

Transtar's new team

MANAGEMENT BUYOUTS HAVE FIGURED SIGNIFICANTLY IN THE PAST COUPLE OF MONTHS AS SYIF CONTINUES TO GROW ITS PORTFOLIO OF EQUITY INVESTMENTS.

Equity funding can be the best source of finance for companies needing backing at an early-stage or in a management buyout and also strengthens the capital base of the company.

A typical equity deal was completed in July when SYIF helped management at the specialist independent freight forwarding company, Transtar, acquire the business in a deal worth £500,000.

Lee Bolsover and Jayne Wilkinson who have worked in senior managerial positions at the Sheffield-based company for more than ten years, bought the business from the founder, safeguarding 13 jobs in South Yorkshire.

Joining the duo as a non-executive director is Kevin Gregory, who will provide financial and strategic guidance to the team. Mr Gregory is a partner at South Yorkshire chartered accountants Hawsons where he is responsible for the firm's corporate finance services.

Mr Bolsover told *Profile*: "Transtar has been a consistently profitable business for several years now and has the capacity to grow turnover further over the next couple of years. Jayne and I are committed to further establishing the business as a premier freight forwarder in the region and further growing sales.

"The deal is very important to the region because if a sale to the MBO team had failed it is likely that Transtar would have been sold to an outside competitor and that might have meant that the business would have been lost to the South Yorkshire area."

The company offers a wide range of freight forwarding services including air, sea, TIR, courier import and export, marine insurance and storage and distribution. Key suppliers include DHL/UPS, AirMenzies and several major airlines and shipping companies.

The deal was financed through a mix of loans and equity supported by a facility from Royal Bank of Scotland.

Tony Goulbourn, Chief Executive of SYIF said: "The Fund was very keen to support the management team in the acquisition of Transtar. They have an enviable understanding of their marketplace and have already proved that they can grow a successful business.

"Jayne Wilkinson and Lee Bolsover, backed by an experienced and committed team, have built up a strong and loyal client base and have several exciting initiatives planned for the future development of the business. This is just the sort



SYIF CHIEF EXECUTIVE TONY GOULBOURN WITH TRANSTAR'S JAYNE WILKINSON AND LEE BOLSOVER

of business the Fund is seeking to support in South Yorkshire. We are also delighted to be able to introduce a non-executive director like Kevin Gregory with a skill set identified by the MBO team as crucial to continued growth."

Events

CAPITAL NETWORK November 27th

Meet at Nabarro Nathanson, 1 South Quay, Victoria Quays, Sheffield S2 5SY

For further information telephone Lynne Martin on 01709 386387.

SEMINAR - GAP FUNDING WITH £60m 4.30 pm, November 19th

Sheffield Chamber of Commerce
Albion House, Savile Street - 4.30 pm

For further information contact the Chamber Events Team on 0114 201 8930.

GRASPING THE OPPORTUNITY ENTERPRISE CONFERENCE December 4th

Hosted by the Institute of Chartered Accountants in England and Wales and South Yorkshire Partners Group Hellaby Hall Hotel, Rotherham

For further information telephone Lynne Martin on 01709 386377.

MENTORBANK December 17th

Paul Fullerton, Deputy Agent of the Bank of England, will lead a discussion on the economy of South Yorkshire. Hellaby Hall Hotel, Rotherham

For further information phone Jonathan Dixon on 01709 386380.



MARTIN RIDDETT AND SYIF'S JOHN ASHCROFT AND ALLAN WOOD

Labfacility keep it in the family

LABFACILITY, A FAMILY-RUN BUSINESS BASED IN DINNINGTON, WON THE BACKING OF SYIF IN SEPTEMBER WHEN THE FUND SUPPORTED IT WITH A £30,000 LOAN.

The company, which employs 31 staff at its Dinnington premises, manufactures and distributes industrial temperature sensors for major customers including electrical distributors Famell Electronics and RS Components, which distribute Labfacility's products to more than 80 countries.

The SYIF loan allowed the management team to buy out one of its major shareholders and expand the business further. The company will use the unsecured loan to further develop the business and its range of services.

