



Global Freight Forwarding giant acquires Sheffield company

Pictured: Jayne Wilkinson Transtar director with Mary Broadhead SYIF investment director and Lee Bolsover, Transtar director.

A Sheffield-based freight forwarding company has been sold to Transglobal Freight Management (TGFM) in a trade acquisition that is set to enhance and improve the company's existing services.

Transtar International Freight Forwarder, based on Surbiton Street, Sheffield, was founded in 1981 to provide a wide range of services including export and import seafreight, airfreight, road, courier, marine insurance, local storage and distribution.

Jayne Wilkinson, director of Transtar, said: "The trade acquisition by Transglobal Freight Management (TGFM) offers a fantastic opportunity for us as a company.

"We at Transtar acknowledged that to continue to enhance and improve the company's services, then involvement with a larger networked organisation was required.

"The acquisition by Transglobal more than provides this."

The move represents an exit for South Yorkshire Investment Fund which has supported the company with investments since 2002.

Jayne said: "SYIF has provided us with the financial support that we've needed to make the business grow into an attractive acquisition target. We are delighted to

be merging with TGFM and look forward to developing the company even further in years to come."

Debbie Sorby, portfolio manager at SYIF, said: "Transtar has developed dramatically in the past few years to become a leading freight forwarding company that is desirable to larger businesses such as TGFM.

"SYIF's first ever equity linked investment was made to Transtar, so it is a company that we have been involved with for some time. We are delighted that the company is now joining such a well respected organisation as Transglobal, which will bring even greater opportunities as part of such a wide ranging group."

The exit is another great success for SYIF who has invested £60million (including money with management) in South Yorkshire businesses, helping to create wealth in the region and to safeguard jobs for local people.

Spotlight falls on investment issues

Business investment during the recession was the hot topic at a gathering of the region's leading finance providers in Sheffield.

The Pro-Sheffield event, organised and sponsored by South Yorkshire Investment Fund, brought together a wide range of companies tasked with providing business support.

This included representatives from Yorkshire Forward, HSBC, Barclays, PKF, Hart Shaw, RBS, Lloyds, Barber Harrison and Platt, Strategic Corporate Finance and SYIF.

The meeting, which was held at the offices of Sheffield-based commercial law firm Nabarro, provided an opportunity for SYIF to meet with intermediaries and fellow finance providers to discuss how businesses are coping with the recession and how they are finding access to funding.

Tony Parsons, director at South Yorkshire Investment Fund, said: "Those who attended the meeting are very close to what is happening in businesses, whether that's a business which is struggling or businesses which are struggling to access finance.

"It is important that SYIF understands what those concerns are and how it can play a role in it. There is no doubt that with all these events, it is about communication and one of the key issues out of the meeting is that we can always improve communication."

At the meeting attendees all agreed that businesses will find it tougher to get out of the recession than surviving it.

Tony added: "Coming out of the recession a lot more businesses will be struggling for finance and both intermediaries and funders need to be alive to that and provide that finance wherever possible.

"For me the main message for businesses is to manage the cost, focus on the cost, reduce it wherever possible and you will be in a better position to come out of the recession when conditions improve."

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Welcome...



...to the 24th edition of Profile.

We are coming up to a year since the banking crisis gripped the country and started what has been a tough 12 months for many companies.

However, what SYIF has been impressed with is the resilience that many businesses have shown in weathering the storm and our position is that we remain ready to help businesses, where and when we can.

This was one of the messages at a recent meeting involving Yorkshire Forward, South Yorkshire Investment Fund, intermediaries and the financial sector in Sheffield.

Dialogue with everyone involved with business investment is vital, especially during these uncertain times, and more details of what was discussed are highlighted in this newsletter.

Finding the views of intermediaries has proven important to SYIF over the last few years and we recently completed our latest intermediary survey. This gained opinions on the role of SYIF, the availability of finance for SMEs, as well as strengthening intermediary understanding of SYIF's successor fund, Finance Yorkshire, which is planned for launch in early 2010.

As normal in this newsletter we highlight the latest seedcorn, business loans and equity linked investments in local businesses across South Yorkshire.

A significant story is SYIF's successful exit from Transtar, which was our first ever equity linked investment made in 2002.

