

# The £100K club

£100K UNSECURED LOANS: PUTTING FIRMS ON SOUND FOOTING



INVESTMENT MANAGER  
ANDREW CHAFFER REPORTS  
ON HOW SYIF HAS INJECTED  
£100,000 ON AN UNSECURED  
BASIS INTO A NUMBER OF  
ESTABLISHED BUSINESSES.

There are many successful and innovative companies in the region who need access to additional, and perhaps less traditional funding. Here at the Fund, Investment Managers are keen to hear from such businesses.

The great thing about working for South Yorkshire Investment Fund is the huge variation of deals we get involved with. The Fund provides loans and equity investments ranging from £15k to £2.5 million and I am sure this is why we are able to reach out to so many different kinds of businesses across the region.

In recent months we have been involved in five significant deals with well established, profitable companies. The deals have been for £100,000 - on an unsecured basis which is significant in more ways than one.

The £100k unsecured loan is aimed at established profitable businesses who may be looking to acquire assets or to undertake a large project - such as the development of a new product, service or method of working.

Most of the companies who have received these loans to date are established with turnovers in excess of £1 million. Their track record speaks for itself and in many ways is the security we are looking for when lending £100k unsecured.

They have proved themselves to be profitable, efficient and forward looking companies. In most cases our involvement has been a fairly small part of a much larger deal - in some instances with additional bank and grant involvement coming in to increase the cash available to the company.

It was this flexibility that enabled an approach to SYIF for buying out Macalloy - one of Sheffield's most

established steel companies. In addition to SYIF's £100k loan finance was also provided by the Bank of Scotland team with equity finance provided by UK Steel Enterprise.

My colleague, Allan Wood the Investment Manager who led the deal, said: "We were very impressed by Macalloy. They are a well organised and profitable company with strong technical know-how. Their products, which are well established, are used in some very exciting projects across the world."

It is this kind of partnership approach which we are keen to encourage. By injecting £100k of unsecured cash we are oiling the wheels of the transaction and can give the project additional stability and support from the start.

Another company - Gripple Ltd - funded their new subsidiary company Loadhog through a £100k unsecured loan from SYIF and an IFG2 - a new scheme funded by the European Regional Development Fund through Objective 1, and managed by Business Link South Yorkshire. This project is likely to lead to the creation of 90 skilled jobs during the first three years of its life.

Our main aim at the Fund is to encourage both the growth of new and existing businesses and to increase employment in the area. By offering established profitable businesses £100k unsecured loans we are already tapping into their success and innovation.

We want to hear from more entrepreneurs - so we can help their long term business plans - and to help us achieve our goals at SYIF.

**Other companies who have secured £100K unsecured loans from SYIF:**

- Equip Outdoors Ltd.
- Static Solutions Ltd.
- DT Industries Ltd.

Phone us on 01709 386377



INVESTMENT MANAGER  
ALLAN WOOD

## FAQs

INVESTMENT MANAGER ALLAN WOOD ANSWERS SOME OF THE QUESTIONS WE OFTEN RECEIVE FROM BUSINESSES SEEKING LOANS UP TO £100K FROM THE FUND.

**What loans do you provide to established profitable businesses?**

We can provide fixed rate loans, typically unsecured of £15k - £100k to established profitable businesses.

**What loans do you provide to start up or early stage businesses?**

We can provide fixed rate loans, typically unsecured of £15k - £50k to start-up and early stage businesses. Loans in excess of £50k are available, but will necessitate the Fund taking either a direct minority stake or an option to subscribe for a minority shareholding.

**What projects can you finance?**

We are particularly interested in providing finance for the following: Capital expenditure, working capital

needs, acquisitions, investing in new technology or equipment, entering new markets, management buy outs or buy ins, or export.

**How are interest rates calculated?**

Our loans have effective annual interest rates ranging from 3% to 9% per annum (after interest rebate) and our rates are fixed, so repayments will not change even if general interest rates rise.

**What else do we offer businesses?**

Management support is available through the 'Money with Management Programme' which subsidises the cost of mentors or non executive directors who give businesses invaluable help and advice.