Labfacility managing director Martin Riddett said: "We are absolutely delighted with this deal. It will enable us to restructure our business and will help secure our site in Sheffield. We can now press

ahead with various initiatives including website, capital equipment, IT, training and refurbishment expenditure plans. "We are extremely grateful to the South Yorkshire Investment Fund - throughout the negotiations their approach was very professional and very understanding to our problems and our long-term aims."

Allan Wood, the investment manager who led the deal, said: "The management team at Labfacility clearly understand their business through and presented us with a compelling investment opportunity which we were more than happy to back.

"We look forward to watching Labfacility over the next couple of years as the management team under Martin Riddett continue to grow it further."



Tony Goulbourn
Chief Executive
South Yorkshire Investment Fund

Welcome...

THE FIRST ISSUE OF *PROFILE* OPENS A NEW CHAPTER IN THE LIFE OF SOUTH YORKSHIRE INVESTMENT FUND AND ITS PARTNERS AS WE CONTINUE TO DEVELOP A PRESENCE IN THE REGION.

The Fund has now made 27 investments in 24 South Yorkshire companies operating in a diverse range of industries around the region.

These include straightforward unsecured loans to businesses keen to fund their future expansion to more significant equity investments in a series of management buyouts and buy-ins.

Elsewhere, Capital Network, our forum for bringing together entrepreneurs with business angels who are keen to invest in growing business continues to attract great interest. Likewise, Mentorbank which provides subsidised mentoring support to help management teams grow their business has been well received.

We work closely with all our clients and partners and *Profile* provides us with a new and compelling means by which we can communicate with colleagues, clients and partners.

Published on a quarterly basis, *Profile* will keep you up to date on the Fund and will include news stories, features and profiles on key investments and members of staff. We have also produced an electronic version of the *Profile* magazine that can be emailed directly to your desktop. To subscribe to the electronic version visit our website at www.syif.com.

Because we understand the nature of South Yorkshire's business community and smaller businesses in particular we are well placed to advise and invest in growing businesses. There is also a very strong social element to the Fund as it seeks out social enterprises and others working in the community.

We are committed to further developing the South Yorkshire economy and helping companies grow through shrewd commercial lending. Our door is very much open and we are keen to discuss investment opportunities with entrepreneurs in the region.

The Fund offers a series of loan and equity packages structured to support businesses through critical stages of growth. From start-up through to major expansion to management buyouts and buy-ins, the Fund will provide financial support for the right business.

The economic prospects for South Yorkshire are very exciting at the present time and during the next ten years we at the Fund expect to see significant changes in the region's fortunes - all for the better. We expect to play a role in that. As always we would welcome your views on *Profile* and the Fund's other activities.

Investing in future growth

INDUSTRIAL CARBIDES IS ONE OF THE COMPANIES THAT HAS BEEN HELPED BY THE FUND TO IMPROVE AND CONSOLIDATE ITS BUSINESS THROUGH AN UNSECURED LOAN.



TONY GOULBOURN AND QUALSYS MANAGING DIRECTOR MIKE POUND

As part of a deal worth £175,000 involving NatWest Bank through the small firms loan guarantee, Industrial Carbides will now consolidate its business in Sheffield.

Managing director, Ian Brookes, said: "We are very pleased with this additional funding. It has helped us consolidate our move and will enable us to reach out to much larger international markets.

"It will also mean we will be involved in more manufacturing in the UK and will help us put in place a marketing strategy to secure contracts in Scandinavia and New Zealand to name but two."

He added: "In addition to the assistance from the Fund, we have been helped by our business mentor Dr David Clayton, who provided us with a corporate dimension."

The company, which makes tungsten carbide tools, has also taken on five extra employees, boosting numbers to 20.

Commenting on recent investments Tony Goulbourn, chief executive of South Yorkshire Investment Fund, said: "These are just the companies we are seeking to help - they operate in a range of diverse sectors in a fast-growing markets and they have all expressed great ambitions for its future.

"We see these as excellent deals and the recent transactions we have done will secure these companies' position, future job security and prosperity for the people of South Yorkshire. We are keen to talk to other companies with ambitious management in the South Yorkshire region."

