

# ALLIANCE & LEICESTER COMMERCIAL BANK: An intermediaries view

A crucial part of South Yorkshire Investment Fund's role is working in partnership with the banks to ensure that businesses gain the investment they require.

The Alliance & Leicester Commercial Bank is one bank SYIF work closely with. Andy Cocker, Head of Alliance & Leicester Commercial Bank's South Yorkshire Business Centre tells us more about the relationship.

The launch of Alliance & Leicester Commercial Bank's new Sheffield based business centre earlier this year has seen the development of a strong relationship with South Yorkshire Investment Fund, teaming up on a number of deals to offer local businesses the opportunity to expand and develop.

The bank's alternative approach to banking embraces the opportunities that working with SYIF presents, offering great value products and services to a wide variety of businesses in the region combined with the support and stability the fund can offer.

Andy Cocker, Head of Alliance & Leicester Commercial Bank's South Yorkshire Business Centre, said: "SYIF offers customers supplementary funding and investment solutions, working with the bank to support and strengthen business applications and helping businesses to fulfil their ambitions.

"This partnership works particularly well when dealing with management buy in and buy out transactions as it brings balance to the deal, by sharing the security and minimising the possible risk to any one party."



(From left to right) Andy Cocker, Phil Hex, Josie Cheadle and Fiona Seville from the Alliance & Leicester Commercial Bank's South Yorkshire Business Centre.

SYIF has worked with Alliance & Leicester Commercial Bank with a number of businesses looking for funding. This has allowed Alliance & Leicester to team up with the Fund to offer customers the best possible financial solution for their business.

The partnership provides additional flexibility and can streamline the credit process, resulting in even faster turnarounds on decisions due to the reduced risk.

In addition, SYIF offers businesses mentors to help them bridge any skill gaps in order to guide the business in the short term, supporting the growth of the business and playing an active role in their success.

A Sheffield-based business that has benefited from Alliance & Leicester Commercial Bank's partnership with SYIF is Vision CCTV. When local entrepreneur, Tim Ralston was buying in to Vision CCTV, he was introduced to Alliance & Leicester Commercial Bank and SYIF by Chris Sellars, Head of Corporate Finance at Hart Shaw Accountants in Sheffield.

The deal was secured through a combination of a competitive, bespoke package from Alliance & Leicester Commercial Bank and additional investment from SYIF, enabling Tim to buy in to the business.

Tim Ralston, Managing Director of Vision CCTV, said: "The help of Alliance & Leicester Commercial Bank and South Yorkshire Investment Fund have been invaluable in securing this deal. We will be looking to expand the business further over the next few years and look forward to working with the team at SYIF and Alliance & Leicester to drive the business forward."

Andy added: "Tim's previous business experience combined with the knowledge and expertise of the existing team at Vision CCTV will help to develop and expand the business, furthering its potential, creating new job opportunities and ensuring the continued success of the business for many years to come.

"We created a bespoke package tailored to the needs of the business and the support of the South Yorkshire Investment Fund played a key role in the deals success."

# South Yorkshire Investment Fund

Investing In Business In South Yorkshire

# ...profile

Autumn 2007 Issue 16

## Flotation returns more than eight times money

South Yorkshire Investment Fund has achieved an internal rate of return of 125 percent and a cash multiple of 8.5x on its original investment, after the successful flotation of Pressure Technologies Plc on the Alternative Investment Market (AIM).

YFM Venture Finance has also achieved a similar return for its Yorkshire & Humber Equity Fund (YHEF)

The two funds still retain a small stake in the AIM listed business.

Pressure Technologies plc is the parent company of Chesterfield Special Cylinders, the Sheffield business that designs, manufactures, tests and refurbishes a range of high pressure seamless cylinders.

In August 2004 the Yorkshire & Humber Equity Fund invested in the original Management Buy Out, led by John Hayward and four colleagues from its German parent company. This was followed by a further investment of capital from South Yorkshire Investment Fund and grant aid from Yorkshire Forward which enabled the firm to move their operation to the Don Valley and re-equip the business.

