

£150m Successor Fund to continue business investment



Pictured: Tony Goulbourn, Chief Executive of SYIF with Julie Readman, SYIF Director.

South Yorkshire will benefit from a new Yorkshire-wide £150 million Fund being raised for 2009 designed to support growing businesses.

South Yorkshire Investment Fund, which provides investments to help small and medium sized businesses meet the gaps in funding for growth and development, is currently working closely with Yorkshire Forward and Partnership Investment Finance to help establish a Yorkshire-wide Successor Fund.

SYIF believe the new organisation, planned to start in 2009, will continue the success it has achieved with its current fund SYIF1, which is set to come to an end later this year.

Tony Goulbourn, Chief Executive of SYIF, made the announcement at their annual Roadshows, hosted across South Yorkshire.

Tony said: "We are talking to the Regional Development Agency, Yorkshire Forward, the European Commission and the Government about having a new fund. They have been very positive and do not want to lose the momentum gained by the existing investment teams.

"Yorkshire Forward have conditionally committed £60 million of money and we are also talking to the European Investment Bank about the possibility of matching that to create a core fund of £120 million.

"On top of which we can then attract private sector finance to provide a fund that will, going forward for the whole region, continue the good work we have started in South Yorkshire and drive the momentum forward for businesses.

"The monies that will be allocated to this new Regional fund will be distributed between South Yorkshire and the rest of Yorkshire."

Tony stressed that there will be a dedicated allocation of money for South Yorkshire which will mean the work started here will continue.

He added: "The ideal is that we have this in place by 1 January 2009, that's a tough ask at the moment. We are talking to Yorkshire Forward about an interim fund to cover any gap, because the worst thing that could happen is that we lose momentum which takes twice as long to restore in the market."

SYIF insist that while they expect to fully invest by the end of 2008 – it is important for businesses and intermediaries to continue to bring deals to the fund, and are encouraged to make contact with them to discuss new deals.

The Roadshows, staged in Barnsley, Sheffield, Doncaster and Rotherham, were attended by more than 500 businesses and intermediaries. The events also highlighted the success of investment in businesses, the impact SYIF's investments have made, including testimonials from clients and a question and answer session.

Mobile bookings service as easy as SMS!

A South Yorkshire company is making last-minute hotel bookings as easy as sending a text message, thanks to a £100,000 investment from South Yorkshire Investment Fund.

Kaos Solutions Ltd, based on Fraser Road, Sheffield, has developed Room Angel, a mobile phone application that provides immediate 'in-pocket' access to booking hotel rooms without the need for Internet access or telephone calls.

The Spontaneity Engine technology works when the user creates a request on the application. A few simple clicks transmits a Short Message Service (SMS) to request a booking, which yields a response from a hotel chain.

The offer can be accepted with a simple click resulting in a firm and secure booking, complete with confirmation number, with the whole process using the equivalent of two text messages for the user.

David Hoggard, Kaos Solutions' Managing Director, said: "This takes our clients into new, effective and innovative areas of customer engagement. It is the most convenient, easy to use, and often cheapest method of making a last-minute booking.

"The investment from SYIF has gone into researching and developing the software, which is opening up capabilities to send flowers, change travel bookings, even bet on a horse, in a simple SMS application."

The Room Angel mobile phone application is free for users and is due to go live in April 2008.

Jonathan Dixon, Deputy Chief Executive at SYIF, said: "Room Angel is a fantastic concept and soon enough people will be able to get the full benefit of making quick, straightforward bookings and transactions."

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Welcome...



...to the 18th edition of Profile.

This is the first newsletter of 2008 and therefore may I take this opportunity to offer my best wishes to you for the coming year. Hopefully it will be a prosperous and successful 12 months for all!

I am pleased to kick-off the New Year with the news that the Seedcorn Fund, launched in April 2007 by South Yorkshire Investment Fund, is on target to fully invest £4.65m in early-stage companies often seen as too high risk by mainstream investors.

This is a great achievement and one which has capitalised on a major gap in the market. We are now looking to gain further funding and provide additional investment to businesses which match these criteria.

You may also be reading this newsletter after attending one of our successful roadshows across the region. The events gave local businesses the opportunity to find out more about SYIF and our future plans, further details of which are on the front page.

The achievements of SYIF were also recognised at the Sheffield Business Awards at the end of 2007, where the Fund received the Wake Smith Regeneration Award for its best practice and successful track record in delivery of urban regeneration.

