

Mentorbank scores a century with Syscom

SOUTH YORKSHIRE INVESTMENT FUND HAS SCORED A CENTURY THROUGH ITS MENTORBANK PROJECT WITH THE SUCCESSFUL PLACEMENT OF ITS ONE HUNDREDTH MENTOR IN A BUSINESS.

Syscom Motion Solutions Limited will benefit from the expertise of Ian Collett of Bradgate Management Consultants as the company continues to develop the business following its successful management buyout.

Based at the Barnsley Business & Innovation Centre, Syscom is an innovative motion control, automation design service specialist and systems integrator. It has four members of highly experienced staff with a wealth of engineering expertise.

The Mentorbank project provides subsidised mentoring support to help management teams grow their businesses and to provide help and assistance in the early stages of development. The Mentorbank network has now grown to more than 400 business professionals

who add a whole new dimension to the companies in which SYIF invests.

Gordon Watson of Syscom said: "With the business facing a new chapter we want to continue improving sales and believe Ian can help us to achieve this by assisting us with our marketing and promotional effort."

Ian Collett, who runs his own business, Bradgate Management Consultants and has worked with a number of small businesses, said: "I began working with Syscom in May so this is still quite a new partnership but we are beginning to see the benefits. There has been an increase in enquiries which we hope to turn into orders and we are working together to move the business forward as the new financial year approaches."



LEFT TO RIGHT, GORDON WATSON OF SYSCOM, JONATHAN DIXON FROM MENTORBANK, MENTOR IAN COLLETT AND INVESTMENT MANAGER ANDREW CHAFFER

As part of the Fund's commitment to helping South Yorkshire businesses the Mentorbank will be hosting a series of subsidised coaching courses for mentors in the autumn to ensure they have all the necessary skills to help businesses.

Jonathan Dixon, Mentorbank Manager said: "These courses are aimed at improving people skills so our mentors can get the best out of others through good communication and their ability to deal with issues effectively."

South Yorkshire **Investment Fund**



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Tony Goulbourn
Chief Executive
South Yorkshire Investment Fund

Welcome...

OVER THE PAST TWO YEARS SOUTH YORKSHIRE INVESTMENT FUND HAS ESTABLISHED ITSELF AS THE FIRST PORT OF CALL FOR BUSINESSES IN THE REGION SEEKING ALTERNATIVE FORMS OF FUNDING WHEN CONVENTIONAL SOURCES OF FINANCE MAY NOT BE SUFFICIENT OR APPROPRIATE. TO DATE WE HAVE INVESTED A TOTAL OF £7.2 MILLION IN 93 BUSINESSES.

The Fund which was set up to bridge the so-called 'funding gap' that often hampers businesses - especially during the early stages of their growth - now plays a key role in South Yorkshire's emerging economy.

From the outset the Fund has worked hard to support those businesses in South Yorkshire with the potential for high growth and new job creation. We now have a real and proven track record in supporting a wide range of businesses throughout the region either through equity investment or via a range of loans.

The Fund will continue to offer a series of loan and equity packages structured to back businesses through each critical stage of their growth and we are keen to talk to businesses in every stage of their development from start-up through to major expansion.

The Fund can provide loans and equity investments ranging from £15,000 to £2.5m to businesses in, or prepared to relocate to South Yorkshire. We can also introduce businesses to Microloans from South Yorkshire Microloan ranging from £1,000 up to £15,000.

Our Mentorbank initiative, which ensures that clients are supported by an appropriate business professional, continues to develop and the recent increase in the subsidy that a business can claim for mentor fees to £6,000 has been well received by our clients. Recently we have successfully placed our 100th mentor and we now have access to over 400 business professionals who have a wide range of skills and experience.

Another exciting development is our new partnership with the Yorkshire Association of Business Angels (YABA) which will enable both organisations to attract a wider range of companies while retaining a strong focus on South Yorkshire.

YABA and the Fund successfully held their first joint event in May at Tankersley Manor, Barnsley, when a range of South Yorkshire entrepreneurs showcased their businesses to an audience of Business Angels. (See full story on page three)

Our relationship with YABA reflects a genuine desire within the Fund to work closely with other agencies in the region to ensure that we continue to support entrepreneurialism in all its facets.

At the Fund we remain keen to talk to both businesses seeking funding and organisations in the region who might benefit from working with us.

