

Mentors bring new insight and support to business

THROUGH ITS MENTORBANK INITIATIVE, WHICH PROVIDES MENTORING SUPPORT TO HELP MANAGEMENT TEAMS GROW THEIR BUSINESSES, THE FUND ENSURES THAT ITS CLIENTS ARE FULLY SUPPORTED BY AN APPROPRIATE BUSINESS PROFESSIONAL.

Nearly 100 businesses have now been placed or supported with a mentor through the Mentorbank initiative. Recently, the scheme has been made even more attractive to clients as the subsidy they can claim for the cost of their mentor has been increased to £6,000.

Jonathan Dixon, who manages the Mentorbank network of more than 300 business professionals, said: "It is important that the businesses we invest in are supported in human resource as well as cash and the mentors add a whole new dimension to the companies we support."

David Roberts is working with Macalloy - one of Sheffield's most established steel companies which has been at the forefront of steel bar technology.

Mr Roberts has over 30 years manufacturing experience. He was Managing Director of Tinsley Bridge Ltd before forming Director Resource in 2001 which was formed to provide support to senior executives and the Manufacturing Advisory Service.

He said: "When I work with Macalloy I try to encourage them to focus on process and business improvement. I help them to adopt lean manufacturing principles to improve efficiency and add value to their business."

"So far the senior team and workforce have been very positive. I look forward to helping them improve their operational performance."

Peter Hoy, Managing Director of Macalloy, said: "David is currently working with us to determine a manufacturing strategy. We are two months into the five month project and we are already seeing benefits."

"David and our manufacturing staff are reviewing production flows, shift performance, and training. From this programme we will be able to determine what the company's manufacturing facility will look like in the future."

Experienced mentor John Spon-Smith has worked with a number of SYIF clients including J Newsome (Tools) Ltd, which distributes and sells a range of hand tools. He has 30 years of business experience, including seven years in the bicycle industry, most recently as a managing director.

With experience in general management, marketing and customer service he sees the main role of a mentor being to help businesses focus on the things that will add value.

He said: "An important factor in the relationship is that I work for the business - I do what they want and I can only advise."



FROM LEFT: PETER HOY, MANAGING DIRECTOR AT MACALLOY, MARK GLANFORD, OPERATIONS MANGER AT MACALLOY, JONATHAN DIXON, MENTORBANK MANAGER AT SYIF AND DAVID ROBERTS, MENTOR AT MACALLOY

"The role of the mentor will vary a lot and depends on the business and also the experience and skills of the people running it. Mentors need to be flexible and ready to listen as much as giving advice. At the heart of the mentor philosophy is the rapport that you establish with your employees. It is essential for the chemistry to be right for both parties to achieve a positive and trusting relationship."

"The mentor is a resource on tap - when the management of a business need advice I am available. You can become very lonely when running your own business and it can sometimes seem as if the whole world is against you."

"I am not sure there are any real rules to mentoring. It is a two-way arrangement and if you are fortunate enough to have the privilege of working in other peoples business you will find it a great learning experience."



INVESTMENT MANAGER ANDREW CHAFFER WITH GEOFF BERRY, MANAGING DIRECTOR OF SPECIALIST IT SERVICES, ROTHERHAM

SYIF doubles up on loans to invest in small businesses

THE FUND HAS RECENTLY APPROVED SECOND LOANS FOR THREE SMALL BUSINESSES IN THE AREA. HERE INVESTMENT MANAGER ALLAN WOOD GIVES AN INSIGHT INTO THE BUSINESSES AND RE-AFFIRMS SYIF'S COMMITMENT TO THE REGION.

When we invest in a business we commit ourselves to know both the personnel and the business plan. It is something we take very seriously as we believe in building long-term relationships with our clients.

It is because of this commitment that we listen to businesses which have already taken out loans with us. The following firms wanted to move their businesses forward and needed extra cash to achieve their full potential.

Specialist IT Services Ltd, based in Rotherham, first took out a £35,000 loan with the Fund in October 2002 for business development and the recruitment of additional staff.

Providing IT solutions to businesses and offering a range of bespoke software applications Specialist IT Services clients include Sheffield Hallam University and Liverpool City Council.

The new loan of £25,000 is to further enhance the business and expand its services to businesses.

Managing Director, Geoff Berry, said: "We are a small company - and it follows that we have found it difficult to expand. Our industry has had very difficult trading conditions and it has been difficult to get support from traditional lenders."

