

# The Fund extends unsecured loans to £150k

ONE RECENT NEW DEVELOPMENT AT THE FUND IS THAT IT HAS EXTENDED ITS UNSECURED LOANS FOR ESTABLISHED PROFITABLE BUSINESSES TO £150,000 - FROM £100,000 - IN PART, A REFLECTION OF THE APPETITE AND AMBITION OF COMPANIES IN THE REGION TO GROW THEIR BUSINESS FURTHER.

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund, says: "Increasingly we are encountering a growing number of businesses with significant investment needs and the extension of our unsecured funding reflects the Fund's appetite to support fast-growing, ambitious businesses that we feel will make a genuine contribution to the region's economy and job creation in South Yorkshire."

One company to benefit from a £150,000 loan from the Fund was Joseph Pickering & Sons Ltd, a 180-year-old Sheffield packaging firm.

It had been in the same family ownership since 1824 and was recently acquired by new Managing Director Robin Batchelor who has plans to expand the firm's £3m

turnover to around £10m over the next few years.

Joseph Pickering currently employs around 70 people in the design and manufacture of cartons and packaging for a wide range of industries including healthcare, food and various manufacturers.

Mr Batchelor plans to keep Sheffield as the main base whilst expanding through satellite depots in other parts of the UK including Lancashire, the North East and Midlands.

Another company to benefit from a £150,000 loan is Sheffield-based Keyblock Ltd - a new company set up to acquire Sheffield-based S&B Contract Cleaners. The company offers an extensive range of services ranging from window and

domestic cleaning to specialised cleaning, builders cleans and fumigation cleans.

S&B Cleaners will complement existing pest control business HPC Pest Control Ltd and together the companies will now offer a much better service to its' clients.

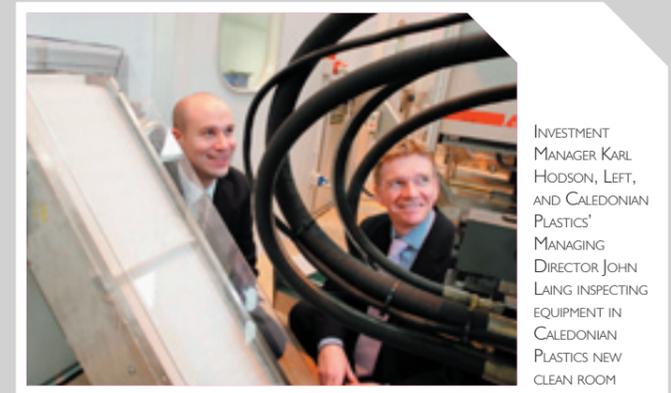
Managing Director Brian Sykes said "The changes we have made recently are positive ones. Now with more than 200 staff, the two companies together form a sizeable company offering the ultimate cleaning and pest control service."

Now these two leading Sheffield contractors are set to make a clean sweep of the region with a joint expansion programme.



PICKERING'S NEW OWNER AND MANAGING DIRECTOR, ROBIN BATCHELOR, LEFT, WITH INVESTMENT MANAGER KARL HODSON

**If your company is looking for an equity linked investment or loan finance please contact one of the team - we will be happy to discuss your requirements. Our number is 01709 386 377**



INVESTMENT MANAGER KARL HODSON, LEFT, AND CALEDONIAN PLASTICS' MANAGING DIRECTOR JOHN LAING INSPECTING EQUIPMENT IN CALEDONIAN PLASTICS NEW CLEAN ROOM

## SYIF puts Caledonian at the cutting edge

A £50,000 LOAN BY THE FUND HAS HELPED A SHEFFIELD MANUFACTURER OF INJECTION MOULDED AND BLOWN PLASTIC PRODUCTS TO CONSTRUCT A SPECIAL CLEAN ROOM FOR THE PRODUCTION OF SURGICAL PRODUCTS.

Caledonian Plastics Ltd has installed the special dust free clean room at its premises at the Holbrook Industrial Estate to enable it to meet increased Health & Safety standards covering the production of medical instruments.

The family-owned company employs 35 people and supplies injection moulded plastic handles for scalpels. Managing Director John Laing said: "The new clean room provides us with a controlled environment for the production of scalpel handles and will enable us to further develop this specialised market. It makes us more competitive in this field and will lead to business growth and the creation of a few more jobs."