For further FAQs see the next issue of Profile or visit the website at [www.syif.com/faq](http://www.syif.com/faq)

## Events

**CAPITAL NETWORK**  
Tuesday 20th January 2004

Tankersley Manor Hotel, Barnsley  
Sponsored by  
Connect Yorkshire

For further information telephone  
Lynne Martin  
on 01709 386387

**SOCIAL ENTERPRISE**  
KEY FUND and SYIF are organising a series of events over the next year to provide organisations with information about debt funding and how it can be utilised by social enterprises. The events will take place across the four metropolitan boroughs of South Yorkshire and will start in the Spring of 2004.

For further information call us on 01709 386377.



**Investment Manager Nigel Feirn explains how our Equity Investments work:**

Equity investments can often be the best source of finance for companies needing backing at an early stage, boosting growth and strengthening the capital base and reducing gearing levels of the company, SYIF can invest up to £1m of share capital for a direct minority shareholding.

For later stage businesses looking to expand, and requiring over £100k, a Development Loan may be appropriate to complement their existing financing arrangements.

As such the loan (which is eligible for interest rebates through our Money with Management programme) would be subordinate to the existing lender and essentially fills the gap in the business funding requirement.

This facility can be used for a range of needs, for example - MBOs and MBIs, buy backs or even bonding and guarantee facilities. Clive Downward, who comes from a banking background will be pleased to discuss whether the Development Fund can provide a solution to your needs.

By being able to offer a mix of both loan and equity investments, we have the flexibility to structure financial packages of up to £2.5 million.

## South Yorkshire Investment Fund



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

## Welcome...

AS CHRISTMAS APPROACHES I AM DELIGHTED TO REPORT THAT SOUTH YORKSHIRE INVESTMENT FUND CONTINUES TO MAKE A BIG IMPACT IN THE AREA - HELPING TO CREATE NEW BUSINESSES AND MORE JOBS.

The big news this quarter is that the Fund now offers loan and equity investments ranging from £15k to £2.5 million. In the past the limit has been £1 million - this increased amount means we can now support a wider range of investment opportunities.

But this doesn't mean that we are moving away from helping smaller businesses. We are now recognised and established in South Yorkshire as offering our expertise and experience to small and medium companies in a range of industries.

During the last six months we have completed a number of £100k unsecured loans to established profitable businesses and completed equity linked packages of £250k. In addition, we have continued to introduce deals ranging from £1k to £15k to the South Yorkshire Microloan fund.

To date we have invested a total of £4.5 million in 68 businesses.

Our Investment Managers have seen a variety of applications in a wide range of sectors including traditional manufacturing, new technology, the medical industry and even the setting up of the largest indoor supercross venue outside of America.

The investments may be varied - but they all have one thing in common: aiming to increase prosperity and employment to the area. Many new businesses are being established by people experienced and qualified in their own fields who are determined to see their ideas get off the ground.

Established businesses with innovative and exciting projects are also coming to us for advice, guidance and financial assistance. It is the combination of new and existing companies which will put extra drive and added impetus into the local economy.

We are not just about funding. We provide management support through our Mentorbank initiative - which provides subsidised mentoring support to help management teams grow their business more profitably. And we bring together Business Angel Investors keen to be involved in new and exciting projects, which may develop into fully-fledged businesses.

Here at the Fund one of our aims is to bring new and sustainable jobs to South Yorkshire - we want to hear from the 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.



STEVE KING OF MONARCH SCAFFOLDING, ANDREW CHAFFER INVESTMENT MANAGER WHO LED THE DEAL AND JILL KING

## Business reaching high for success

SOUTH YORKSHIRE INVESTMENT FUND HAS PUT A BARNSELY SCAFFOLDING FIRM ON TRACK WITH A £50,000 CASH INJECTION - JUST ONE OF MANY DEALS COMPLETED BY THE FUND.

Monarch Scaffolding Limited, based at Penistone provides scaffolding services to companies specialising in construction and refurbishment.

The business was formed in 2002 by Steve and Jill King. Steve, formerly an advanced scaffolder himself, has 20 years experience and has done every job in the industry from estimator to branch manager. Jill has 10 years business experience in human resources and management development working for large organisations.

Half of the loan is being used for new equipment and the remainder for working capital. In the first year of business Monarch grew its workforce from just three to over 20.