It is important that we understand your business needs and - as ever - we would welcome your feedback on the Fund's activities and this, the latest issue of Profile.



TERENCE WHEWELL, LEFT, MANAGING DIRECTOR OF BRAMHALL WOODWARE WITH INVESTMENT MANAGER ALLAN WOOD

Fund continues to support business growth in South Yorkshire

AS BARBECUES ARE LIT UP ACROSS THE UK WITH THE ONSET OF SUMMER, SOUTH YORKSHIRE INVESTMENT FUND HAS CAUGHT THE SEASON'S MOOD WITH A SIGNIFICANT INVESTMENT IN A COMPANY SPECIALISING IN GARDEN FURNITURE.

The Fund has completed its latest investment with a £40,000 loan to Sheffield-based manufacturing company Bramhall Woodware Limited.

The company, which employs 11 staff and boasts a turnover of £420,000, specialises in designing and manufacturing a range of garden furniture for distribution to major garden centres and other retailers.

The investment will be used by Bramhall to further develop its product range, invest in marketing and acquire new manufacturing equipment.

Managing Director Terence Whewell said the company is currently recruiting and the loan will help the business grow further. He said: "We first encountered South Yorkshire Investment Fund a couple of months ago and began talking to them recently as we began to develop our business plans.

"They have been very supportive and have taken the trouble to get to understand our market and the long-term aims of the company."

Investment Manager Allan Wood, said: "Bramhall Woodware is an outstanding example of a South Yorkshire business whose management are dedicated to their company but are also entrepreneurial and committed to growing it further.

"For that reason we are delighted to be supporting them and look forward to talking to similar companies in the region."

Another business to benefit from the Fund's support is K J Solutions Ltd a small packaging company in Doncaster. It received an unsecured loan of £50,000 from the Fund to invest in new equipment as part of the company's on-going development.

K J Solutions which employs 22 staff was recently set up to manufacture packaging for the chemical industry.

Managing Director, Kevan Upperdine said: "Without the help of South Yorkshire Investment Fund the company would not exist. They gave us the boost we needed to get the company off the ground and we are very grateful for the help and opportunities they have given us."

OTHER SIGNIFICANT INVESTMENTS DURING THE PAST QUARTER INCLUDE:

- A £50,00 unsecured loan to Polyfence (UK) Limited, Sheffield.
- A £50,000 unsecured loan to Mayfayre Window Systems Limited, Sheffield.
- A £40,000 unsecured loan to Penrose Angling Systems Limited, Sheffield.
- A £30,500 unsecured loan to Shortstuff Day Nursery, Sheffield.
- A £50,000 unsecured loan to RHS Paneltech Limited, 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.

Quartet of deals for Fund sees it invest £200k

A RECENT QUARTET OF DEALS BY SOUTH YORKSHIRE INVESTMENT FUND HAS SEEN FOUR OF THE REGION'S BUSINESSES BENEFIT FROM A TOTAL £200,000 INVESTMENT.

The four deals mean that SYIF's Small Business Fund has invested more than £4.7m in 89 businesses.

The Small Business Fund is the part of SYIF which offers loans ranging from £15,000 to £100,000 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.

SEAMS Ltd, a Sheffield-based IT consultancy was awarded a £50,000 loan. SEAMS uses cutting edge technology to develop best case investment strategies to companies that own and run large infrastructure systems such as water, road and rail networks.

John Phillips, SEAM's Chairman, said: "The £50,000 from SYIF has allowed us to purchase new computer systems in order to upgrade our optimisation technology. This has provided an enormous boost to SEAMS and will now allow us to expand more rapidly over the next year."

The Glass Shop Ltd is a Barnsley-based company specialising in the manufacture of double-glazing. The company received £50,000 from SYIF and is using the loan to invest in essential machinery and training. The company was advised by Mark Barratt, partner at accountants Harris & Co in Barnsley.

Dave Rogers, Director at The Glass Shop, said: "The money is a massive boost to us.



LEFT TO RIGHT INVESTMENT MANAGER ANDREW CHAFFER WITH THE GLASS SHOP MANAGING DIRECTOR DAVE ROGERS AND MARK BARRATT OF ACCOUNTANTS HARRIS & CO.

One of the most positive aspects of the loan was the simplicity of the application process and the minimal paper work and administration involved."