"Our business requires us to invest capital in people rather than assets and this adds to our difficulty in raising money. SYIF has supported us and has been key to our continued success."

Another company to impress us was Swallownest Engineering of Rotherham. It has again won the support of SYIF with an additional £50,000 loan. Their first loan of £50,000 was approved in March 2003.

The business, which incorporates sister

company Supergears Ltd, specialises in providing support to local industry by supplying a wide range of precision machined components which are used in the manufacturers own production process.

Now employing 35 staff and run by directors Mike Smith, Steve Sample and Ian McCrossan, the company will use the additional loan to expand and develop the business further.

Mr Smith said: "Our sales have continued to grow and we needed the extra investment to finance our continued expansion. The Fund has been extremely helpful and their personnel are always very approachable. Investment Manager Allan Wood knows our company and shares our confidence in the business plan."

And Doncaster computer business C&C Computer Marketing has just received a

new £22,000 loan. Its first loan of £32,000 in April last year was used to buy new premises - a former ambulance station - which has been refurbished.

Formed in 1992 by Paul and Michelle Carolan, the business employs five people and deals with the recovery, remanufacture, refurbishment and resale of computer equipment. The new loan is being used to help facilitate the company's move into the Education market.

Mr Carolan said: "SYIF has shown confidence in our business plan by providing further assistance. The extra funding will help develop and expand our business."

We look forward to hearing from more firms who want to take their business to new levels.

South Yorkshire Investment Fund



Tony Goulbourn
Chief Executive
South Yorkshire Investment Fund

Welcome...

THE FIRST QUARTER OF 2004 HAS SEEN OUR INVESTMENT MANAGERS AT SOUTH YORKSHIRE INVESTMENT FUND CONTINUE TO MAKE SIGNIFICANT PROGRESS BOTH IN THE VOLUME AND VALUE OF DEALS THEY ARE COMPLETING. TO DATE WE HAVE INVESTED A TOTAL OF £6.5 MILLION IN 85 BUSINESSES.

We have had an excellent response from both businesses and advisers to our increased maximum investment to £2.5 million which means we now have even greater flexibility within the Fund to structure each investment or loan to meet the particular requirements of each business.

Recently the team made one of the Fund's biggest deals to date - a £500,000 investment in Rotherham firm RMF Engineering Ltd. RMF will use the cash to further develop its overseas interests and fund advance payment guarantees.

The Fund has extended its special interest rate deal - offering 100% interest rebates to all businesses in South Yorkshire. Up until recently this offer was only for businesses based in Barnsley, Doncaster and Rotherham, but it has proved so popular the Fund is now extending it across the region.

The initiative is aimed at increasing applications to the Fund by offering a 100% rebate on interest payments for six months after completion, which means that businesses will effectively pay 0% interest for a full six months.

We have also continued to complete a number of £100,000 unsecured loans to established profitable businesses and introduce deals ranging from £1,000 to £15,000 to the South Yorkshire Microloan fund.

Our Investment Managers continue to be involved in wide range of sectors including manufacturing, new technology and the medical industry. This, in part, is one of the strengths of the Fund. Our Investment Managers not only have the local and regional knowledge but also wide-ranging experience of working in different industries which gives our clients the confidence to put their plans in motion.

Having recently celebrated our second anniversary we are still keen to hear from businesses with new and exciting business ideas. And of course we still welcome enquiries from established companies who want to take their business to a new level.

As well as funding we provide management support through our Mentorbank initiative - which provides subsidised mentoring support to help management teams. We continue to bring together Business Angel Investors keen to be involved in both new and existing businesses.

Here at the Fund one of our aims is to bring new and sustainable jobs to South Yorkshire - we want to hear from people who can help us achieve this. We hope you enjoy this edition of Profile - we welcome your feedback on the publication and the Fund's other activities.



AT PYRONIX IN ROTHERHAM, ONE OF METRO TECHNOLOGIES MAJOR CUSTOMERS, FROM LEFT, JULIE KENNY, MANAGING DIRECTOR OF PYRONIX, JOHN SARRINGTON THE INVESTMENT MANAGER WHO LED THE DEAL, AND FROM METRO TECHNOLOGIES MANAGING DIRECTOR CRAIG JONES AND SALES AND MARKETING DIRECTOR DAVID COTTON

Innovative Doncaster company supported by Fund

SOUTH YORKSHIRE INVESTMENT FUND HAS GIVEN A BOOST TO DONCASTER-BASED METRO TECHNOLOGIES WITH A LOAN OF £50,000 - JUST ONE OF MANY DEALS COMPLETED BY SYIF.