Investment Manager Karl Hodson said: "Caledonian Plastics has developed a niche market in plastic handles for surgical instruments. We were happy to help the company meet the cost of a new clean room that will enable it to increase its business in this area."

## Proco Print goes direct to Fund

A LITHOGRAPHIC AND DIGITAL PRINTING COMPANY BASED IN SHEFFIELD HAS PLANS TO DEVELOP A NEW PERSONALISED DIGITAL DIRECT MARKETING OPERATION.

Proco Print, trading as The Production Company, aims to be one of the first companies in the market to offer personalised, full-colour, direct marketing materials using digital technology.

Its expansion into this new and exciting area follows a recent investment in the business of £150,000 by the Fund.

Proco Print supplies a range of direct mail services to a number of major companies and its continued expansion is expected to create around 20 new jobs in the next few years.

Investment in new direct marketing technology is part of a £2m development programme at the company which has 85 employees. The firm has relocated from the Wicker, Sheffield to a new location near the Parkway.

Finance Director, Simon Tomlinson, said: "The move underlines our commitment to Sheffield. It will enable us to operate from a single site and give us economies of scale and improved efficiency. We are making a significant investment in our future and SYIF has recognised our potential by agreeing the loan to help finance our development. We are confident that we can be a market leader in the digital direct marketing field and repay their faith in us."



ALLAN WOOD, INVESTMENT MANAGER WHO LED THE DEAL WITH SIMON TOMLINSON, PROCO PRINT FINANCE DIRECTOR AND GRAHAM CONGRIEVE, PROCO PRINT SALES DIRECTOR, AT THE COMPANY'S NEW PREMISES



Summer 2005 Issue 8



**Tony Goulbourn**  
Chief Executive  
South Yorkshire Investment Fund Ltd.

## Welcome...

WELCOME TO THE EIGHTH EDITION OF *PROFILE*, WHICH HIGHLIGHTS SOME OF SOUTH YORKSHIRE INVESTMENT FUND'S RECENT INVESTMENTS AND OTHER TRENDS DURING WHAT HAS BEEN A BUSY PERIOD FOR THE TEAM.

The latest issue of *Profile* neatly illustrates how the Fund continues to invest in businesses in the region and further underscores SYIF's long-term aim of delivering a genuine alternative when conventional sources of finance may not be sufficient or appropriate.

One major development for the Fund has been the decision to extend our unsecured loans for established profitable businesses from £100,000 to £150,000. The extension of the loan limit is a tacit recognition that there are a significant number of companies in the region which remain ambitious to grow their business further. And to do that they need significant funds

We are encountering a growing number of businesses with significant investment needs and the extension of our unsecured funding reflects the Fund's appetite to support fast-growing, ambitious businesses that will make a genuine contribution to the region's economy and job creation in South Yorkshire.

While Sheffield remains key to the region we are very keen to engage with the business communities of Barnsley, Doncaster and Rotherham to ensure that they benefit from the opportunities that the Fund and its many partners can offer them - either through funding or business support.

In recognition of South Yorkshire's growing reputation as a centre for the Digital and Creative Industries the Fund has recently launched a new programme concentrated on seeking investment in such companies - from software games' designers to media agencies.

Many observers regard the digital sector as one that is ripe for growth over the next ten years and as a commercial fund we are keen to talk to these emerging companies - whether they are well-established businesses or start-ups - and to consider potential investment opportunities.

The Fund is now actively engaging with a wide range of intermediaries and other organisations supporting South Yorkshire's digital sector and have already made significant inroads into the sector. Investments have already been made in several companies associated with the sector including a number of software developers.

At the Fund we remain keen to talk to both businesses seeking funding and organisations in the region that 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*.



MANAGEMENT AND ADVISERS AT INDEPENDENT FORGINGS & ALLOYS WITH TONY GOULBOURN, SYIF'S CHIEF EXECUTIVE, INVESTMENT MANAGER CLIVE DOWNWARD, AND IFA MANAGING DIRECTOR MARTIN BURNHAM, CENTRE

## A fantastic three years for the Fund

FOR ALL THOSE WORKING AT THE FUND, AND FOR ALL ITS VARIOUS PARTNERS, IT IS HARD TO BELIEVE THAT IT IS NOW OVER THREE YEARS SINCE SOUTH YORKSHIRE INVESTMENT FUND COMMENCED. SINCE THEN 125 BUSINESSES HAVE BEEN BACKED TO THE TUNE OF OVER £14M.