I was delighted to receive the accolade on behalf of everyone at SYIF. Our success is down to the hard work and commitment of a great amount of people – from the investee companies to business mentors. All of which contributes to providing local companies, not just finance, but business advice and support.

Examples of the backing provided by SYIF to businesses across South Yorkshire are highlighted in this newsletter, which I hope you enjoy taking the time out to read!

Remember SYIF provide seedcorn, loan and equity linked investments, ranging from £1.5k 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, 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 Ltd

Regeneration award for SYIF

South Yorkshire Investment Fund has been recognised for its key role in helping to regenerate the region at the Sheffield Business Awards 2007.

SYIF walked away from Sheffield's biggest annual event with the Wake Smith Regeneration Award for its best practice and successful track record in delivery of urban regeneration.

SYIF has invested more than £10 million in the last 12 months and, since it was established in 2001, the Fund has created and safeguarded more than 6,600 jobs and generated £290 million of additional sales for South Yorkshire companies.

Tony Goulbourn, SYIF Chief Executive, said: "I am thrilled on behalf of everyone connected with South Yorkshire Investment Fund that we have been given the recognition we deserve for all our hard work and success in the region.

"With the fund reaching the point where it will fully invest, the accolade is a timely reward for the achievements of this organisation and its impact on South Yorkshire's economy."

SYIF recently announced it had invested more than £42m (including Money with Management) in businesses across the region in the last five years.



Pictured: Neil Salter (left) from award sponsor Wake Smith congratulates Tony Goulbourn (right) Chief Executive of South Yorkshire Investment Fund.

"The success of SYIF is down to the hard work and commitment of the investee businesses involved and the allocation of hugely experienced and highly respected business mentors to advise in the way the finance is used," added Tony.

"SYIF doesn't exist to merely invest money. It invests time, resources and a wealth of expertise to give companies in South Yorkshire the tools they need to build their business into a successful one."

The awards ceremony was a celebration of Sheffield Chamber of Commerce's 150th anniversary with more than 1,100 of the City Region's business leaders attending the dinner at Sheffield International Venues-managed Ponds Forge.



Pictured: Richard Roebuck Lowe Group Finance Director, Ian Carnall, Managing Director of NECTA and Grahame Lunt form SYIF.

The National Electrical Certification and Training Alliance (NECTA) has created a 10-week intensive programme to officially train people how to re-wire a home from scratch.

South Yorkshire Investment Fund has helped the company expand and develop the 'Starter Sparky' training scheme with a £55,000 investment.

NECTA, who are part of the Lowe Group, provide City and Guilds accredited training for members of the public to blue-chip companies, to people with a variety of backgrounds, from maintenance staff to contract engineers.

It has spent £120,000 to create two new training workshops at their Bradmarsh Business Park base in Rotherham with each capable of training eight students per course.

Richard Roebuck, Group Finance Director at the Lowe Group, said: "The training programme is aimed at anyone wanting a career as a domestic electrician. It will provide the knowledge, qualifications and practical skills to anyone who needs to provide a professional and safe service.

"Many people in the electrical industry felt that the Governments introduction of the Part P qualification, which was in theory to focus on electrical safety in the home, didn't address the competency requirements in the time allowed for the course or depth of the curriculum.

New training course for want to be sparkys

A South Yorkshire company has launched a unique course to help people start a new career as domestic electricians.

"With a major client like British Gas on board, NECTA has developed the new Domestic Electrician Course. We wanted to offer a more in-depth training programme which will provide not only the Part P certificate, but a number of City and Guilds recognised qualifications too, which will increase the competence of successful candidates to an acceptable level."

NECTA, as part of the Lowe Group, is one of the country's leading electrical safety specialists, with a Group turnover of more than £15million. NECTA reviews and checks the electrical infrastructure of commercial buildings for insurance company AXA and their clients include BOC, Nestle and BMW.

The Lowe Group was originally introduced to SYIF by Craig Cartledge at Barclays Bank in 2006 following which the Fund made its first investment in the company.

Grahame Lunt, SYIF's Investment Manager, said: "We are pleased to support the Lowe Group with this second investment and help the organisation expand into the training market.

"It has grown from strength to strength in the last few years and become the leading specialists in Electrical Safety. NECTA's new training course has been created to use this expertise to tap into a growing need to train more domestic electricians."