Over the last 24 months the company's new owner-managers have re-organised and driven a rapid expansion of the businesses. The success of the Pressure Technologies Initial Public Offering (IPO), which was oversubscribed, has raised more than £6 million and given the company the financial muscle it was looking for to continue its expansion programme.

Tony Goulbourn, Chief Executive of SYIF, said: "We are delighted with the return on our investment and to have helped Pressure Technologies fund the move to the Sheffield area which enabled them to achieve their growth and development objectives".

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# Business solutions BOOM for Sheffield company

A top Sheffield business solutions company is set to expand its market leading product range with a loan from South Yorkshire Investment Fund.

Epitomy Solutions Ltd has used the £50,000 loan, part of an overall £170,000 funding package, to develop its already strong product range – which provides specialist aftermarket service solutions to the capital goods industries, including online parts catalogues and ordering systems.

Following the company's success in a number of sectors of the capital goods market, Epitomy needed to expand the core business to exploit opportunities further down the value chain and create additional sales channels.

The business, which is based in Sheffield's green southern suburbs, has a client base which includes familiar big names such as Optare Bus, Hayter and Mercury Marine in the bus & coach, ground-care machinery and marine engine sectors.

Andrew Vernon, Managing Director at Epitomy, said: "In its sixth year of trading, Epitomy faced the usual ups and downs encountered by many new start ups. The downs generally involve finance, most usually cash flow in the early days.

"The nature of the finance issue has changed as the business has matured. This is where SYIF has helped

us. The loan allowed us to put together a range of finance options which are helping us invest for future growth.

"Growing a company isn't just about sales, it's about gearing too. This was a time when we didn't necessarily want to raise finance through equity and were looking for other options.

"The SYIF loan is accompanied by an offer of matched funding which can be used for mentoring purposes. We have found this aspect of the funding truly valuable.

"We have been working with a mentor to review the nature of our product offer and I think the outcome will be quite radical for us with much greater emphasis on how our offer can appeal to different users groups within the product support supply chain."

As part of SYIF's involvement with Epitomy, they have appointed a business mentor, to help the company develop its business strategy and refine management practices.

"The process has resulted in us identifying a range of really innovative new features, a real bonus," added Andrew.



(left to right): Andrew Vernon Managing Director at Epitomy Solutions and Jane Siddle from SYIF.

Epitomy's mentor, John Stephenson, provides an invaluable range of skills from his wealth of senior management experience in companies like Land Rover, Massey Fergusson and Caterpillar Logistics, precisely the type of companies that Epitomy is targeting.

Other organisations involved in the finance deal are Business Link South Yorkshire, Connect Yorkshire and National Westminster Bank Plc.

Jane Siddle, Investment Manager at SYIF, said: "Epitomy is a modern, forward-thinking company that is keen to grow and keep on growing. We are really pleased to be able to help such an organisation."



Pictured from left: Lead adviser John Warner, Grahame Lunt from SYIF and Steven Beech, Managing Director at Wentworth Brewery.

# Toast to expansion

A Rotherham brewery has more than doubled its output after a cash top up from South Yorkshire Investment Fund.

Wentworth Brewery has used the £50,000 loan to increase its capacity for brewing its fine ales and to invest in new technology.

The famous Power House Gun Park site is around 200-years-old and now has a brewing plant capable of producing 30 barrels per day, a threefold boost to its previous capacity. The new computer hardware and bespoke sales system has also created two more jobs, increasing the number of employees to twelve.

The brewery, which has been operating since 1999, produces a selection of real ales and spring water, serving the entire country with the emphasis on the finest beverages and quality customer service.

Steven Beech, Wentworth Brewery's Managing Director, said: "We reached a point where demand was outstripping supply and we needed to act and expand the enterprise. The funding package from SYIF has enabled us to multiply our productivity and invest in more commercial areas of the business.

"The first tier of investment was purely to expand the brewing plant and the cask fleet meaning we can supply to our customers on a much larger scale. The second tier has been the updating of our technology so we now have more hardware and a more modernised way of organising our operations."

