

May 2022



### **COLE ASSOCIATES ADVISES ON £3M INVESTMENT ROUND INTO INDOOR AND OUTDOOR HEAT SPECIALISTS**

David Middleton of Cole Associates advised the shareholders on a £3 million funding round into an online retailer specialising on Stoves, Fireplaces and Outdoor Living, led by Northwest based multi-family investment office Arete together with backing from the newly launched Tosca Impact Fund.

Originally established as Fireplace Warehouse in 2005, founder Adam Leah built his business selling fireplaces and stoves via two web sites [www.directstoves.com](http://www.directstoves.com) and [www.direct-fireplaces.com](http://www.direct-fireplaces.com). Lately along with business partner Ryan Hancock they have brought a teak garden furniture business [www.cotswoldteak.com](http://www.cotswoldteak.com) and a business specialising in wicker baskets [www.wovenhill.co.uk](http://www.wovenhill.co.uk). With the investment they will bring all the brands under one group creating Direct Home Stores which is expected to generate £20 million sales within the next financial year.

The UK home improvement market has seen a significant boost over the last few years, due to a seismic shift in consumer behaviour that saw the majority of people spending much more time at home as a result of the pandemic. This change in consumer behaviour shows no sign of slowing down, with the market set to increase by a further five per cent in the short term.

The investment from Arete will help the business invest in its IT systems and build out its route to market by rolling out several flagship stores in key locations around the UK. The deal will also help in the acquisition of a number of key senior hires that will strengthen the existing board and help generate future growth. The business expects to double its number of employees in the next three years.

Commenting on the deal, founder Adam Leah, said: “The team at Arete have a great understanding of the e-commerce market and can provide us with invaluable guidance as we approach this new phase of business. We believe we offer a distinct service unlike any other retailer in the UK, and, with help from Arete, we will be able to finetune this offering and extend our reach to a wider proportion of the UK home and lifestyle market. We are delighted to have the backing of Arete and Tosca as M&A could form a significant part of our growth.”

Adam Leah commented on the advice from Cole Associates; “I was very impressed with how you dealt with all aspects of the deal”