

On the road to greater success



E Pawson & Son Ltd - on the road to success with RBSG and SYIF

A Rotherham road haulage company is on the road to even greater success after buying a Wakefield-based warehousing company. And the acquisition was made possible after gaining funding from South Yorkshire Investment Fund and The Royal Bank of Scotland.

Braithwell-based family business E Pawson & Son Ltd, approached SYIF for a mezzanine loan to help with the purchase of RCS (UK) Ltd, in Normanton - which leases out warehouses to a variety of clients in the UK. The acquisition forms part of the growth plans of E Pawson & Son Ltd, who are extending their business into storage and warehousing.

E Pawson & Sons Ltd was established by Edward Ernest Pawson and Charles Ernest Pawson in 1921 and has subsequently been taken forward by his sons Derrick and Arnold. It is today managed by the brothers' children - Michael, Richard, Stephen and Rachel. The company is an established haulier working with blue chip clients in the food industry and a local specialist in agriculture related transportation. It has a work force of 130 including over 110 full time drivers.

The family business will also use the increased warehouse facilities of RCS Ltd to expand its own haulage fleet to continue the growth of the haulage side of the business.

Derrick Pawson, from Pawson & Son said:

"Haulage and warehousing are an excellent fit and there is a natural synergy of customers between RCS and E Pawson & Son. RCS operates along the M62/A1 corridor and opens up many opportunities for warehousing

enquiries. We are looking forward to expanding the business opportunities provided by the acquisition."

Working on the deal with Investment Manager Clive Downward were Andy Tyas, Commercial Manager at the Royal Bank of Scotland Commercial Banking Team, Graham Nind from The Royal Bank of Scotland Commercial Services and Mark Booth from Lombard.

SYIF was introduced to E Pawson & Son Ltd by John Longstaff whilst at Grant Thornton.

Andy Tyas, Commercial Manager at The Royal Bank of Scotland said: "We have provided a complete funding package to assist the acquisition of RCS Ltd. E Pawson & Son has banked with us since 1941 and we are delighted to assist the continued growth of the business and help it to retain its family roots. This acquisition is indicative of the family's growth strategy and its desire to increase its turnover next year."

Clive said: "This was great team effort to meet the timescales for this acquisition which has clear benefits for the growth of the company. We were pleased to be able to structure a loan which meets the company's needs and helps support its future development and as the company is based in a 'Coalfield area' it was eligible for a 100% interest rate rebate for 12 months"

FOURTH ANNIVERSARY

South Yorkshire Investment Fund (SYIF) has toasted its fourth birthday and the celebrations mark a time of continued growth.

The Fund has made loan and equity investments across the county to help the region's businesses prosper alongside the regeneration and growth of the area.

To date SYIF has invested:

- £2.5m in Barnsley
- £2.4m in Doncaster
- £3.6m in Rotherham
- £9.8m in Sheffield

SYIF provides loans and equity linked investments ranging from £15k to £2.5m to businesses in, or prepared to relocate to, South Yorkshire. The Fund has already invested over £18.3 million in 156 businesses.

Said Chief Executive, Tony Goulbourn: "We're delighted with the year that we've had! SYIF has played a part in the formation and expansion of a large number of businesses throughout the region."

Since the launch of the Fund, SYIF has passed numerous milestones including:

- Creating or safeguarding 3,541 jobs in the region.
- Assisting 257 small to medium enterprises.
- Helping 43 business start-ups.

Concluded Tony: "SYIF is continuing to play a key role in the region and we are meeting the changing needs of our customers, clients and stakeholders."

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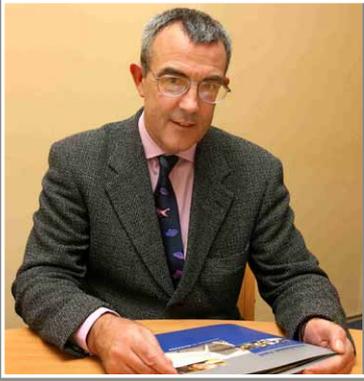
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Welcome...