Jill said: "We were always able to meet our repayments but some financial institutions were cautious to invest in us. The construction industry is renowned for its volatility making it more difficult for us to obtain the required funding and this was often very disheartening.

"But we have always been confident in our abilities as a business and the support and help we have received from SYIF has been a huge confidence boost for us."

She added: "We are continuing with development and growth within the company. We are moving into new premises later this year that will consist of an 8,500 sq ft warehouse plus 1,200 sq ft of office accommodation. With this property we also have 1.5 acres of land which we will use for future growth."

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund Ltd, said: "We are always looking to assist small companies like Monarch Scaffolding. They have a very bright future and this loan will help them reach their full potential. Encouraging enterprise and innovation can only improve employment and prosperity in South Yorkshire.

"It is a very exciting time at the moment. Our Investment Managers are working on so many varied deals in a range of industries."

If you have a business based in South Yorkshire, then South Yorkshire Investment Fund wants to hear from you. Check your eligibility for funding by calling us on:

**01709 386 377 or visit our website at [www.syif.com](http://www.syif.com).**

**OTHER SIGNIFICANT INVESTMENTS DURING THE PAST QUARTER INCLUDE:**

- A £100,000 unsecured loan to Equip Outdoor Technologies Ltd.
- A £70,000 unsecured loan to Regent House
- A £50,000 unsecured loan to GB Truck and Trailer Ltd
- A £50,000 unsecured loan to Plasblow Ltd
- A £100,000 unsecured loan to Static Solutions Ltd

For further information about the fund and how it can help your business telephone 01709 386377 or email us at [info@syif.com](mailto:info@syif.com) or visit our website at [www.syif.com](http://www.syif.com)



# South Yorkshire Microloan boosting small businesses

SMALL BUSINESSES IN THE REGION CONTINUE TO BENEFIT FROM LOANS FROM SOUTH YORKSHIRE MICROLOAN.

Microloans are aimed at small businesses that are unable to raise sufficient (or any) finance from commercial sources, loans of £1k to £15k are available for existing businesses and up to £10k 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 RA Imaging, Tubal Cain and Cashvend UK Ltd.

RA Imaging, based in Doncaster is a commercial and social photographer owned and operated by partners Richard Browning and Andrew Lynch.

They took out a £10k Microloan to set up their business in Silver Street - the cash was used to refurbish the premises, purchase photographic equipment and signage. Andrew and Richard,

experienced photographers who have worked for Saatchi and Saatchi, Next, M & S and many others in the past, already employ four people and are looking to expand in the near future. Andrew said: "The Microloan scheme is ideal for people wanting to start up their own business - for us it was the key to our new state-of-the-art studio and the loan is already beginning to pay off."

Tubal Cain started trading in June 2003, designing and supplying specialist tools and equipment to field-archaeologists across the UK. Archaeology is one of the fastest growing disciplines in academia, and as an interest, has crossed over to mainstream TV.

Based at the Sheffield Technology Park, the company is headed by Managing Director Nick Oodian who is supported by Sales Manager James Light.

The company supports the needs of archaeologists and earth scientists working in the field -supplying high quality brand-name tools and equipment, as well as new and innovative products to aid the excavation and recording process.

Nick said: "South Yorkshire Microloan offered a friendly, relaxed open service - without their



PARTNERS AT RA IMAGING RICHARD BROWNING AND ANDREW LYNCH WITH SYML LOAN OFFICER STAN WILSON

assistance we would have found it difficult to secure funding from conventional outlets like high-street banks. Microloan enabled us to start the ball rolling earlier than envisaged'.

The loan was used for start-up costs including web design, researching new products and working capital.

Another company to receive a £10k boost is Cashvend UK Ltd. Based in Barnsley and operated by Andrew Peace, the company distributes ATM cash machines throughout the UK.

SYML Loan Officers Stan Wilson and Fiona Greaves, said: "These are just the 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."