Best selling beer, Wentworth Pale Ale (WPA), more affectionately known as 'Woppa' is produced alongside

other popular ales including Rampant Gryphon, Bumble Beer, and seasonal favourites like Santa's Secret.

Part of the loan from SYIF has been used to finance an advertising campaign for Bumble Beer, a 4.3% golden honey bitter, which has strengthened links with existing customers as well as stimulating new business.

"The expansion is ongoing and with this step up we're in a position to maximise the positive impact our growth has on our clients and it paves the way for further growth in the future when hopefully demand will once again bring change", added Steven.

The Wentworth Brewery is ideally located for good distribution within the surrounding areas. It has a Rotherham address, a Sheffield post code and a Barnsley phone number so is well placed to serve the real ale enthusiasts of South Yorkshire.

The brewery was introduced to SYIF by Barber Harrison and Platt, following which lead adviser John Warner was appointed mentor as part of SYIF's mentorbank facility. John is also on the Board of Directors at SYIF.

Grahame Lunt, SYIF's Investment Manager, said: "Wentworth Brewery is exactly the kind of company we are keen to support in the heart of South Yorkshire. We are delighted to help the company grow and I'm sure fine ale connoisseurs up and down the country will echo that sentiment."

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 YFM Venture Finance Limited, and the South Yorkshire Investment Small Business Fund, which is managed by Finance South Yorkshire Ltd. YFM Venture Finance Limited (Tel 0113 294 5000) and Finance South Yorkshire Ltd (Tel 01709 386 377) are each authorised and regulated by the Financial Services Authority. South Yorkshire Investment Fund also provides a number of services, which are not regulated by The Financial Services Authority. These include the pilot Seedcorn Fund, Mentorbank and access to the Yorkshire Association of Business Angels.



Part funded by the European Regional Development Fund.

If you have a business in South Yorkshire then the Fund wants to hear from you.  
Call 01709 386 377 or log on to: [www.syif.com](http://www.syif.com)

# Welcome...



...to the sixteenth edition of Profile!

Despite our premises in Rotherham suffering in the horrendous floods, we've had a very busy summer with deals across all of our funds.

It's pleasing to see that the recently launched Seedcorn Fund is a success, with more deals being completed during the last quarter. It proves that such a fund was needed to help early stage technology and knowledge-based businesses in South Yorkshire. Anyone wanting more details on seedcorn funding should contact Jonathan Dixon, Deputy Chief Executive on 01709 386392 or email jonathand@syif.com.

Meanwhile, at the opposite end of the spectrum, SYIF has received an internal rate of return of 125 percent and a cash multiple of 8.5x on its original investment after the successful floatation of Pressure Technologies Plc - the parent company of Chesterfield Special Cylinders. You can read all about this on page 1.

We also welcome back to SYIF Andy Chaffer. Some of you will already know that Andy worked with us 18 months ago before heading for a position in Leeds. We are pleased he has re-joined us as our new Business Director.

This edition also shows a range of companies who have benefited from investments and loans from SYIF. We provide seedcorn, loan and equity linked investments, ranging from £15k to £2.5m, specifically to help small and medium businesses meet the gaps in funding they need for growth and development. If your company is requiring financial assistance, give us a ring on 01709 386377 or email us at info@syif.com and we can explain how we can help you.

I hope you enjoy reading this latest issue of Profile!

*Tony Goulbourn*

Tony Goulbourn  
Chief Executive  
South Yorkshire Investment Fund Ltd

## Life line saves bird flu hit firm

(left to right): John Hearsey Director at Bankwood Meats and Jane Siddle from SYIF.

South Yorkshire Investment Fund has thrown a life line to a Doncaster company affected by the bird flu epidemic in Suffolk.

Bankwood Meats, based in Thorne, prepare and supply cooked turkeys to the wholesale trade across the north of England.

However, following the bird flu outbreak earlier this year, the company saw sales drop by 40 per cent over night as the crisis began to affect all turkey businesses in the country.