...to the tenth edition of Profile!

Our Investment Managers have had a busy start to 2006 and in this issue we take a look at a range of businesses across the county that we have recently backed.

We also introduce our new enhanced Small Business Fund team.

As of April 3rd the Small Business Fund will be managed in house and we welcome three new members to the team. On page 3 we take a look at the team members and see what they will be doing over the coming year.

We've also marked our 4th birthday – and in this time SYIF has already invested £18.3 million in 156 businesses. Quite an achievement.

During the last four years our Money with Management programme - which encourages the use of non-executive directors and mentors - has continued to add real value for those businesses taking up our loans and investments.

Our Mentorbank database now consists of over 480 business professionals who add a whole new dimension to the businesses in which we invest. Money with Management has helped to reinforce the idea that the Fund is about developing long-term relationships with our client businesses to support their growth.

During 2005 many of our investments have been in Sheffield based businesses – one of our goals over the forthcoming year is to attract more businesses in Barnsley, Doncaster and Rotherham. Each of these boroughs has shown economic growth which suggests that there should be more demand for finance.

I hope you enjoy reading this issue.

Tony Goulbourn
Chief Executive
South Yorkshire Investment Fund Ltd



Pictured from the left is Judy Roberts, Tony Goulbourn and Bob Stopforth.

LOAN HELPS STATE-OF-THE-ART SHEFFIELD FIRM

A Sheffield surgical instrument company has moved into new premises with the help of a loan from South Yorkshire Investment Fund.

Bolton Surgical Ltd are manufacturers and repairers of theatre quality surgical instruments used in hospital theatres nationwide. The company has recently transferred to ultra-modern purpose-built premises at Chapeltown, close to the M1 motorway. The 17,000 square foot unit cost a total of £1.5m to build.

Within the new premises are purpose built conference facilities which are fully utilised by health organisations.

Bob Stopforth and Judy Roberts, Joint Managing Directors at Bolton Surgical, said: "We're very pleased to have secured this loan which has helped us expand into our brand new, state-of-the-art premises. We needed bigger

premises as our company continues to expand – and South Yorkshire Investment Fund were so helpful. They made applying for the additional money that we needed extremely easy."

Bolton Surgical took out its first loan of £40,000 with SYIF in 2003 to upgrade its IT network, and have since secured a further £125,000 of funding.

Tony Goulbourn, Chief Executive of the South Yorkshire Investment Fund, said: "We're very pleased to have been able to help Bolton Surgical, they are a market leading company and now have fantastic premises to equip them well into the future."

Help may be at hand when buying commercial property

Businessmen and women wanting to buy a commercial property in South Yorkshire, may be able to receive a helping hand from South Yorkshire Investment Fund.

South Yorkshire Investment Fund (SYIF) may be able to help business people fill any funding gaps, when their business needs to move to pastures new.

Working closely with the company's existing funders, SYIF can provide loans of up to £150,000 for established and profitable small to medium sized businesses – to fill the gap between the purchase price of the property and the mortgage available from the bank

To apply, businesses have to complete the application form and provide additional information as detailed on the SYIF website at www.syif.com

Labfacility Ltd recently took out a £125,000 loan with SYIF – which was part of a funding package that enabled the company to purchase new premises in Dinnington. The newly built unit provides the company with more operating space and significant room for growth – and enables the company to provide a staff canteen and large meeting and training room.

But, to finance the purchase the company needed a total of £445,000 which consisted of £365,000 purchase price

plus £80,000 of moving expenses.

The company's bank was prepared to lend 80% of the purchase price, £25,000 of private finance was raised – leaving the £125,000 gap – which SYIF plugged.

Labfacility secured the funding package because it was able to demonstrate that it could service its existing loans plus the new loans taken on in relation to the property purchase.

Martin Riddett, Managing Director of Labfacility, said: "Without the assistance of SYIF, Labfacility would have found it tremendously difficult to have achieved the funding required for the purchase in the time frame required and we are eternally grateful for their help."

Tony Goulbourn, Chief Executive of SYIF Ltd, added: "We were only too happy to help Labfacility – and we want to help even more companies across South Yorkshire."