Two other companies have also benefited from the support of the Fund. Sheffield-based electrical wholesaler CLE Electrical Wholesale Limited has been awarded a £50,000 loan as has Barnsley company Buzz Inc Ltd, which provides environmental solutions to utilities by removing and recycling waste products.

Andrew Edwards, operations director at Buzz, said: "The loan is so important to the company and it has allowed us to invest in essential tools. It's fantastic to be able to put our long-term plans and marketing strategy into action."

Management take control at £10m Redirack

MANAGEMENT AT SHEFFIELD-BASED REDIRACK LTD, A SPECIALIST STORAGE COMPANY, HAVE ACQUIRED THE COMPANY FROM PARENT GROUP DEXION.

The deal was financed by South Yorkshire Investment Fund alongside lead investor Yorkshire Bank, UK Steel Enterprise and regional development agency Yorkshire Forward which provided grant assistance.

"The Redirack deal was a significant transaction for the Fund," says Jane Siddle, one of the Fund's Investment Managers, "as it clearly underscores the fact that the Fund can work alongside mainstream investors like Yorkshire Bank to fund large scale management buyouts."

Redirack was acquired by Managing Director Phil Culling along with Operations Director Jack Holden and Finance Director John Watts. They now aim to grow the business, which boasts a turnover of £10m, and further its presence in key export markets.

The deal is also significant because it means that Redirack is now an independent company for the first time in its history.

Phil Culling, Managing Director, said: "For 32 years Redirack has operated profitably within a group framework, now it has a chance to prove itself as an independent entity. We have been helped by a number of key players and in particular are grateful to South Yorkshire Investment Fund - who were extremely helpful." The MBO has secured almost 100 jobs and shows the level of commitment and confidence the management team has in its workforce, and the future of the business.

Mr Culling went on: "It provides an exciting challenge for the future as well as securing



LEFT TO RIGHT REDIRACK'S JACK HOLDEN, JANE SIDDLER THE INVESTMENT MANAGER WHO LED THE DEAL, PHIL CULLING OF REDIRACK AND YORKSHIRE BANK'S DAVID TOWERS

long-term prospects for the employees. The team is looking forward to an exciting and profitable future where they will be developing new products and seizing new opportunities to grow the business."

KPMG Corporate Finance advised the management team along with the international law firm DLA.

Investment Manager, Jane Siddle says: "This is an important deal for the region. With our help the management team has secured the future of an important local employer.

"The business is now well placed for further growth and a further 32 years supporting employment growth in South Yorkshire

At South Yorkshire Investment Fund we are always ready to discuss ideas with entrepreneurs, either at established companies or start-ups. For further information please call on 01709 386377.

Sherbert set to fizz with Microloan

SOUTH YORKSHIRE MICROLOAN FUND HAS BEEN A HUGE SUCCESS SINCE ITS LAUNCH LAST YEAR WITH MANY SMALL BUSINESSES IN THE REGION BENEFITING FROM THE FUND'S SUPPORT

Microloans are aimed at small businesses that are unable to raise sufficient 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 and applicants have the opportunity to present their business idea to a panel of local business people.

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

Sherbert Creative, based in Elsecar, recently received a £5,000 loan to help develop an already promising business. The company designs and makes contemporary stationery products including greetings cards, wedding stationery and hand-bound books using traditional letterpress printing.

Cheryl Marie Wright, founder of Sherbert Creative, said: "I have always been confident in the services and products we offer and how we run the business, it was just a question of getting ourselves out there. After meeting with a Microloan Loan Officer I put forward our proposal and kept my fingers crossed. It was that simple."

"I was delighted when we were awarded £5,000. The loan has been used to advertise, attend trade shows and increase our marketing in general."

Another company to receive a helping hand from Microloan is Flatworld (UK). The Sheffield-based company designs and distributes its pioneering brand of fold-flat space saving cups, bowls and multifunctional dishes, primarily aimed at outdoor enthusiasts, using an origami-like process known as 'Orikaso'.

Flatworld received a £10,000 loan and is spending the money on sales and marketing, using the loan to attend trade shows in Germany this summer.



LEFT TO RIGHT MICROLOAN'S FIONA GREAVES WITH SHERBERT CREATIVE'S CHERYL MARIE WRIGHT

Jay Cousins, founder of Flatworld, said: "The loan has helped us significantly allowing us to exploit the many opportunities available to us and creating new opportunities within our core market."