LEFT TO RIGHT  
PETER ARMITAGE, INVESTMENT MANAGING DIRECTOR  
NIGEL FEIRN, INVESTMENT MANAGER  
MATTHEW MALE, INVESTMENT MANAGER  
CLIVE DOWNWARD, LENDING MANAGER  
PAUL GOWER, INVESTMENT EXECUTIVE

## Meet the equity investment team at SYIF

PETER ARMITAGE, INVESTMENT MANAGING DIRECTOR FOR SYIF, WAS FORMALLY A PARTNER IN THE LEEDS OFFICE OF APAX PARTNERS - ONE OF THE LARGEST AND MOST SUCCESSFUL VENTURE CAPITALISTS IN EUROPE - AND PRIOR TO THAT HE SPENT SIX YEARS WITH BRIDGEPOINT CAPITAL (FORMERLY KNOWN AS NATWEST VENTURES). A QUALIFIED ACCOUNTANT HE HAS AN MBA FROM MANCHESTER BUSINESS SCHOOL.

Here, Peter introduces the team and explains how the Fund intends to build on the successes already achieved.

The team of five are highly experienced and qualified to deal with the needs of companies seeking funding where

traditional bank lending may not be sufficient or appropriate.

**Nigel Feirn**, who joined the Fund in May 2002, trained as a Chartered Accountant with BDO Stoy Hayward in Nottingham before joining UK Steel Enterprise as a Financial Controller and then moving on to become an Investment Executive. Nigel has eight years experience within the venture capital industry

**Matthew Male** also trained as a Chartered Accountant in the Corporate Tax Department of Arthur Andersen in Leeds before transferring to Andersen Corporate Finance, where he worked on corporate finance transactions. He joined the Fund in November 2002.

**Clive Downward** is an experienced banker who has held a variety of positions, more recently as a Credit Director at Barclays in London and previously as an Area Manager. He joined the Fund in November 2003.

**Paul Gower** spent eight years at Burmah Castrol Plc in various analytical roles and after gaining an MBA from Manchester Business School worked at PricewaterhouseCoopers within the Business Regeneration Unit. He joined the Fund in November 2003.

We can now make investments of up to £2.5 million - which enables us to reach out to a far greater range of businesses. We want to hear from companies who have gaps in their funding to develop

their business - and who are looking for an equity investment or loan finance. Our team has already made several successful investments in companies, including Transtar Limited (£500k), Turtton Springs (£100k), Yortec Limited (£150k), Timeoutdoors, (£250k) and Pearce Buckle Ltd.

It is this success we want to build on. 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.

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.

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](mailto:info@syif.com), or visit the web site on [www.syif.com/microloan](http://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

## Knowles Warwick : an intermediaries view

KNOWLES WARWICK, AN ACCOUNTANCY FIRM IN SHEFFIELD, ASSISTED SOUTH YORKSHIRE SUPER X LTD IN RAISING A £40,000 UNSECURED LOAN FROM SYIF. HERE, MICK WARWICK REFLECTS ON HOW THEY WORK WITH THE FUND TO HELP THEIR CLIENTS.

### How do Knowles Warwick work with the Fund?

We will have an initial meeting with our client who may be looking to start a business or expand an existing business. Through the production of forecasts we identify the additional funding required. If all or some of the funding is not available from traditional areas, we speak to South Yorkshire Investment Fund.

### How can an intermediary identify clients suitable for funding from SYIF?

Clients who are just about to start up in business and need substantial funding may struggle to obtain money from the usual lenders. The Fund provides unsecured loans for start-ups and early stage businesses of £15 - £50k.

For established, profitable businesses the Fund can consider up to £100k on an unsecured basis. Funding is considered for many projects including capital expenditure, working capital or expanding the businesses.

Equity Investments of £50k to £2.5m are available for MBO's and MBI's, start-ups, acquisitions, expansion or for on-going business development. The equity packages take a minority interest in the business ensuring that the owners who run the business on a day to day basis are still the major shareholders.

### What happens when we identify a clients' funding need?

When we have identified a clients' potential funding need, it is important we speak to the Fund, to make sure that the project falls within the eligibility rules and that the business plan and forecasts prepared are sufficient for their investment assessment.

Investment Managers at South Yorkshire Investment Fund are keen to get involved early on in the preparation of the documentation. Help from an intermediary usually ensures the application proceeds quickly - it is more likely to be in the required format and have all the essential information required for the report.

### Examples of deals that we have worked on with the Fund

Our clients who have received funding have been in the leisure, education and manufacturing industries. We have usually worked on new businesses with the Fund but they will consider start-ups, early stage or established businesses.