Conditions do apply to the loans and full details can be obtained by ringing South Yorkshire Investment Fund on 01709 386377 or by emailing info@syif.com

Special 0% deal on loans extended

South Yorkshire Investment Fund has extended its special time-limited offer on loans for businesses in Barnsley, Doncaster and Rotherham by another six months.

The initiative, which offers an effective interest rate of 0% for 12 months on selected loans, is aimed at increasing applications to the Fund from these areas.

It means that businesses who pay their rates in Rotherham, Barnsley or Doncaster, who complete and draw down loans by 30th September 2006, can effectively enjoy an interest free loan for the first 12 months.

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund Ltd, said: "We want to hear from more businesses based in Barnsley, Doncaster or Rotherham who are looking to take their business to another level. We have extended the special loans offer in a bid to attract more companies from these areas."

To benefit from this offer a business is required to use a mentor or non-executive director from the Funds' Mentorbank project, or if appropriate, an existing mentor who is working with the business. The mentor can give invaluable help and advice and the Fund will even subsidise their cost up to a maximum total of £6000.

The offer, which is subject to availability and take-up, is also dependent on timely repayments and the provision of monthly management accounts and reports. The minimum qualifying loan term is three years.

Some restrictions apply to the types of businesses the Fund can finance – including retail, primary industries such as coal mining, agriculture and some property development.

To make an application, go to: www.syif.com or telephone us on 01709 386 377

New look for Small Business Fund team



SYIF's new Small Business Fund team: (from the left) Jane Siddle; Grahame Lunt; Karl Hodson; Melanie Reynolds; Kevin Steven and Clive Downward.

SYIF's Small Business Fund team is enhancing its services even more following the recruitment of three new staff.

Grahame Lunt joins the Fund as an Investment Manager; Kevin Steven has become the new Business Development Manager, who will help develop and maintain relationships with intermediaries; while Clive Downward has transferred to the team from SYIF's Capital and Development Fund, as Investment Director.

The three join the existing Investment Managers, Karl Hodson and Jane Siddle, and Administrator, Melanie Reynolds.

Another part of the change is that the Small Business Fund has been brought 'in-house' and is now managed by a SYIF subsidiary that is authorised by the Financial Services Authority.

Clive explained: "We will be looking at funding opportunities for small businesses – and helping companies who are wanting to grow and expand. This could be from companies looking for a range

of ways to move their business forward, whether it is by moving premises or buying new equipment. This helps create jobs in the county and grows the South Yorkshire economy. We are here to help these growing companies achieve their full potential."

Tony Goulbourn, Chief Executive of SYIF, said "More than 139 businesses have received loans or investments from the Small Business Fund up to now. Our team has now expanded from five to six members and the team will continue to grow in strength and help more and more businesses who are either in South Yorkshire or who want to relocate here."

The Small Business Fund offers loans ranging from £15,000 to £150,000, with effective annual interest rates from as little as 2.4% per annum. Loans are unsecured for the majority of established profitable businesses with unsecured loans of up to £50,000 available for start-ups or early stage development.



Pictured from the left is Jaimie Martin together with Karl Hodson.

Making the right connections in South Yorkshire

A Sheffield cabling company, which is making all the right connections in the business world, has been boosted by a £50,000 loan from South Yorkshire Investment Fund which has supported the development of a new trade counter.

Jaimie Martin, MD of UK Cabling Ltd based in Sheffield has over 30 employees and is looking to recruit more as the business he started in 2000 continues to grow rapidly.

The company, which specialises in network cabling, has just completed a 12,000 outlet install in Manchester and is currently working on a major contract in Leeds installing the door entry, CCTV and TV distribution systems for more than 360 residential flats.

Jaimie, says: "I am extremely grateful to the South Yorkshire Investment Fund because the loan is helping to fund the growth and development of the business."

Jaimie forecasts considerable growth for his company in a field where new technology is leading to increased demand for specialist cabling work.