Building materials manufacturer gets £1.25m investment



Pictured: Dr Gary Sheard, Non Executive Chairman of Naylor Industries, Mary Broadhead from SYIF, Lyn Vardy of PricewaterhouseCoopers, Edward Naylor Chief Executive of Naylor Industries, Grahame Lunt of SYIF and Andy Trippett Financial Director of Naylor Industries.

A historic family-run building materials manufacturer from Barnsley has received a £1.25m boost from South Yorkshire Investment Fund.

Naylor Industries has received a £1.15m equity linked investment and a further £100,000 loan to help the Cawthorne-based company expand its operations and increase its product range.

Naylor was established in 1890 by the great-grandfather of current Chief Executive Edward Naylor who took control 15 years ago. Since then, the business has grown by modernising and diversifying away from its traditional reliance on clay sewer pipes.

The company has developed specialised clay pipes for the chemical industry and for trenchless installation as well as launching a new plastic pipe business and Yorkshire Flowerpots, which ranks as Britain's largest manufacturer of clay garden pots.

These new products now account for more than 60 per cent of its current £25m turnover and Edward is keen to build on his recent successes.

He said: "There's a lot of tradition in the business, but it's vital that we continue to innovate and develop specialist niche products if we are to continue moving forward."

"We are the biggest manufacturer of flower pots in the UK and produce clay, concrete and plastic products for a variety of sectors across the world. It is hugely important that we continue to be innovative and flexible to meet different customer needs and market changes."

"The investment from SYIF will support growth at our current sites by allowing us to keep investing in new equipment and new product launches."

"We're now a fourth generation family business and many of the people who work here are second or third generation too. The investment will create opportunities for our existing workforce as well as allowing us to bring in more staff who we hope will help us to continue to grow."

Naylor produces specialised products but it remains a volume manufacturer and 2007 saw the company produce 20 million metres of clay and plastic pipes; enough to stretch from Lands End to John O Groats and back eight times.

The company has factories in West Yorkshire, Fife, the West Midlands and employs 177 in South Yorkshire.

Mary Broadhead, Investment Director at SYIF, said: "Naylor Industries is a unique company in many ways and we're delighted to support its growth."

Grahame Lunt, an Investment Manager at SYIF, also worked on the deal.

The company was introduced to SYIF by Lyn Vardy from PricewaterhouseCoopers and the Bank of Scotland provided additional funding.

Fund sets the seed with major investment

South Yorkshire Investment Fund is on target to fully invest a £4.65m Seedcorn Fund in local businesses.

The pilot scheme was launched by SYIF in April 2007 to test ways of financing innovative early stage businesses to help take new technologies to market.

The Seedcorn Fund has filled a significant funding gap, benefiting ventures which may have been seen as too high risk by mainstream investors and provided a secure future for innovation in South Yorkshire.

At present £2m of the Fund has been paid out, with the remaining £2.65m scheduled for follow-on investment until December 31 2008.

Jonathan Dixon, Deputy Chief Executive at South Yorkshire Investment Fund, said: "The demand for the Seedcorn Fund, which was much greater than anyone expected, does provide the strongest possible evidence that technology businesses are alive and kicking in South Yorkshire."

"The lessons learned from the management of the pilot will be used to guide the design of a bigger, regional Seedcorn Fund that is expected to go live from 2009."

SYIF will continue to manage the Seedcorn investment portfolio to support businesses and ensure returns can be maximised, with the aim being to create a self-sustaining legacy alongside the main SYIF Funds.

Jonathan added: "We are exploring options to raise a little more money to extend the Seedcorn Fund for clients with interesting proposals that were just pipped to the post."

"We would therefore still like companies to contact us and, if available, provide us with their business plan in preparation for when the Seedcorn Fund will again be on offer."



SYIF appoint experienced financial expert

South Yorkshire Investment Fund has appointed David Ward as a new Investment Manager.

David joins the Small Business Fund Team with 43 years banking experience behind him. He will work with SYIF's existing clients and new business introductions to support growing businesses in South Yorkshire.

David, from Mexborough, has worked for the Co-operative Bank since leaving school undertaking various roles in different branches, most recently at the Banks' South Yorkshire Business Centre in Sheffield.

David said: "I look forward to using my experience in the sector to continue to assist businesses in South Yorkshire."

Tony Goulbourn, SYIF's Chief Executive, said: "We are delighted to have a man of David's experience and expertise on board and this additional capacity will enable us to respond even more quickly to new applications."