During this period the Fund has evolved to address the specific interests of businesses in South Yorkshire and, crucially, the wider macro-economic issues that impact on the region's indigenous industry.

For instance, the nature of business in the modern age and the sums involved in supporting successful business growth has seen the Fund extend its unsecured loans to a maximum level of £150,000 for established profitable businesses - recent investments in this respect include the backing of Joseph Pickering Ltd and Keyblock Ltd (see page 4).

However, what has been most heartening has been the Fund's long-term commitment to the companies we have invested in - very successful companies indeed.

Like Independent Forging & Alloys Ltd (IFA) for instance, the specialist die forging group based in Sheffield. Its management team, led by Managing Director Martin Burnham, launched a successful management buy-in in March 2001 of the open die forging division of Doncasters to create IFA which is based at Victoria Forge in Sheffield.

Working with the Fund, Mr Burnham and his team brought together a group of funding bodies - including Barclays Bank and the Invest for Growth team which is run by Business Link South Yorkshire - to put in place a funding programme that would support the company's long-term ambitions.

Since then SYIF has been a regular investor in IFA - committing to £50,000 loans in both 2002 and 2003. It also provided a £500,000 mezzanine

loan as part of a £2m total finance package with Barclays Bank in 2004. In the four years since the buy-in turnover has grown by over 200% to £7.7 million, while the total number of jobs has risen to 87.

The Fund recently invested a further £80,000 in IFA as the company sought to introduce a new electrical supply into the Victoria Forge site following the recent installation of non-destructive testing facility and two ten-tonne cranes.

Another company to benefit is The Laser Cutting Company Ltd, which uses specialised laser equipment to cut tubular and sheet metal components. Laser Cutting managed to win a significantly large order from European company, Bekaert Handling Ltd, resulting in a record month's turnover.

SYIF originally invested £100,000 as part of a larger MBO in January 2004 and more recently have invested a further £50,000 in the business, which employees 28 staff. John Stalker, Managing Director, said: "We are delighted to have pulled off this deal which was certainly aided by the team from the Fund. It's great to be able to aim high and fulfil our true potential.

Allan Wood, Investment Manager, said: "It's important that local businesses such as The Laser Cutting Company are not unnecessarily restricted in their ambitions. South Yorkshire Investment Fund is always looking for local businesses and business people who need a little extra in order to make the next big step."

**If you have a business 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](http://www.syif.com).**

## The marque of continued success for motor group

A RECENT £200,000 INVESTMENT BY THE FUND IS HELPING TO CREATE ONE OF BRITAIN'S MOST TECHNOLOGICALLY ADVANCED VEHICLE ACCIDENT REPAIR CENTRES - ALL HERE IN SOUTH YORKSHIRE.

RC Jones's (Motor Bodies) is investing £1m to transform its Barnsley workshops and offices into a state-of-the-art facility. The refurbishment will enable the company to expand its operations and increase its 30-strong workforce by up to ten staff over the next 12 months.

Managing director Neilson Jones, whose grandfather Robert Charles Jones founded the company in 1945, said the investment would enable the business to maintain its growth which has seen it become one of the leading accident repair centres in the region. Around 85% of its business comes from nine leading insurance companies and two major car fleets, totalling 3,000 vehicles.

Installing new paint spray-booths and aluminium repair bays will enable RC Jones's to expand its work further for commercial and private customers. Neilson Jones said he was currently negotiating with leading makers of cars with high aluminium content, including Jaguar, BMW and Audi for official manufacturers' accreditation.

He said: "The refurbishment is a major project to ensure we have the best facilities for staff and customers as we continue to expand the business. The workshops will be of the highest standard and the reception area and offices will match the best car showroom environment.

"We are also building a 7,500 sq ft extension at the rear of the site which will house the new equipment



LEFT TO RIGHT ALAN DODD, RC JONES'S WORKSHOP MANAGER, ASHLEY LUND, NATWEST COMMERCIAL, NEILSON JONES, RC JONES'S MANAGING DIRECTOR AND INVESTMENT MANAGER CLIVE DOWNWOOD

and also provide a dedicated training suite to ensure our people's skills are kept updated."

Investment Manager Clive Downwood said: "This is an established and very well managed business which has been owned by the same family since its formation 60 years ago. The refurbishment

programme is vital to its continued success and we are pleased to be investing in this vibrant business."