Metro Technologies Ltd produces and supplies a range of highly technical components for global electronics manufacturers and is also in the process of developing new products. It exports its products to China, Taiwan, Thailand, Europe, the US and Mexico.

Incorporated in 1998 the company relocated to the South Yorkshire region in 2002 to take advantage of the support offered to business by organisations like the Fund and to benefit from the indigenous engineering and metallurgy skills base.

Craig Jones, Managing Director of Metro Technologies, said: "The secured loan has been a great help in easing our cash flow as we continue to develop and improve new products which is an important aspect of Metro's ethic of high standards of production."

Metro Technologies has also signed up to join the Fund's Mentorbank project which provides subsidised mentoring support to help

management teams grow their business more profitably.

As well as the loan from SYIF, the company is on the European funded High Growth Start Up Programme and has also benefited from IFG2 - the new scheme funded by the European Regional Development through Objective 1, and managed by Business Link South Yorkshire.

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund Ltd, said: "We are delighted to be able to help small businesses like Metro Technologies particularly as they continue to support manufacturers in the South Yorkshire region. They are a very innovative company who continue to develop in a very competitive market."

"We are particularly pleased they have decided to join up to the Mentorbank - which has proved to be very popular with a number of businesses in the region."

OTHER SIGNIFICANT INVESTMENTS DURING THE PAST QUARTER INCLUDE:

- A £50,000 unsecured loan to Sunglint Acquisitions Ltd, Doncaster
- A £65,000 unsecured loan to APP Lifting Services Limited, Doncaster
- A £50,000 unsecured loan to The Glass Shop Ltd, Barnsley
- A £50,000 unsecured loan to Buzz Inc Ltd, Barnsley
- A £30,000 unsecured loan to S4V Ltd, Sheffield

If you have a business based in South Yorkshire, then the Fund wants to hear from you. Call us on 01709 386 377 or visit our website at www.syif.com.



South Yorkshire Microloan boosting small businesses

Microloans are aimed at small businesses that are unable to raise sufficient (or any) finance from commercial sources, loans of £1,000 to £15,000 are available for existing businesses and up to £10,000 for start ups. Applicants with a poor credit history or County Court Judgements are considered.

Administered and co-ordinated by South Yorkshire Investment Fund, the fund is a partnership of the local Enterprise Agencies in Barnsley, Rotherham and Sheffield and Doncaster Chamber of Commerce.

The latest businesses to benefit from the Microloan include Salfordthomas Design, Booter's Bio Fuel and Nick Buxton Skip Hire.

Salfordthomas Design of Barnsley provides multimedia services - including 3-D design, animation and post production.

Set up in November 2002 by graduates Rob Marshall and Steve Treanor, the business has now been joined by new partner Steve Cheetham. The experienced trio have taken out a £10,000 Microloan.

The cash has been used to take on a new trainee who specialises in programming as well as for further product development and marketing.

Mr Treanor said: "The Microloan has proved vital to the stability of the business. We are still a fairly new company and we found raising cash from traditional sources quite difficult. I would recommend the scheme to other businesses without hesitation."

Booter's Bio Fuel was set up by Richard Booter. The company produces bio-fuel - which can be used in place of, or as well as, traditional diesel, with no alteration to the vehicle or fuel system. The fuel, made out of vegetable oil, is cleaner and much better for both the engine and environment.

Richard, a former railway worker, said: "I have borrowed £6,000 through the scheme, and without South Yorkshire Microloan my idea would have never seen the light of day. I tried to get funding from other sources but was turned down."

"For anyone who has a good business idea - but can't get funding, this scheme is fantastic and I would certainly recommend it."

And NT Skip Hire was set up at the beginning of the year by former council worker Nick Buxton and his partner Tracey Mather, after the business received a loan of £10,000 from Microloan.



FROM LEFT SALFORDTHOMAS PARTNERS STEVE TREANOR AND ROB MARSHALL WITH SYML LOAN OFFICER FIONA GREAVES

This was used to purchase a lorry, ten skips, protective clothing and to provide an advertising budget.

Nick said: "I had the idea but couldn't get the money from the bank to set it in motion. When I spoke to Microloan they gave me some sound advice and importantly had the confidence in our business plan to lend the cash."

"Without Microloan the business would never have come to fruition."