Winburn Glass Norfolk Chartered Accountants: An intermediaries view

South Yorkshire Investment Fund works closely with a wide range of chartered accountants including Winburn Glass Norfolk (WGN).



Pictured: Winburn Glass Norfolk (WGN) partner Colin Glass.

Leeds based WGN has always been supportive of SYIF, particularly due to partner Colin Glass, who has a passionate interest in the small and medium size enterprise (SME) market.

Through the support of Colin a number of SMEs have benefited from SYIF funding after moving their base to South Yorkshire.

WGN was originally formed as a Chartered Accountants Practice in 1975 and has since developed an unusual business model for start-up and early stage growth companies.

Recognising that such companies are usually unable to pay fees on the traditional time-cost basis, WGN are prepared to roll up their fees until the companies are in a position to pay ongoing costs, either from fundraising or through profit generated cashflow. In return, WGN are granted the opportunity to subscribe to a small equity stake.

Colin, who was named the Business Adviser of the Year at the Institute of Directors awards 2007, said: "This aligns our interest with that of the other shareholders and for this we provide a comprehensive 24-7 service and have the incentive to make the company succeed."

"It is a quasi-venture capital approach, our currency is our time, expertise and a contact base built up over 30 years and, as with venture capital, only a relatively few companies will hit the jackpot. However, our approach means that more companies will survive those critical initial couple of years."

Whenever funding arises in South Yorkshire, WGN make SYIF their first port of call. Using their unique method WGN, has recently introduced to the Seedcorn Fund a company called Poteez, a designer of a unique disposable potty.

Colin added: "We have a good relationship with the SYIF team and we appreciate their pragmatic commercial approach. As a gap fund, the risk profile of the opportunities presented is inevitably higher than when commercial banks are involved. But with our hands on approach we believe we can keep this risk at an acceptable level."

"The Seedcorn Fund managers at SYIF were great in the way they approached what might initially have been seen as off the wall ideas. Thankfully they put great store in the individuals involved, whom had shown tremendous commitment and in WGN's involvement as an equity partner," says Colin.

WGN are also involved with Consilico which provides energy performance management solutions, using the latest IT intelligence, and which is based at Barnsley Business Innovation Centre.

For more information about WGN please contact Colin Glass on 0113 248 7211 or email mail@wgnco.demon.co.uk

Doncaster company builds turnover



Pictured: Andy Chaffer from SYIF with Robert Daniels, Managing Director at PBS Group.

A Doncaster construction company is set to see its turnover increase by more than 40 per cent after backing from South Yorkshire Investment Fund.

PBS Group, on Heather Court at Shaw Wood Business Park, is forecasting a turnover of more than £6million at year ending March 2008, compared with £4.4million the previous year.

The business works on the refurbishment of social housing, care homes and schools, across the North of England, East Midlands and is planning to enter the M4 corridor, as well as sub-contracting work to larger construction companies.

PBS Group has been assisted with a £50,000 loan

from SYIF towards the working capital covering the expansion of the business' operations.

The funding has allowed the company to create partnerships with Henry Boot, The Wates Group and Bramall Construction. In partnership with the Wates Group, the PBS Group is assisting with the fitting of kitchens, bathrooms, renewing central heating and the rewiring of 200 properties in Doncaster.

David Tuck, Business Development Director at PBS Group, said: "When I arrived at the company

18 months ago, the business worked with just one contractor. This limited the scope for the future and we needed to broaden our operations outlook.

"The Group has now opened up a number of new opportunities and avenues to market with many contractors and we are starting to see this come to fruition with the substantial increase in turnover.

"We are able to deliver all elements of construction work and the business feels it's unique selling point is that we are able to hand back properties in a timely and cost-effective manner."

PBS was introduced to SYIF by Graham Walker from the Royal Bank of Scotland's Commercial Banking team.

Robert Daniels, Managing Director of the PBS Group, added: "The support from SYIF and the Royal Bank of Scotland is proof of how networking can benefit any business.

"PBS now plans to consolidate its social housing developments in Doncaster and continue to diversify and expand its relationship with Portakabin. It will also be starting work for the Ministry of Defence."

Andy Chaffer, SYIF's Business Director, says: "PBS Group Ltd is a rapidly expanding construction company dedicated to using local people to drive the business forward.

"They encourage apprenticeships enabling young people to gain the skills they require to enjoy a long-lasting career in the construction industry. We are therefore pleased to support their expansion with this funding as it will provide more job opportunities in South Yorkshire."