



SYIF helps Silvapower generate success

Generating fuel for the future: Pictured from the top is Kevin Steven of SYIF and Silvapower's Richard Wagstaff.

An environmentally friendly Doncaster company is celebrating after securing a £25,000 loan from South Yorkshire Investment Fund (SYIF).

Silvapower Ltd, based in Rossington, specialises in the production and supply of biomass fuel to boilers in the South Yorkshire region and is the main supplier in the area. Biomass fuels are fuels made from vegetation and the company supplies woodchip and wood pellets for biomass boilers and room heaters.

The company also provides a range of associated services throughout the UK. Their focus is small scale fuel supply (ie: not power stations), with contracts already in place with Sheffield City Council, Barnsley Metropolitan Borough Council, the RSPB and the Peak District National Park.

Silvapower provides a range of services from sourcing feedstock, contract chipping, storing and drying fuel and selling fuel by the kilowatt hour to providing training and consultancy on biomass fuel production and infrastructure.

Richard Wagstaff, Managing Director of Silvapower, said: "The loan from SYIF has been absolutely vital to our company and has allowed us to buy stock to supply the contracts we already have in place for next winter and the following year.

"Quite simply without the loan from SYIF there would be a lot of cold people who occupy nearly 500 flats in Sheffield and Barnsley as without our supply of wood chip we would not have been able to provide our

customers with biomass fuel to heat their boilers.

"Biomass fuel provided by Silvapower is a viable solution for housing developers, hotels, councils and other large organisations who are looking to reduce their CO2 emissions and use more environmentally friendly fuels."

Richard added: "Generally organisations are quite sceptical about using biomass fuels and so it is essential for Silvapower to maintain our reputation as South Yorkshire's main supplier and to continue to provide a reliable biomass fuel supply - the loan from SYIF has helped us to achieve this."

The company's facilities give them the flexibility to provide customers with a service tailored to their requirements.

SYIF Business Development Manager, Kevin Steven, said: "Silvapower are a company with a very high quality, environmentally friendly product and the management have a clear vision for future development."

"We are pleased that the SYIF loan will go towards enabling the company to meet existing contracts."

Silvapower is also working in partnership with the South Yorkshire Forest Partnership, who help to provide funding for organisations who want to reduce their CO2 emissions by investing in a biomass fuelled boiler.

New Pilot Seedcorn Fund

A pilot Seedcorn Fund is being launched in January 2007 that will invest £4.6m in early stage technology and knowledge-based businesses in South Yorkshire, drawing in a further £2.5m of private co-investment. It will be run as a pilot to test demand and to trial a number of innovative approaches to deal development and portfolio management that will include mentor and management support.

There are two separate portfolios in the Fund. The first; Proof of Concept will invest up to £75,000 in start-up businesses that have a technically proven product or service but need to fix their position in the market. The second; Commercialisation, will place follow-on investment in tranches of a total of up to £500,000 into businesses that are likely to have made some progress in their market but need support to become established, generate further investment and move into profit.

Tony Goulbourn said, 'Just like our other funds, The Seedcorn Fund will be run on sound commercial lines with all the discipline of a traditional fund. Where it will add additional value, however is that the Fund will be run by a team that understands technology and the myriad challenges of bringing this kind of proposal to the market. For us, it will fill the gap that we have for investment in innovative, early stage businesses. For South Yorkshire, it will help to attract and retain the kind of businesses that will shape our economy for many years to come.'

The Proof of Concept portfolio is likely to be available from January 2007 with the Commercialisation portfolio likely to come on-line from March 2007.

For more information, contact Jonathan Dixon on 01709 386392 or email: jonathand@syif.com

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Welcome...



...to the thirteenth edition of Profile!

First of all I want to wish you all a very merry Christmas and a prosperous New Year.

The last few months have been very busy for South Yorkshire Investment Fund and we have also sponsored a range of events- including a Chamber BME event and Chamber awards throughout the county.

This year has also been a very busy year for SYIF. The Small Business Team recruited several new members of staff to enhance its services even further and during the year broke through the £11 million investment target.

Meanwhile investment managers on the Capital and Development Funds also made their largest single investment to date with a £1.5 million package for Barnsley based JDF Logistics.

Next year will also be a very busy year because SYIF will be launching a Seedcorn Fund – a £4.6 million fund to invest into early stage and concept businesses. We'll let you know more about this as the project progresses.

Enjoy reading this latest issue of Profile!

Tony Goulbourn
Chief Executive
South Yorkshire Investment Fund Ltd



Getting 'redi' for even further growth!

Pictured left to right is Phil Culling, Managing Director of Redirack; SYIF Investment Manager, Jane Siddle; Jack Holden, Redirack's Operations Director and Yorkshire Bank's David Towers.

A Rotherham company was 'mentor-be' successful, after receiving a helping hand from South Yorkshire Investment Fund.