Fiona Greaves, a SYML Loan Officer, said: "These companies had reached a point where they needed a little help to take a promising business strategy forward - 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."

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.

We buck the trend with major equity deals in region

FOR THE PAST TWO YEARS THE NORTHERN CORPORATE FINANCE MARKET HAS BEEN CHARACTERISED BY A SHARP FALL IN THE VOLUME AND VALUE OF DEALS BEING TRANSACTED IN THE REGION.

However, there are always exceptions to the rule and South Yorkshire Investment Fund has bucked the trend by completing an outstanding series of deals during the past 12 months. Such has been the Fund's success to date that it is now well placed to support deal transactions of up to £2.5m.

Peter Armitage who heads up the Fund's equity arm, says: "Given the unique nature of SYIF and the strong team that we have on the ground, we have been very good at spotting opportunities in the region and working with companies that other VCs might have overlooked."

The success of the Fund has been highlighted by the fact that in the space of one month it has made three equity investments worth a total of £1.5m in support of Independent Forgings & Alloys Ltd, based in Sheffield, advanced engineering firm Springer Rapid Industries Ltd and RMF Engineering Ltd, both Rotherham based companies.

Mr Armitage and his team have made several successful investments throughout South Yorkshire - these include Transtar International - which raised £500,000; Turton Springs, which supplies some of the biggest names in the automotive world including Aston Martin, Lotus and Rolls-Royce; and consulting engineers Pearce Buckle (Design Engineers) Ltd based in Sheffield.

Pearce Buckle which was acquired by its management in a deal backed by the Fund in August 2002 has now, after a period of continued growth, moved to new state-of-the-art offices.

Mr Hirst, Managing Director of Pearce Buckle, said: "We felt it was important that our recent success should be reflected in the offices from which we operate as well as having sufficient space for our growing business. With a team of more than 40, many of whom are local people, we now have the largest single office building services resource in the region and a prestigious new address."

Mr Armitage said: "It is this success we want to build on and the fact we can now offer equity investment packages of up to £2.5m is a very significant signal to the market and the professional community in South Yorkshire."



FROM LEFT SPRINGER RAPID INDUSTRIES' ANDREW CHANTRILL, LEE STEIGER, INVESTMENT MANAGER NIGEL FEIRN AND LENDING MANAGER CLIVE DOWNWARD WITH SPRINGER MANAGING DIRECTOR GORDON STYLES

"We have tremendous flexibility within the Fund to structure each investment or loan to meet the particular requirements of each company provided we believe we can make a sensible commercial return. We are also keen to work alongside other investors interested in operating in the region."

Mr Armitage added: "The team is determined to play its part in the Fund's aim to help small and medium businesses prosper and to increase employment in South Yorkshire."

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

Grant Thornton: an intermediaries view

GRANT THORNTON, WORKING CLOSELY WITH SYIF, HELPED HILLSBOROUGH BASED CLIENT INDEPENDENT FORGINGS & ALLOYS LIMITED RAISE MORE THAN £2M. CORPORATE FINANCE MANAGER JOHN LONGSTAFF COMMENTS



When Independent Forgings & Alloys wanted to raise expansion funding to finance the acquisition and installation of a specialist piece of rotary forging machinery we worked closely with their management team to ensure they got the right package.

Because we understood Independent Forgings & Alloys' (IFA) business we could see how the investment would help improve product, service delivery and achieve significant growth in turnover.

Working closely with the IFA team, led by Managing Director Martin Burnham, Grant Thornton developed a detailed business plan. The plan incorporated three year integrated financial projections which clearly identified the finance required not only to acquire and install the machinery itself but also to effectively manage working capital following the deal.

Secured funding was obtained from Barclays Bank in respect of a mortgage and asset funding for the machine.

However, the forecasts highlighted a funding gap over and above that available from traditional lenders to cover the cost of moving the machinery and to manage the company's working capital position following completion of the deal.

At this stage we approached South Yorkshire Investment Fund to discuss a mezzanine loan to fund the gap. We have a good working relationship with the Fund and had previously worked with them on some unsecured loans from their Small Business Fund. However, in IFA we had an excellent opportunity to introduce SYIF to a much bigger financial project.

SYIF welcomed the detailed business plan, forecasts and supporting application form and reviewed the opportunity presented to them in a quick and efficient manner. Following a brief site visit and some minor negotiations surrounding the terms of the loan the investment was put forward to the investment committee.