One of our businesses, South Yorkshire Super X Limited, needed funding to refurbish an old warehouse to set up an indoor Super Cross track - it is now attracting people from all over the country.



KNOWLES WARWICK ASSISTED SOUTH YORKSHIRE SUPER X LTD IN RAISING A £40,000 UNSECURED LOAN FROM SYIF. HERE, MICK WARWICK REFLECTS ON HOW THEY WORK WITH THE FUND TO HELP THEIR CLIENTS.

Another of our clients, Knowgames Limited, needed funding to purchase capital equipment for educational training through computer games - for pupils who have been excluded from school. The investment required was funded by the Fund and local banks through the Small Firms Loan Guarantee Scheme.

## Capital Network brings success

ENTREPRENEURS IN SOUTH YORKSHIRE HAVE SHOWCASED THEIR COMPANIES AND CREATIVITY AT A CAPITAL NETWORK EVENT - WITH THE AIM OF ATTRACTING FUNDING AND INVESTMENT TO EXPAND OR DEVELOP THEIR BUSINESSES FURTHER.

For medical company Single Use Surgical, which has developed a range of disposable surgical instruments, the event proved very successful. They managed to attract a group of business angels - who were prepared to invest £80k in the company.

Lynne Martin, manager of Capital Network, said: "We are delighted to have achieved this match for Single Use - they are an innovative company with great potential and this has clearly been recognised by the investors."

Capital Network, part of the South Yorkshire Investment Fund, aims to bring together entrepreneurs seeking funding with Business Angels keen to invest in potentially successful and fast-growing businesses.



MATTHEW TULLEY, MANAGING DIRECTOR OF SINGLE USE SURGICAL LTD, MENTOR IAN LOMAS AND LYNNE MARTIN, MANAGER OF CAPITAL NETWORK

## SYIF joins with Yorkshire Forward to help Doncaster company

LEADING DONCASTER PLASTIC FIRM DT INDUSTRIES HAS RECEIVED A £200K BOOST WITH SYIF MATCH-FUNDING THE £100K PROVIDED BY YORKSHIRE FORWARD.

South Yorkshire Investment Fund and Yorkshire Forward's backing of DT Industries Ltd has enabled the company to move to new premises, create six new jobs and secure 14 more.

The deal, made up of a £100k unsecured loan from the Fund and a Regional Selective Assistance grant of £100k from Yorkshire Forward, is another example where SYIF work closely in partnership with other agencies.

The Regional Selective Assistance scheme is designed to help companies in Assisted Areas create or safeguard jobs. It is also intended to enable such firms to proceed with projects that would not otherwise be possible without grant funding.

DT Industries, based at Coulman Road Industrial Estate in Thorne, specialise in manufacturing plastic bearings and other high tolerance plastics for industry already employ

37 full-time staff, with a further 80 home workers engaged on a self-employed basis. Established in 1991 as a manufacturer and assembler of high precision plastic components, it now has more than 120 products ranging from complex sliding door guide assemblies to a range of innovative thermoplastic bearings.

Managing Director of DT Industries, David Dunwell, said: "We are glad to get the support of SYIF and Yorkshire Forward. This funding will assist the company in moving our operations from five separate industrial units to one dedicated building. We are also delighted to have secured the futures of our very committed workforce and, indeed, to increase it. It is an extremely significant moment for everyone involved."

Tony Goulbourn, Chief Executive of South Yorkshire Investment Fund Ltd, said: "The Fund is pleased to demonstrate its backing for DT



FROM BACK  
MICHAELA YOUNG, COMMERCIAL DIRECTOR,  
ALEX MCWHIRTER, HEAD OF ENTERPRISE AT YORKSHIRE FORWARD, ANDREW CHAFFER, INVESTMENT MANAGER WHO LED THE DEAL AND TIM HUTCHINSON, FINANCE DIRECTOR

Industries Ltd in such a tangible manner. The fact that the company has been able to continue to thrive is a tribute to the company's management and workforce."

Alex McWhirter, Head of Enterprise at Yorkshire Forward, added: "We are delighted that, in partnership with SYIF, Yorkshire Forward has been able to provide DTIL with a cocktail of funding, thereby enabling it to increase its advantage over its international competitors. Yorkshire Forward was also very impressed by the commitment and enthusiasm shown by the directors and the workforce."