Kilnhurst-based Redirack has benefited from two loans from Rotherham-based SYIF and has utilised the organisation's Mentorbank facility.

Redirack, a storage solutions provider who specialises in pallet racking and mezzanine floors, has recently received a second loan from SYIF for £75,000 - money which will be used as working capital.

Redirack, on Wharf Road, used its first loan from SYIF for £100,000, together with funding from UK Steel Enterprise and Yorkshire Forward, to carry out a Management Buy Out (MBO) from its former Norwegian owners, AKER, in 2004. Managing Director Phil Culling, together with Operations Director Jack Holden, and the former Financial Director John Watts, took the step of buying the company – safeguarding the jobs of around 100 employees.

Redirack, who had a turnover in 2005 of £13.8 million, has also received advice and guidance under SYIF's mentorbank scheme – where the company has benefited from the expert advice of IT mentor, Bill Tyson, and financial mentor, Chris Heaton.

Redirack can provide storage products for the largest high bay warehouse to the smallest single run store. Its

racking's unique design means less on-site assembly time for its clients, reduced maintenance and increased reliability when compared with pallet racking having a bolted construction.

Now the company, which has seen the mezzanine floors section of the business increase annual turnover to £2 million in just three years, is looking to the future and planning to introduce new products and to expand into the export market.

Phil Culling, Managing Director, said: "Initially SYIF was really helpful. We would not have been able to do the MBO without its help. SYIF was the financial 'bridge' that we needed. The expertise it provided us with via its Mentorbank was vital to our success, and the recent loan is absolutely brilliant. It is working capital and it will help us push our plans forward for an even brighter future."

Jane Siddle, Investment Manager for SYIF, said: "SYIF was only too happy to help Redirack. We have been able to provide them with cash, at times when it was needed, and with mentors who could give them expert advice when it was required. They are a respected and successful local job provider and may soon be helping to put Rotherham on the map internationally by exporting its products."

Financial tips for BME businesses



Pictured at the event from the left are: Julie Anne Howarth of Senta; Ron Chapman, of Loughborough University; Bernadette Grocock, BME Forum Co-ordinator; Suzanne Tinkler, of SYIF; Hakim Wais, BME Forum Chairman; and Dan Wilkinson, of Business Link South Yorkshire.

Black and minority ethnic businesses in Sheffield were offered the opportunity to pick up free tips from financial experts at a special event recently, which was sponsored by SYIF.

Sheffield BME Business Forum, which is backed by Sheffield Chamber of Commerce, organised the evening at the Holiday Inn Royal Victoria Hotel.

BME Forum co-ordinator Bernadette Grocock said: "Finance is the most commonly mentioned business concern for all business groups so we wanted to provide the opportunity for companies to speak to experts first hand.

"Understanding what help and support is available for BME businesses is key to helping ease some of these concerns.

"Furthermore, the event helped companies understand how to access financial support – including that from SYIF - and how to make the most of it to increase profitability and success."

The Accessing Finance for BME Businesses event also included details of a study undertaken by Ron Chapman and his team at Loughborough University on the struggles that African-Caribbean businesses experience to gain a level playing field with other SME businesses.

There was also a presentation from Business Link South Yorkshire and members of the BME Business Forum steering group were on hand to answer queries on a one-to-one basis.

Companies bathe in success, thanks to investments

Two Sheffield companies are celebrating having received investments from South Yorkshire Investment Fund and Yorkshire Forward.

Kingkraft Limited and Trade Direct have benefited from loans from SYIF. They have also received Selective Finance for Investment (SFI) grants from Yorkshire Forward, with Kingkraft receiving £50,000 and Trade Direct being awarded £35,000.

Kingkraft have been manufacturing specialist bathing equipment since 1984. In that time the company has become a leading name in assisted bathing through established brands such as Easibath and Contour. Kingkraft offer a range of products to assist individuals of different levels of ability to enjoy their bathing.

The company's products are used in thousands of homes, hospitals and residential environments to provide invaluable assistance to help people meet their bathing requirements. In addition to the range of products for assisted bathing, Kingkraft also offer a number of products for the more mobile individual, to assist them in continuing to live independently.

Trade Direct, based at Deep Lane in Sheffield, are a family business with 20 years experience in the motorcycle industry. The business currently manufactures stealth brake discs in their Sheffield engineering works incorporating the complete process from raw materials to finished boxed and shipped orders. This enables them to control all aspects of supply and delivery, thus ensuring complete customer satisfaction.

Kingkraft Managing Director, Nigel Harrison, said: "The loan from SYIF and the investment from Yorkshire Forward came at just the right time for us. We were developing a new range of products and needed to expand our current premises. An opportunity arose to buy the premises adjacent to our current site at Dore House Industrial Estate. The loan from SYIF and the investment from Yorkshire Forward enabled us to purchase the extra work space and furnish it with new equipment, which has led to increased production.