The exit is another great success for SYIF who has invested £60 million (including money with management) in South Yorkshire businesses, helping to create wealth in the region and to safeguard jobs for local people.

Remember SYIF provide seedcorn, loan and equity linked investments, ranging from £15,000 to £2.5m. It is very much business as usual and we urge any company within South Yorkshire to speak to us about how we can provide the funds required to assist their growth.

If your company is requiring financial assistance, please give us a ring on 01709 386377 or email us at info@syif.com and we can explain how we can help you.

Tony Goulbourn
Chief Executive
South Yorkshire Investment Fund

Online marketing group earns further investment



Pictured: Debbie Sorby of SYIF with Matthew Keeshan, Manager, Web Marketing Group.

A national online marketing company has been rewarded for its growth by receiving a further significant investment.

Web Marketing Group (www.webmarketinggroup.co.uk) works with 800 businesses around the country to improve online traffic to their websites through link-building, copy-writing and website design.

The company has recently received an investment of £200,000 from South Yorkshire Investment Fund after meeting expansion targets set by SYIF.

SYIF made an initial investment of £300,000 into Web Marketing Group late last year to support its expansion into the region by establishing a new office in Sheffield

In the first six months at the South Yorkshire site Web Marketing Group has installed 20 employees and is hitting their sales targets, achieving the criteria set to receive the latest tranche of funding.

Web Marketing Group, which was established in 2000, has enjoyed rapid growth, employing a total of 65 people from its offices in Harrogate and Peterborough, as well as Sheffield.

Dennis Engel, founder and managing director of Web Marketing Group, said: "The latest investment is a significant achievement for the company as it is an indication of how much we have grown in a short period of time.

"It also coincides with the company achieving record turnover and profit for the year ending June 2009. We are now looking to expand the number of sites we have around the country and increase the amount of staff we employ.

"The internet has enjoyed relentless interest and growth, even during the recession, and we are benefiting from this. The High Street might be suffering, but online marketing is expanding, continuing to be an efficient and affective way for companies to reach key customers.

"We work with big organisations such as Ernest Jones, Comet and Carphone Warehouse, but the bulk of our clients are small and medium sized enterprises who want to increase their search engine ranking."

Debbie Sorby, portfolio manager at SYIF, added: "We are pleased to make this latest tranche of investment in Web Marketing Group. The company is expanding exactly as planned and we hope this latest funding will enable them to grow even further."

Creative industries need funding to support region's economy

South Yorkshire's growing expertise in the creative industries can play a pivotal role in steering the region's economy out of a recession if it receives sufficient financial support, according to a latest survey.

Creative industries in Yorkshire and Humber, which includes design, software, and publishing companies, have enjoyed significant growth in the last five years with a combined turnover of £11 billion.

In Yorkshire and Humber there are some 23,000 companies in this sector - a growth rate of 23 per cent since 2006 - with approximately 90 per cent employing less than 10 people.

To help continue the growth, the need for appropriate sources of finance and investment has increased.

South Yorkshire Investment Fund has looked at ways to specifically address the finance needs of the creative industries in Yorkshire and Humber.

The research included a review of the sector and SYIF's methods for interacting with the creative industries to

help plan a strategy for when the new successor fund, Finance Yorkshire, begins in 2010.

Tony Goulbourn, chief executive of South Yorkshire Investment Fund, said: "The creative industries have an uncommon sector profile from an investment perspective. However it is the growth and future potential which makes it a worthy focus for investors going forward.

"It is only in the last few years that the creative industries have achieved recognition for their contribution to the economy and that in depth studies of the business models, sector profiles and regional specialisms have been undertaken.

"Therefore it has been difficult for us, until now, to identify the size and scope of the opportunity and risk and return profiles of the various sub-sectors."

The research highlighted a need for more sector specialist mentors and business advisors to identify the types of investment available and the means by which investment may be used to grow a business.

School uniform company achieving top marks

A Bolsterstone company which produces school uniforms is gaining grade A results.

Emertees Ltd, which trades as Classwear, provides uniforms to more than 200 schools, particularly in Sheffield where they supply to 60 per cent of secondary schools in the city.

The company is expanding its supply chain across Yorkshire after a successful period and is looking to add to its 15-strong workforce.