OTHER SIGNIFICANT LOANS INCLUDE:

- The Fund's first investment with an unsecured £50,000 loan to Qualsys, a Sheffield-based company that makes document-handling software.
- A £50,000 unsecured loan to Independent Forgings & Alloys, which will be used to develop a new production process on its site in Sheffield.
- A £30,000 unsecured loan to Sheffield engineering firm Fmats to invest in new machinery and staff recruitment.
- A 50,000 unsecured loan to Barnsley-based Bartec Auto ID which has developed a pressure monitor for tyres.
- A £30,000 unsecured loan to Rotherham start-up company Aquaform which specialises in the maintenance of boilers, air conditioners and refrigerators.

For further information about the fund and how it can help your business telephone 01709 386377 or, email us at info@syif.com or visit our website at www.syif.com



Alambar: safe & secure



CASE STUDY: INVESTMENT MANAGER ALLAN WOOD ADVISES ON UNSECURED LOANS ON BEHALF OF THE FUND. HERE HE REFLECTS ON A RECENT TRANSACTION WHEN SYIF INVESTED £90,000 IN ALAMBAR SAFETY PRODUCTS.



ALAMBAR'S JOHN MCCREERY WITH LEFT TO RIGHT SYIF'S ALLAN WOOD AND BRIAN LEACH

At South Yorkshire Investment Fund we provide a range of investment packages designed to close the funding gap for businesses in South Yorkshire.

A popular solution for many companies talking to SYIF is our unsecured loans. These can range in value from £15,000 to £100,000 for the majority of established profitable businesses and up to £50,000 for start-ups or early stage businesses. Effective interest rates are from as little as three per cent and terms from one to five years are available.

One local business to benefit from a SYIF loan was Doncaster-based Alambar Safety Products which recently received £90,000 from the fund as part of a larger £140,000 deal.

Entrepreneur John McCreery approached us to talk about his plans for acquiring the company, which makes customised, high-visibility safety clothing for a wide range of clients in emergency services and industrial manufacturing.

We were very impressed with John and his management team. John is an accountant with a wide range of experience and he clearly demonstrated that he had thought through all the issues associated with the buyout.

As part of our investment John also took Peter Pridham into his management team.

Peter is a member of Mentorbank, SYIF's team of approved non-executive directors, and added further strength to the Alambar business through his experience as a director with a variety of engineering environments.

We will work closely with John and Peter over the coming months to help them realise all their business goals and create new employment in the area.

John says: "We were delighted to win the support of SYIF and the help of a dedicated non-executive director. We are very much a hands-on team and believe we can make the business work much harder and generate further profitable growth. The market is growing and Alambar are well-placed to take advantage of any new opportunities with the backing of South Yorkshire Investment Fund."

The company now has plans to develop high visibility T-shirts and polo shirts that are currently unavailable to the market in the hot summer months. It also has a small but

expanding, corporate clothing division that is seen as being ripe for development.

At the Fund we regard Alambar as an excellent opportunity to back an experienced management team, whom we believe will develop the business to its full potential, creating jobs and prosperity for the region.

At SYIF we are keen to talk to other companies with sound business ideas, but which may have insufficient security to raise all the finance they need from a bank or are too small to attract private equity interest.

For companies based in South Yorkshire looking to close the funding gap give us a call on 01709 386377

Capital ideas on show for angels

SEVERAL YORKSHIRE ENTREPRENEURS SHOWCASED THEIR COMPANIES TO THE REGION'S BUSINESS ANGELS RECENTLY AS THEY SOUGHT OUT FURTHER FINANCE TO FUND THEIR COMPANIES FUTURE DEVELOPMENT.

The event organised by Capital Network, part of the South Yorkshire Investment Fund, seeks to bring together entrepreneurs seeking funding with business angels keen to invest in high growth businesses.

Among the companies exhibiting at the forum were Barnsley-based Taskil, which has developed an automatic self-tuning device called EziTune for electric guitars that allows musicians to perfectly tune their instrument at the touch of button, and Sheffield-based Kaltar, a supplier to the plastics and pigment industries.

Another exhibitor was Narrow Cast Media - an online publisher and retailer of climbing equipment and clothes. Narrow Cast operates the planetfear.com website which provides a range of online news and information for mountaineering enthusiasts and a comprehensive online shop for outdoor pursuits.

Former professional climber Shane Ohly, who established the business with journalist Adrian Berry, said: "We set the business up in February last year and it has grown very quickly since then and we now run

a shop in Sheffield as part of the company. We are now in talks with several investors who will provide us with the funds to invest in marketing to grow the business further."