SYML Loan Officers, Stan Wilson and Fiona Greaves, said: "These businesses have only got off the ground because of Microloan - it is these kind of projects the Microloan has been designed to help. We want to hear from new and existing small businesses who have found it difficult to obtain finance."

£1.5m of investments in just one month

SOUTH YORKSHIRE INVESTMENT FUND HAS COMPLETED THREE OF ITS BIGGEST DEALS TO DATE IN THE SPACE OF JUST ONE MONTH.

Independent Forgings & Alloys, based at Victoria Forge, Livesey Street in Sheffield, has secured a £500,000 mezzanine loan.

The loan, part of a £2 million total finance package, will be used to purchase a GFM forging machine to help the business to develop new products and penetrate new markets. The Fund had previously provided the company with two unsecured £50,000 loans.

Managing Director, Martin Burnham, said: "SYIF has been very supportive throughout. They were very quick to respond to the tight timetable. This new machine represents a strategic step forward for us and we are confident that we can use it to develop new markets."

Clive Downward, Investment Manager who led the deal, said: "This is an exciting

time for the company which is going from strength to strength."

Another company to benefit from a £500,000 investment is advanced engineering firm Springer Rapid Industries Limited - a new, Rotherham based company which expects to start production in May this year.

Based on Teesside for 17 years, Managing Director Gordon Styles sold his previous business in April 2000. After three years of extensive, worldwide market research, and encouraged by the help and assistance he and his new management team received from SYIF, they took the decision to build their next business in South Yorkshire.

The debt and equity investments from SYIF form part of an overall investment of £3.2 million spread over three years. It will assist in the acquisition of state-of-the-art engineering equipment and the initial and ongoing working capital requirements of this start up venture.

Managing Director, Gordon Styles, said:



FROM LEFT TONY GOULBOURN CHIEF EXECUTIVE OF SYIF AND CLIVE DOWNWARD INVESTMENT MANAGER WITH MARTIN BURNHAM M.D. OF INDEPENDENT FORGINGS & ALLOYS

"SYIF has been extremely helpful in providing this investment. We worked hard on our business plan and expect to provide skilled employment to 45 people within a three year period."

Nigel Feirn, the Investment Manager who led the deal, said: "We were very impressed with the drive and ambition of this successful and experienced management team."

Rotherham firm RMF Engineering Ltd has received a £500,000 mezzanine loan. One of Europe's leading manufacturers of corrosion resistant chemical plants, the investment will be used specifically to provide additional bonding facilities for advance payment guarantees which are often demanded by overseas customers engaged on long term contracts.

RMF Finance Director, Brian Taylor, said: "This loan is crucial to our export drive and SYIF has been extremely helpful and innovative in devising this solution to our problem."

SYIF Investment Manager, Clive Downward, said: "This is a really important deal which will ensure RMF completes its existing full order book and is in a position to secure further large export orders."

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund Ltd, said: "We are thrilled to have been of assistance to these three businesses. They are hugely significant deals, not only for the companies concerned, but for both SYIF and the region."

For further details about the Microloan contact one of the local Enterprise Agencies:
Barnsley: 01226 215730
Doncaster: 01302 341000

Rotherham: 01709 386273
Sheffield: 0114 2814621

OR

Call South Yorkshire Investment Fund on 01709 386377, e-mail info@syif.com, or visit the web site on www.syif.com/microloan.

If your company is looking for an equity investment or loan finance please contact one of the team - we will be happy to discuss your requirements. Our number is 01709 386377



Smith Craven : an intermediaries view

SMITH CRAVEN, AN ACCOUNTANCY FIRM IN DONCASTER, HAS HELPED A NUMBER OF DONCASTER COMPANIES WITH LOAN APPLICATIONS. HERE, KELVIN FITTON LOOKS AT THE PROCESS BEHIND A SUCCESSFUL APPLICATION.

Starting the process

It is important before completing the application form and preparing the business plan that contact is made with SYIF Investment Managers to ensure it meets the lending criteria.

Application and preparation of business plan

Both existing and start-up businesses should remember the Fund has different lending criteria to other commercial lenders and is unlikely to have any prior knowledge of the applicant. The plan therefore has to cover all aspects of the business as well as the principal reasons why the investment should be made.

In each of the deals we have worked on, the business plan submitted to South Yorkshire Investment Fund has clearly identified the main risks attached to the success of the project. It is vital that time and effort is spent on the business plan.