MANAGEMENT AND ADVISERS AT INDEPENDENT FORGINGS & ALLOYS WITH TONY GOULBOURN CHIEF EXECUTIVE OF SOUTH YORKSHIRE INVESTMENT FUND LTD AND LENDING MANAGER CLIVE DOWNWARD

Within two to three weeks of submitting the detailed business plan and application form the investment was sanctioned.

This resulted in the new machinery acquisition being completed in line

with the deal timetable and ultimately enabled IFA to achieve their business goal. Work on installing the machine is on track and IFA hope to see financial benefit and growth from the acquisition towards the end of this calendar year.

Funds join forces on social enterprise

KEY FUND (SOUTH YORKSHIRE) LTD AND SOUTH YORKSHIRE INVESTMENT FUND (SYIF) HAVE MADE THEIR FIRST COMBINED LOAN TO A SOCIAL ENTERPRISE.

The deal is the result of the close working partnership between the two investors which aim to fund larger financial proposals from South Yorkshire's social enterprises.

"This investment marks an exciting time in South Yorkshire's social economy," said Andrew Atkin, Business Manager of the Key Fund. "The package we have put together with SYIF for Cawthorne Children's Centre reflects the creative way people do business in the sector."

Cawthorne Children's Centre in Barnsley is building a new childcare facility within the grounds of Cawthorne CoE Primary School. The Key Fund has put together a finance package that includes a £20,000 grant, a £10,000 loan and £25,000 of venture capital.

The investment will be recovered when income at the centre reaches £150,000 a year, or after two years, whichever is soonest. SYIF is supporting the centre with a loan of £40,000.

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund Ltd, said: "This is our first investment in the social enterprise sector and it is especially gratifying to be supporting a project like the Children's Centre. The Centre has a solid business plan, the potential to be self-sustaining and make a substantial contribution to the local community."

Centre Manager Helen Morris said: "It has taken us five years to get to the stage where we are seeing bricks and mortar being laid, none of which could have happened without the finance from Key Fund and South Yorkshire Investment Fund."

Over the past two years the Key Fund has assisted more than 100 new, emerging and established social enterprises by providing more than £1.25m of support to a wide range of enterprises.

FROM LEFT TO RIGHT, KEY FUND'S ANDREW ATKIN, CAWTHORNE CHILDREN'S CENTRE MANAGER HELEN MORRIS, ALLAN WOOD THE INVESTMENT MANAGER WHO LED THE DEAL AND ONE OF THE CHILDREN



Angels offer some divine intervention for entrepreneurs

SOUTH YORKSHIRE ENTREPRENEURS NOW HAVE ACCESS TO A WIDE RANGE OF INVESTORS THROUGH A UNIQUE PARTNERSHIP BETWEEN THE FUND AND THE REGION'S BUSINESS ANGELS.

The Fund is working closely with the Yorkshire Association of Business Angels (YABA) to provide entrepreneurs with a new platform on which to promote their businesses to potential investors.

At a recent event at Tankersley Manor, Barnsley, several companies took part in a beauty parade to show off their businesses to a range of Yorkshire Business Angels.

Under the new partnership both YABA and the Fund are now able to attract a wider range of companies to present to the Business Angels while retaining a strong focus on South Yorkshire.

The region's business angels are individuals with wide-ranging business experience seeking to invest in fast-growing businesses that would benefit from their investment and experience.

One of several companies presenting at the recent event was Immersive Media Spaces. It specialises in the provision of interactive multimedia technology for education and entertainment. The company requires funding



PULSE GENERATION'S MARC PAISH SHOWS HIS HYDRO TURBINE TO BARBARA GREAVES OF YABA

of £50,000 to support product development and the employment of dedicated sales staff.

Also presenting at the event was Pulse Generation, which is developing a hydro turbine which extracts energy from flowing water and needs £50,000 to complete development and enter production.

Barbara Greaves of YABA said: "We were very pleased to see so many of our angel investor members at this first event with South Yorkshire Investment Fund and especially pleased to welcome our new members from South Yorkshire. As usual several very varied business opportunities were presented including many innovative ideas."

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund Ltd, said: "We are extremely pleased to be working with YABA. This partnership will enable us to provide a wider range of innovative companies and greater opportunities for the Business Angels."

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For further information contact John Longstaff on 0114 255 3371 or email john.longstaff@gtuk.com