Lynne Martin, manager of Capital Network, said: "All the companies exhibiting at the Capital Network events offer an exciting opportunity to business angel investors. We seek to bring together aspiring entrepreneurs with great ideas and business angel investors who, as well as bringing much-needed funds to these companies, also bring industry experience and contacts.

"We are planning several similar events over the next 12 months and these will bring an added dimension to the region's investment community."



PAUL OSBORNE SHOWS THE EZITUNE AUTOMATIC TUNER TO CAPITAL NETWORK'S LYNNE MARTIN

If you would like to find out more about becoming a business angel or you are a business looking for investment contact Lynne Martin on 01709 386387 or visit www.syif.com.

Buyout for Pearce Buckle



CASE STUDY: INVESTMENT MANAGER MARK HUNTER SPECIALISES IN PRIVATE EQUITY TRANSACTIONS. HERE HE FOCUSES ON THE RECENT BUYOUT OF PEARCE BUCKLE



BUYOUT SUCCESS: FROM LEFT TO RIGHT, KEVIN HURST, RICHARD CHERILL, SYIF'S MARK HUNTER AND PAUL BESTALL

Management buyouts have figured significantly in the past couple of months as SYIF's continues to grow its portfolio of equity investments.

Although SYIF does a significant number of "bread and butter" deals in the form of unsecured loans it is not averse to tucking into more substantial transactions through equity-linked packages.

In these SYIF will take a minority stake in a business in return for investments of up to £500,000. The equity-linked package, with its competitive fees, is designed for new or existing businesses with potential for rapid expansion.

A typical equity deal was completed in August when Pearce Buckle, the building services engineering consultant, was acquired by management in a deal supported by SYIF.

Paul Bestall, Kevin Hirst and Richard Cherrill who have considerable experience within the construction industry wanted to buy the Sheffield-based business from the founder with plans to expand it further and consolidate on its recent successes.

Pearce Buckle operate in a wide range of sectors designing mechanical and electrical services for a variety of clients including: HM Prison Service, Rampton Hospital, Broadmoor Hospital, The University of Sheffield, Care Principles and HSBC Bank.

As management made clear, the construction industry is currently enjoying something of a boom and are looking to expand on the back of that in a controlled manner consolidating on its success to date.

The management team clearly displayed to us that it continued to deliver a proven quality of service to a loyal client base and we were keen to offer out support to a company which obviously understood the opportunities opening up to it.

The company, which employs 30 staff, currently boasts a healthy order book and has long-term contracts with very significant clients. At SYIF we are interested in the long-term commercial aims of the company, ongoing business growth and the quality of the management team. In short, Pearce Buckle ticked all our boxes.

This is a major deal for SYIF and means that a quality employer remains in the region. The team at Pearce Buckle are true professionals and leaders in their field and we are committed to supporting them through their future growth.

However, we are keen to talk to other ambitious management teams who believe they can build great businesses and would welcome all enquiries - you never know it could be the start of a beautiful relationship.

Phone us on 01709 386377

Lift off for TLC

The Fund has helped lift the operations of TLC Handling in Doncaster which has just secured a contract in excess of £2m. SYIF provided a £50,000 unsecured loan and helped them secure additional funding of £100,000 from Barclays Bank.

The management team, Tony Hancock and Karen Papa are pictured, right, with Peter Burton and Allan Wood of SYIF.

Based at Fittingley Airport in Doncaster, TLC Handling has been sub-contracted to supply in excess of £2m of equipment to the Ministry of Defence. Employing eight people, the company was formed in February 1997 and manufactures state-of-the-art-lifting equipment for both military and civilian helicopters.



South Yorkshire Investment Fund Ltd is a company limited by guarantee (Registered No 3936065) South Yorkshire Investment Fund comprises three sub funds, the South Yorkshire Investment Capital Fund, the South Yorkshire Investment Development Fund, which are each managed by Yorkshire Fund Managers Ltd, and the South Yorkshire Investment Small Business Fund, which is managed by UKSE Fund Managers Ltd. Yorkshire Fund Managers Ltd (Tel 0114 280 0920) and UKSE Fund Managers Ltd (Tel 0114 270 0933) are each regulated by the Financial Services Authority

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