Deals we have worked on with the fund

For one of our clients, TLC Handling of Doncaster, the business plan had to concentrate on how, from small premises, the company would build its infrastructure to deal with a £1 million plus contract from the Ministry of Defence. Because of careful planning the company has been able to manage the contract effectively.

Another company, IMS Ltd, needed to demonstrate in great detail how it would achieve the increase in sales forecasted. In reality the company has more than matched its forecasts.

Our most recent deal was where one of our clients acquired soft drinks wholesaler Sunglint Soft Drinks Ltd. The plan had to demonstrate how the company would be able to cope with the expansion and what economies of scale would be achieved. The first four months Management Accounts are encouraging.

These three companies were successful in their loan applications and continue to be successful in the market, due in part, to the work they put into their business plans and as an accountant I can't emphasise enough the importance of the plan.

Summary

South Yorkshire Investment Fund is very often the key to company growth and their continued success. We have recommended SYIF loans when the normal commercial lending criteria have not been met. It has meant projects and investments have gone ahead which would have otherwise fallen by the wayside.



STEVE RADFORD AND LAURA HOLDEN OF IMS LTD, DONCASTER

Allan Wood, SYIF Investment Manager, adds: "Intermediaries play a pivotal role in helping clients present their applications to the Fund, Smith Craven ensures that all information submitted is complete and meets the Fund's requirements."

New initiative to increase investments in South Yorkshire

A NEW PROJECT TO PROMOTE PROFESSIONAL SERVICES IN SOUTH YORKSHIRE IS BEING HOSTED BY SOUTH YORKSHIRE INVESTMENT FUND.

Pro-South Yorkshire is a new business-led initiative made up of local companies in the business, professional and financial services cluster.

Initially funded through European Objective One funding, Pro-South Yorkshire's primary role will be to assist in attracting new investment into South Yorkshire in addition to increasing the involvement of professional firms with local businesses.

SYIF were successful in its bid to win the project funding which amounts to £180,000 over three years. Pro-South Yorkshire aims to replicate the success of similar initiatives in other parts of the country which have promoted their professional and business services as a key marketing strength in attracting new investment.

Pro-South Yorkshire will be managed by Tony Gernon and overseen by a steering group of local professionals and is chaired by Paul Firth of DLA solicitors in Sheffield.



PRO-SOUTH YORKSHIRE EXECUTIVE, TONY GERNON, CHAIRMAN PAUL FIRTH OF DLA SOLICITORS IN SHEFFIELD WITH CHIEF EXECUTIVE OF SYIF TONY GOULBOURN

Innovative Sheffield firm looks forward to a bright future

SHEFFIELD COMPANY DCP SYSTEMS LTD IS YET ANOTHER BUSINESS TO BENEFIT FROM AN UNSECURED LOAN FROM SOUTH YORKSHIRE INVESTMENT FUND.

Founded in 2001 and situated in Chapeltown DCP sells wide format digital colour printer systems made by Hewlett Packard, Kodak and AGFA to photographic labs, screenprinters, signmakers and exhibition display companies.

The company has recently launched a range of printers from Epson that produce a quality of output suitable for fine art reproduction, this has opened up a new market in the supply of printers to artists, galleries and photographers.

Due to increasing demand for its products and services the company has recently taken on two new employees bringing the total to 12.

SYIF's loan was used to partly fund the development of DCP's new product - Giclée Varnish - which is designed to protect, preserve and enhance fine art and photographic prints produced on digital inkjet printers.

Mike Hardcastle, Managing Director of DCP Systems Ltd, said: "I would definitely recommend South Yorkshire Investment Fund



BOB STOPFORTH OF MD PARTNESHIP WITH ALLAN WOOD THE INVESTMENT MANAGER WHO LED THE DEAL AND MIKE HARDCASTLE MANAGING DIRECTOR OF DCP SYSTEMS

to any company. They provided us with the ideal package."

DCP Systems was introduced to the Fund by Bob Stopforth of MD Partnership who has also been appointed as a Mentor through the Fund's successful Mentorbank scheme. Bob has provided the company with sound financial knowledge and assisted them with their budgeting.

Allan Wood, the Investment Manager who led the deal, said: "We are delighted that DCP has taken full advantage of the services we offer with fantastic results. Since the inception of the Fund we have helped a vast range of businesses to develop. We are keen to hear from more businesses 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."

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For assistance please contact Kelvin Fitton on 01302 329511 or email kelvin.fitton@smithcraven.co.uk.