Bankwood Meats is now on the road to recovery with business returning to normal, but Director John Hearsey, admitted that the £25,000 investment from SYIF in December, just before the crisis hit, proved to be a "god-send."

He said: "It has been a difficult time for the company, after what had been a really successful year for us. We are now recovering and getting back to normal."

Before bird flu Bankwood invested £12,000 of the SYIF money for a new packaging equipment, which has increased

product volumes by 25 per cent and improved the appearance of their products.

John added: "We were planning to purchase even more equipment, but we had to use the money to assist with the working capital during that difficult period. We were lucky that the money was there to draw on."

"SYIF have been brilliant and gave their backing after recognising we were an investment opportunity. I am delighted they did. The future is looking brighter and cash-flow is now a lot more manageable."

Bankwood Meats, who operate out of a 5,000sq ft unit at Thorne Enterprise Park, supply the turkeys to specialist food shops, market traders and delicatessens.

In 2004 they received a £50,000 investment from SYIF to help develop the company and create ten new jobs.

Jane Siddle, Investment Manager for South Yorkshire Investment Fund, added: "Obviously this was unusual circumstances in which our investment was used. But we are pleased that it has helped secure the future of Bankwood Meats."

"The company was progressing nicely before bird flu hit, so I am delighted to hear business is returning to normal."

## Company spreads the word, thanks to loan

A Barnsley-based product design company is going to spread the word of the services it can provide, thanks to a £15,000 loan from South Yorkshire Investment Fund.

HJC Design Ltd, based at the Barnsley Business and Innovation Centre (BBIC) in Wilthorpe, is investing the money to promote the company profile and grow the client base through comprehensive marketing, advertising and a re-launched website. A portion of the loan will also be used to buy design software and as working capital.

HJC Design Ltd was set up in 2004 by Matthew Conley after he attended a business development programme at BBIC. Matthew, who provides creative and innovative design solutions for a range of industries including telecommunications, medical, safety and security sectors, can produce a complete product from the concept stage through to final production and delivery.

HJC Design's initial application for funding was rejected by SYIF as the business was still in the early stages of development. But, business mentor John Hall, took Matthew under his wing, helping HJC to grow and draw up the necessary business plans and 12 months later the application has been a success.

Matthew said: "John has been a good mentor to the business and I can always pull on his experience and

knowledge. It is always difficult for a fairly new business to gain a loan, but thanks to John's help I've been successful in gaining this money from SYIF. The loan fills a critical funding gap for me."

John added: "I have worked with Matthew to look at his planning processes. He knows where he wants his business to be and he intends to get there. He has now put his marketing plans in place and, thanks to SYIF, can finance it."

Karl Hodson, SYIF Investment Director, said: "In addition to the investments, an important part of the SYIF process is our Money with Management programme which identifies and supports the cost of a mentor. In Matthews case we liaised with mentor John Hall to identify the developments that needed to be made to HJC in order for it to return and be successful with a subsequent application for funding. The business will now benefit from subsidised mentoring in the next stages of its growth."



(left to right) Steve Bell from SYIF, Tony Moloney Chief Executive of Moloney Ventures, Matt Carr and Paul Vandrill from Moloney Ventures and John McCormack of Enterprise Foods.

## £1m Moloney food venture

Barnsley-based Moloney Ventures has completed the acquisition of Enterprise Foods Ltd. The deal was secured with the help of a £1 million loan and equity deal from South Yorkshire Investment Fund and additional financial support from GE Commercial Finance.

Tony Moloney, Chief Executive of Anthony Alan Foods Ltd, a Barnsley company with 15 years experience in the food industry, takes on the position of Chief Executive.

Enterprise Foods was established by David Beattie in 1994 and grew to a turnover of over £44 million prior to the disposal of its food manufacturing businesses.

The company currently has a turnover of £25 million generated from the management of its, in-house developed, eCommerce supply chain management solution.

Moloney Ventures, which was set up to complete the acquisition of Enterprise Foods, will have a head-office at the Barnsley Business Innovation Centre (BBIC).