"Home automation, where doors and appliances are centrally controlled by computerisation, is becoming more popular," he says, "with more and more families wanting it as part of an increasingly modern lifestyle".

Karl Hodson, an Investment Manager at South Yorkshire Investment Fund says: "Jaimie's business is exactly the kind of enterprise we like to help. It has a strong sense of direction, knows its markets and has plenty of ideas about how it wants to expand in the future."

HART SHAW CORPORATE FINANCE: An intermediaries view

This edition's intermediaries view comes from Chris Sellars, of Hart Shaw Corporate Finance.

South Yorkshire Investment Fund works closely with a range of intermediaries – one of them being Chris Sellars, Head of Corporate Finance, at Hart Shaw Corporate Finance (HSCF).

Here Chris explains his role:

Hart Shaw Corporate Finance ('HSCF') is based in Sheffield and is a department of Hart Shaw Chartered Accountants. The team supports both new and existing clients with a range of services, including giving advice on:

- **Business disposals and acquisitions.**
- **Due diligence for both acquirers and funders.**
- **Fund raising, whether grant, debt or equity.**

We also give financial support to the Hart Shaw Technology and Innovation Unit.

We have a broad range of services in order to meet the demands of our existing client base. We work closely with a wide range of funders and South Yorkshire Investment Fund is a key partner for our clients operating in South Yorkshire.

Since its launch in April 2005 HSCF has funded three projects assisted by South Yorkshire Investment Fund and we are currently working on two further projects,

For further information or a free initial meeting please contact Chris Sellars on 0114 2518850 or email chris.sellars@hartshaw.co.uk



Chris Sellars, Head of Corporate Finance, at Hart Shaw Corporate Finance (HSCF).

the largest of which will include a mix of debt and equity funding of £325,000 from SYIF.

I believe my background in industry as both Finance and Managing Director along with my time spent working with the Bank of Ireland gives me a broad insight into both managements' and funders' perception of a transaction. I believe based on this experience we provide committed, consistent and practical advice to assist our clients make their deals happen.

HSCF partner the Hart Shaw Technology and Innovation Unit which has been formed to support innovative businesses in the Yorkshire region. The

unit has access to the services of a broad range of scientists and engineers who can assist those companies looking to expand through innovation. The unit is led by Professor Colin Seabrook, an experienced industrialist and Royal Academy of Engineering Visiting Professor in Engineering Design.

He also sits on various professional and governmental bodies and is an assessor for the DTI Technology Programme. We see the funding support of South Yorkshire Investment Fund as key to supporting those businesses looking to start or grow through innovation.

SAS OPENS WINDOW TO NEW DAWN



Pictured from the left is David Best, David Fletcher and Lennart Jonsson.

Doncaster-based Senior Aluminium Systems has secured the next stage of its success with a board restructure and new finance partners – which include SYIF.

Control of the company is now in the hands of MD Lennart Jonsson and co-founder David Senior who have bought out majority shareholders and non-executive directors George Hall and John Hannam.

"George and John have both been extremely helpful to the company's growth and development but are now at a stage where they are moving on," said Lennart Jonsson. "As part of this consolidation process we have also secured financial backing from South Yorkshire Investment Fund and more advantageous banking arrangements.

He continued: "We are at an exciting stage in the company's development. Orders continue to grow, a third factory shift is being introduced, creating five new jobs and with the new board and finance partners in place we are committed to continued investment in the future of the company."

Only last year, SAS was described as a company with a solid foundation and tremendous potential for a lot more growth" by David Fletcher, former chairman and chief executive of Sheffield Forgemasters and current non-executive chairman of SAS.

SAS moved to brand new, purpose-built premises on Eland Road, Denaby Main in 2002. The company was established in 1991 with just two employees and today has a turnover of around £15 million a year and more than 100 employees.

David Best, Investment Director of South Yorkshire Investment Fund (SYIF) said: "When Senior Aluminium Systems came to us seeking financial support, we were immediately impressed both by the ability of the management team and the quality of the company's facilities. Since arriving in Denaby, Doncaster; they have gone from strength to strength. SYIF is pleased to be involved with this successful company."