NatWest provided a business development loan and Lombard gave money towards fitting out the extension.

For further information about the Fund and how it can support your business or organisation call South Yorkshire Investment Fund on 01709 386 377

OR

E-mail us at [info@syif.com](mailto:info@syif.com) or visit the website on [www.syif.com](http://www.syif.com)

## Fund goes digital in search for investments in the region

THE FUND HAS LAUNCHED A NEW PROGRAMME CONCENTRATED ON SUPPORTING THE REGION'S DIGITAL AND CREATIVE INDUSTRIES

In recognition of South Yorkshire's growing reputation as a centre for the digital and creative industries the Fund is now actively seeking investment in such companies – from software games designers to media agencies.

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund, said: "Most commentators now regard the digital sector as one that is ripe for growth over the next ten years. The graduates emerging from the region's universities and colleges are happy to embrace South Yorkshire's culture of enterprise that their predecessors previously ignored.

"As a commercial fund we are keen to talk to these emerging companies – whether they are well established businesses or start-ups – and to consider potential investment opportunities."

The success of Sheffield's Cultural Industries Quarter, the E-Campus and the Digital Quarter centred around the Workstation in Sheffield as well as other initiatives in Barnsley, Doncaster and Rotherham underscore how successful the digital sector has been in establishing itself in a region previously dominated by traditional, but declining industries.

The Fund is actively seeking investments of between £15,000 and £50,000 in digital and creative start-up or newly formed businesses



MANAGING DIRECTOR JOHN DRAPER, LEFT, WITH INVESTMENT MANAGER ALLAN WOOD

which have a credible business plan and sound management.

One innovative business to benefit from a £30,000 loan from the Fund is Safe Technology Ltd, based in Sheffield. Safe Technology designs software for forecasting the lifespan of metal parts and components. Its systems and expertise are widely used in industries such as aerospace, automotive and the medical sector. Founded in 1987 by Managing Director John Draper, Safe Technology exports more than 80% of its products, mainly to the US.

Tony Goulbourn said: "Sound business ideas and plans, which either have insufficient security to raise all the finance they need from a bank or are too small to attract venture capital, can be supported by the Fund."



SEAN CRONIN OF COUNTY SYSTEMS, ROTHERHAM, PICTURED WITH INVESTMENT MANAGER ALLAN WOOD

## Further expansion for County Systems following loan

ROTHERHAM-BASED CONSERVATORY COMPANY COUNTY SYSTEMS LTD IS INVESTING IN A RANGE OF NEW MANUFACTURING MACHINERY TO EXPAND ITS RANGE OF UPVC PRODUCTS.

County Systems, based at the Thornhill Industrial Estate, Hope Street, is investing around £200,000 – including a £65,000 loan from the Fund – to broaden its range of products from uPVC conservatory frames to include windows and doors.

The company, which expects to increase its 16-strong workforce, has converted a building formerly used for storage at nearby Rail Mill Way into a production unit and has installed new fabrication equipment there.

Since its launch in 1996 County has focused on supplying the building trade with quality conservatory frames rather than selling to the public. Sean Cronin, Sales and Marketing Director, said: "We will apply the same policy as we expand our product range to include windows and doors, using the best uPVC raw materials, fittings and glass from the UK and Europe. Diversification has required a major investment in new fabrication machinery and the loan from SYIF has helped us to move forward with our expansion plans."

Allan Wood, Investment Manager, said: "County Systems has established itself as a leading supplier to the trade of high quality uPVC conservatory frames. The company is now aiming for even greater success with a broader range of quality products and we were keen to support it in its ambitions."

## Strategic Corporate Finance: an intermediaries view

THE FUND WORKS CLOSELY WITH A RANGE OF BUSINESS ADVISERS INCLUDING STRATEGIC CORPORATE FINANCE WHICH RECENTLY WORKED ON TWO MANAGEMENT BUY-OUTS IN WHICH THE FUND WAS INVOLVED.

When we advise clients on management buy-outs, buy-ins and acquisitions, we always bear in mind the variety of finance packages that South Yorkshire Investment Fund has to offer.

We have formed a close working relationship with the Investment Managers at the Fund so we understand what sorts of deals they are interested in investing in. This helps us greatly in negotiating acquisitions for our clients, based on a sound understanding of the funding parameters.