To support the development Classwear has received a £100,000 loan from South Yorkshire Investment Fund.

Classwear sell and deliver the embroidered uniforms from their two acre site in the Peak District and the company is currently in the middle of its busiest period.

Andrew Spooner, managing director of Classwear, said: "We aim to minimise the stress for both parents and frontline staff at schools. If there are 2,000 pupils at the school that is a lot of uniforms to source, order and provide to parents.

"Classwear works with the school to identify what uniform they want before providing parents with an order form. The uniform is then delivered back to the school with a copy of the order form so it can be handed out to the pupils.

"We have enjoyed massive growth in a very short period of time. Because of the increase in the amount of work, we need more staff to help meet the demand.

"The investment will enable us to employ more people and help increase the number of schools we work with across South Yorkshire. We recently recruited Nick Cook from HSBC as head of sales and marketing to support this growth."

Michael Farr, commercial manager for HSBC Barnsley, introduced Classwear to SYIF

Andy Chaffer, business director from SYIF, added: "We are pleased to support Classwear with this investment. The business is growing quickly and as a consequence needs greater stock levels to support sales."



Pictured: Andrew Spooner with accountant Peter Weaving and SYIF's Andy Chaffer.



Specialist software package gives Quba the edge

Pictured: David Ward, SYIF investment manager with Rob Wilmot, director at Quba.

A successful Yorkshire web agency is bringing a new product to market in super quick time thanks to funding from the South Yorkshire Investment Fund.

Quba, based on Rockingham Street in Sheffield, is currently finalising the release of its next generation 'Symphony' event management and marketing software a year ahead of schedule. The solution enables organisations to have the best processes in place to ensure the smooth running of any event or conference planning.

The web-based system, which is completely self managed, allows customers to set up a whole host of organisational tools. This includes the building of professional online booking and registration forms, creating name badges and producing and distributing email marketing campaigns, to task management and timings linked to Microsoft Outlook.

Rob Wilmot, director at Quba, said: "We established Symphony as a product about five or six years ago and it has grown nicely. However, in order to reach a wider market we required the extra funding from SYIF to be able to develop a unique self management service.

"Clients can now administer the system completely by themselves and without our intervention. Before we were restricted to how many clients we could have because of the requirement of our own staff involvement in the process but this new development means we have

expanded our business proposition immensely.

"Giving people full access to the system is what makes us unique - we understand our market and know that it works."

Quba took the £50,000 SYIF loan in two £25,000 instalments over a period of three months.

Adds Rob: "It is all down to firm financial management. There was no point us paying interest on a second amount of money that wasn't needed yet. Working with SYIF has given us that kind of flexibility which is a real benefit.

"Without the funding it would have been difficult for us to get to market with the new-look Symphony so quickly. It has accelerated our development by about 12 months and enabled us to keep our competitive advantage."

David Ward, SYIF investment manager, said: "Quba are a very well known, successful business with an enormous amount of expertise in websites and web based enterprise solutions.

"SYIF is delighted to be working with them to enable the Symphony software to reach market quickly which maintains their edge over other rivals."

Finance remains tight, but region optimistic

Yorkshire and Humberside businesses continue to be affected by a finance gap, but are confident that conditions will improve over the coming year, according to an independent online survey.

The findings come in a report commissioned by South Yorkshire Investment Fund which gained the views of 104 intermediaries who work closely with businesses around the region.

Intermediaries, which include corporate finances, business support organisations, Business Link advisors, banks, accountants and solicitors, advise companies to help them develop and grow.

Around 93 per cent of intermediaries feel businesses continue to be affected by a finance gap, of which 14 per cent said it affects all or almost all of their clients.

Even though 88 per cent of intermediaries indicated that market conditions and accessing private finance have become more difficult over the past 12 months, they are more confident that accessing finance will improve, with 56 per cent believing it will be better in 12 months time and 78 per cent in two years time.

The independent research, performed by Sheffield based ekosgen, also highlighted SYIF's existing market position and builds upon an equivalent study conducted last year.

It helped identify that the vast majority of intermediaries (81 per cent) feel that SYIF fills a gap in the market for access to finance, an increase on the 78 per cent from the 2008 survey.

When intermediaries were asked about the type of SYIF product that they had recommended to clients over the past 12 months, the small business loan was cited as the most frequent.