Tony Moloney said: "We are unique in the food sector because the company deals with so many suppliers and outlets on a daily basis, processing over 14,000 invoices weekly."

"If a customer has two sites one in Cornwall and another in Scotland, we can utilise our contacts to manage the delivery of products to those shops from a local supplier. This will not only boost business in those areas but also reduce the carbon foot print associated with delivery."

Enterprise Foods has positioned itself to be instrumental in the overall supply chain to its customers and is now

looking at the possibility of extending the service into non-food sectors.

Tony added: "We have established a key eCommerce trading platform which we can take on to develop further growth opportunities. We can supply to any company which has a number of outlets across the country."

Tony was named National Business Awards Entrepreneur of the Year 2004, before his company Anthony Alan Foods Ltd won both the 'Microsoft Award for Outstanding Business Achievement' and 'The Barclays Business of the Year Award' at the 2005 National British Chamber of Commerce awards.

Anthony Alan Foods, also based at BBIC, is the UK's leading supplier of low fat cakes sold under the Weight Watchers brand.

Steve Bell, Investment Manager at South Yorkshire Investment Fund, added: "Tony and the management team have a vast amount of experience in the food industry and they will be instrumental in continuing the success of Enterprise Foods."

"Whilst Enterprise Foods has seen impressive growth over the last four years the management team has identified a number of opportunities to extend the service into non-food sectors whilst, at the same time, extending the number of food sector customers."

## IT firm tackles energy reduction

A Barnsley company launched with help from South Yorkshire Investment Fund will help businesses manage, analyse and reduce the amount of gas, electricity and water they are using.

Consilico Ltd, based at Barnsley Business Innovation Centre (BBIC), is an independent solutions provider and promotes energy performance management solutions using the latest in Business Intelligence (BI) technology.

The company has received an £85,000 investment from SYIF's Seedcorn Fund to help launch its inaugural product called 'Conserve'.

Conserve allows Consilico customers to analyse their energy usage on a daily, weekly, monthly and yearly basis via the worldwide web and through a specifically customised user dashboard.

Chris Walsby, Managing Director at Consilico, said: "By assessing productivity we can help reduce energy usage. Companies are trying to understand their carbon foot print and how they can reduce it. With this solution we can provide the customer with answers to their questions and thereby give them a powerful management tool."

"This solution offers companies who spend over £10,000pa on their utility bills a prompt return on their investment with short term savings that typically range between 15 to 20 per cent. Thereafter managing sustainability and further reductions in ones carbon footprint becomes the ongoing objective. Consilico offer the complete 'end-to-end' service."

Newly formed Consilico has moved to South Yorkshire to launch itself because of the support both financially and non-financially which is available in the region.

Jonathan Dixon, Deputy Chief Executive at South Yorkshire Investment Fund, said: "Energy management has become a key area of expenditure for many large companies. Hundreds of thousands of pounds can

## Andy returns to SYIF



Andy Chaffer  
Business Director

South Yorkshire Investment Fund has appointed Andy Chaffer as its new Business Director.

Andy, 46, from Millhouses in Sheffield, returns to the Fund after spending the last 18 months with Leeds-based City Invoice Finance.

Andy, who had previously spent four years at SYIF as an Investment Manager for the Small Business Fund, will now be responsible for liaising with intermediaries and introducers to ensure they are kept up to date with SYIF products, services and the various ways in which the fund can help their clients.

He said: "I want to continue to drive business development and ensure companies throughout South Yorkshire are taking advantage of the funds available."

"We will be talking to accountants to let them know that when their clients need funds to think about South Yorkshire Investment Fund. By working in conjunction with banks, we can help companies secure the funding they need to develop their business."



(left to right): Jonathon Dixon of SYIF, Ian McKellar Finance Director at Consilico and Chris Walsby Managing Director at Consilico.

be saved through simple measures and Consilico provides a platform for businesses to analyse the changes they are making."

The Seedcorn Fund has been established as a pilot to test ways of financing innovative businesses to take new technologies to market. The Fund aims to invest £4.6 million into early stage technology and knowledge-based businesses over the next two years.