3.4m through organic growth, but will seek acquisitions too.

The buy-in has been funded by venture capital firm YFM, which has taken a 45 per cent stake.

Mr Sambrook-Smith, operations director Miles Clee and Deep-Secure's management team hold the rest of the shares.

Deep-Secure supplies software to help governments ensure emails and messaging systems are secure.

Mr Beaton said: "I believe there are excellent growth prospects for the business as information security is one of the biggest issues faced by governments around the world.

"There are also opportunities in the commercial sector and we shall be investing in product development, as we see great potential for Deep-Secure to grow very quickly."



Taken from the Manchester Evening News

Mr Sambrook-Smith said: "There is a growing need for very high security when connecting up sensitive networks between organisations and indeed countries."

He added that Deep-Secure's software was acknowledged as the most secure available on the market.

Mr Beaton took more than a year off after selling Tekton, which he grew into an enterprise with annual revenues of more than £8m and profits of £2.3m.

He said he had considered a number of business options before deciding to invest in Deep-Secure.

Clearswift chief executive Richard Turner said Deep-Secure had an experienced software business management team who would ensure that customers continued to benefit from its products and services.