SYIF's equity linked investment is the second most popular, as it had been recommended by almost three quarters (72%) of respondents over the past 12 months.

PricewaterhouseCoopers: An intermediary's view

PricewaterhouseCoopers LLP (PwC) is the largest professional services firm in the UK. Established in Sheffield in 1950, the city-based office now has more than 80 employees dedicated to providing clients with high levels of service and advice in assurance, advisory and tax. PwC is the only "big four firm" in South Yorkshire.



Pictured: (left to right) Andy Ward, Joanna Allen and Lyn Vardy from PricewaterhouseCoopers.

PwC supports a variety of local businesses, from large and small listed clients, as well as private equity backed and owner managed businesses.

Lyn Vardy is business recovery services director for PwC and leads a broad range of assignments, advising lenders in turnaround, new lending and debt recovery situations.

The company has introduced numerous investment opportunities to SYIF from companies in a variety of scenarios, including restructuring and equity raising initiatives, as well as advising businesses on the finance available.

One of the companies PwC introduced to SYIF was Naylor Industries in Barnsley which originally received a £1.15million equity linked investment and a further £100,000 loan to help the company expand its operations and increase its product range. A further SYIF investment was made in December 2008,

Lyn said: "The SYIF investment supported the growth of the business by allowing them to invest in new equipment and new product launches. SYIF's strengths are its approachability, and the range of investment products on offer. It has something to suit a wide of investment scenarios with varying risk profiles, from technology start-up to acquisition finance.

"SYIF has consistently fulfilled its objective of being able to fill a 'gap',

providing finance as part of a total package with other investors, creating an overall package.

"In addition, the mentors and non-executive directors (NEDs) SYIF appoints help the company to 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 its success."

PwC has helped many businesses manage their way through the downturn to ensure that they are fit for the future.

Lyn added: "Excellence, teamwork and leadership are the cornerstones of our business, and all our people strive to deliver a quality services - based on transparency and integrity - in everything we do."

Lyn is supported at PwC by Joanna Allen transaction services director and Andy Ward assurance director. Joanna's team provides a range of due diligence services, pre and post-deal support, planning and structuring advice to both acquirers and vendors.

For more information about PwC and how they help businesses, please visit www.pwc.com/sheffield

Xeros to clean up market after investment

An innovative technology company is ready to move to South Yorkshire and clean up the market with a unique product.

Xeros Ltd, a spin-out business from the University of Leeds, has developed a "virtually waterless" washing machine which will provide a significant benefit in energy and water efficiency without compromising performance.

The patented process saves up to 90per cent of the water compared to conventional laundry systems by using plastic beads alongside detergents to absorb and remove dirt.

Xeros recently demonstrated the power of polymer cleaning at The Clean Show in New Orleans, United States. A result of which has attracted unprecedented interest and enquiries from the cleaning and launder industry.

Xeros has a commercial partnership with GreenEarth Cleaning, an environmentally friendly dry-cleaning business, who will help Xeros access the North American market place.



Pictured: Bill Westwater, chief executive of Xeros, with Dr. Steve Jenkins technical director of Xeros and Ashwin Kumaraswamy investment manager at SYIF.

Bill Westwater, chief executive of Xeros, said: "We have an eye on the consumer market but it will take time. We believe that success with commercial applications could act as a springboard to help us break into that area in the future."

To finance the next stage of the company's development and to extend discussions with commercial partners, Xeros has received funding of £920,000 from a syndicate of investors.

This includes South Yorkshire Investment Fund's Seedcorn Fund, EV's Rising Stars Growth Fund II, IP Venture Fund and business angels.

Ashwin Kumaraswamy, Investment Manager at SYIF's Seedcorn Fund, added: "The washing process,

which consumes substantially less water and power, provides savings. We see this investment as an opportunity to nurture and support a new company that has the potential to be a global provider of washing technology."

Tony Goulbourn, chief executive of South Yorkshire Investment Fund, says: "We are delighted Xeros are now looking to establish their base in South Yorkshire as this will add to the region's growing reputation for developing technological enterprises.

"Xeros has the potential to become a world-wide brand and is already gaining global recognition. We look forward to working with them over the coming period to support their relocation and growth."