SYIF has a wide range of investment and loan packages with loans starting from as little as £15,000 through to equity linked packages as high as £2.5m. A further strength of the Fund is its willingness to invest alongside other equity investors.

We have completed two MBOs in the past six months that were funded by private equity and bank finance, with SYIF providing part of the equity funding package. The transactions concerned were the buy-outs of CBC Computers Group, a value-added distributor of IT equipment, and Hodkin & Jones's, a manufacturer of products used throughout the building industry.

Strategic Corporate Finance, which advised the management on both deals, is one of the leading corporate finance specialists in the region and is therefore well-placed to comment at first hand on the experience of working with SYIF.

Andrew Coates, a Director of Strategic Corporate Finance, said: "Our role as a firm of lead deal advisers is to source, initiate and complete transactions and it is vital to us that we can rely on funders such as SYIF who deliver what they promise.

"Ultimately, the promotion of deal flow in the region is a key factor in creating a strong, vibrant and prosperous local economy, and I am sure that SYIF will continue to play a major part in the region's ongoing economic development".

Kevan Shaw, a Director of Strategic Corporate Finance, added: "From a lead adviser's perspective, it is important that funders are able to deliver what they promise.



ANDREW COATES, LEFT, AND KEVAN SHAW ARE DIRECTORS OF STRATEGIC CORPORATE FINANCE

Structuring transactions such as MBOs is a complex process, and whether SYIF is working on the deal on a stand-alone basis or alongside other funding institutions, the experience of their people ensures that the fundraising process is smooth and efficient. This is why we very much view SYIF as an option on deals where a gap funding requirement arises".

## Supporting 35% growth a year

ANTIQUITY GRP LTD IS AIMING TO MAINTAIN ITS FIVE-YEAR, 35 PER CENT YEAR-ON-YEAR GROWTH WITH THE HELP OF A £100,000 LOAN FROM THE FUND - AND SYIF IS CONFIDENT IT WILL MEET ITS TARGET.

The company, which makes fibre glass bay window roofs and dormer roof units for house builders and developers, has used the loan to help fund a £225,000 factory refit at its Douglas Road site in Sheffield.

Darren Crookes, Managing Director of Antiquity, said: "The loan has helped us purchase essential new factory equipment including an up-to-date dust and fume extraction system.

"The company has seen massive growth and it is great to be able to maintain the momentum we've built up and it is pleasing that the Fund has recognised this with their investment alongside the support of Business Link South Yorkshire."

Andrew Chaffer, Investment Manager, said: "It's important that local businesses such as Antiquity GRP can fulfil their full growth potential. South Yorkshire Investment Fund is always looking for local businesses and business people who need a little extra to assist a promising and innovative business or proposal."



LEFT TO RIGHT ANDREW CHAFFER, INVESTMENT MANAGER, RICHARD DENNISON, BUSINESS LINK BUSINESS ADVISER, DARREN CROOKES, ANTIQUITY GRP MANAGING DIRECTOR, TONY McNEILL, COMPANY MANAGER OF ANTIQUITY GRP

## Jonathan accepts cycling challenge for charity

JONATHAN DIXON, OUR INTREPID DEPUTY CHIEF EXECUTIVE, HAS SIGNED UP FOR THE ULTIMATE CHALLENGE TO CYCLE 300 MILES FROM LONDON TO PARIS IN SUPPORT OF LEADING CHARITY ACTION MEDICAL RESEARCH.

If all goes to plan, Jonathan expects to take just four days to cover the distance and should roll onto the Champs Elysees just a few hours ahead of the leaders of the Tour de France on July 24.

Jonathan decided to take the challenge to help shake off some extra weight gained over winter and at the same time, support a very worthwhile cause. Action Medical Research funds groundbreaking work into Parkinson's Disease, asthma and meningitis all of which have affected members of Jonathan's family in recent years.

Jonathan said: "Everyone knows someone whose life has been touched by diseases for which Action Medical Research is working hard to find solutions. I wanted to find a way to help and have fun at the same time. So far I've raised more than £1,300 with pledges from the Fund and our partner organisations. My target is to raise at least £3,000 by July."



JONATHAN GETS READY FOR CYCLE RACE CHALLENGE, PICTURED WITH TONY GOULBOURN

Companies or individuals wishing to sponsor Jonathan should contact him on 01709 386 377, e-mail [jonathand@syif.com](mailto:jonathand@syif.com)

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