"Our business has benefited greatly from this assistance as we are now able to offer our customers a wide product choice due to our increased production space." Kingkraft and Trade Direct were introduced to SYIF by



Pictured from the left are Karl Hodson, of SYIF; Dean Crookes of Trade Direct; Nigel Harrison of Kingkraft; Tariq Javaid of Yorkshire Forward; and Jane Pitchfork of BLSY.

Ian Gerard, formerly of Business Link South Yorkshire Dean Crookes, Partner at Trade Direct, said: "With our SYIF loan and investment from Yorkshire Forward we purchased a LVD Laser cutter which has allowed us to establish a laser cutting service. This has meant that we no longer have to outsource any products or services and every single component of the stealth brake discs we produce are now made in our Sheffield workshop, something which we now pride ourselves on.

"Having the new laser has also created two new jobs, which has allowed us to expand as a company and increase productivity, which is great news for us and our clients.

"South Yorkshire Investment Fund and Yorkshire Forward have been fantastic and we have received help from them every step of the way."

SYIF Investment Manager, Karl Hodson, said: "I am delighted that both companies have benefited greatly from their SYIF loans. Kingkraft and Trade Direct are forward thinking businesses and are manufacturing great products and we are pleased to share in their achievements."

Alex Mcwhirter, head of enterprise at Yorkshire Forward, said: "Fundamentally, the role of SFI is to invest in companies in Yorkshire and Humber which will create an improvement in the economy, raise productivity and improve employment skills. Kingcraft and Trade Direct are excellent examples of businesses in our region that have used the investments to improve their competitiveness and I wish them every success for the future."



Investment Manager appointed

South Yorkshire Investment Fund has appointed Steve Bell as a new Investment Manager.

Steve (38), pictured, of Sheffield, who has worked in corporate finance for nine years, previously worked at Grant Thornton as a senior manager.

Steve will be working on SYIF's Capital and Development Funds, looking at opportunities for equity linked investments.

Steve said: "I am enjoying my new role. I will be appraising business opportunities for investment as well as negotiating terms for company's looking for funding for growth, acquisitions, management buy-outs and management buy-ins."

Roadshow success

SYIF's recent roadshows were a huge success with nearly 500 visitors attending.

A series of four roadshows were held at Hellaby Hall, Rotherham; the Mount Pleasant Hotel, Doncaster; Brooklands Hotel, Barnsley, and at Sheffield United FC, Sheffield. At the events businessmen and women and intermediaries in the county could find out how the Fund can help them.

Tony Goulbourn, Chief Executive of SYIF, said: "SYIF provide loans and equity linked investments ranging from £15k to £2.5m to businesses in, or prepared to relocate to, South Yorkshire. The Fund has already invested over £26 million in 202 businesses. We are here to help businesses and want to hear from you."

SYIF will also be shortly be launching a Seedcorn Fund – a £4.6 million fund for early stage and concept businesses.

A unique feature of the way SYIF can help businesses is the Mentorbank project, which provides subsidised mentoring support to help management teams grow their business more profitably.

If you would like more information on how SYIF can help you please telephone 01709 386 377 or email info@syif.com



Chairman of SYIF, David Moody, is pictured at the Rotherham roadshow.

BARCLAYS: An intermediaries view

South Yorkshire Investment Fund works closely with a number of banks – one of them is Barclays.

Barclays is a key investor in SYIF and other funds around the country - Merseyside, Wales and Cornwall, with an initial total investment of £84million.

Craig Cartlidge, Corporate Manager based in Sheffield, tells us a little more about how Barclays and SYIF work together:

Whatever the size of a business, it will at some point need a significant injection of cash. There are numerous ways that business owners can raise the money that they need. While the bank should be their first port of call, other options exist such as venture capital firms, business angels, directors' loans, enterprise funds and discussing different terms of trade with customer and suppliers.

The key for a bank is to build an excellent relationship with the business and through investing this time comes an understanding of:

- What are the objectives of the business and owners?
- What are the needs of business?
- What are the strengths of the business?

With this relationship and understanding a banker can provide a tailored financing solution that provides the business with the required cash for today and access to increased funding going forward.

Barclays often work with SYIF to provide tailored finance solutions for working capital and capital



Pictured is Craig Cartlidge

expenditure in high growth situations. Working with the Fund at an early stage is important to establish a business' eligibility, SYIF's appetite for the deal and to deliver an overall financing package that fits the need of the business. Speed of delivery is a key consideration for any business and through active communication the bank and the fund can ensure that funding is in place in a timely manner.

Barclays customer AI Materials Ltd, is an international distributor of advanced industrial materials that has benefited from the involvement of South Yorkshire Investment Fund.

We initially met with Mark Burton and Mike Andrews of AI Materials Ltd in autumn 2005. At the time the company were banking elsewhere and required increased working capital to fund growth in the business. Within a short timescale we were able to provide the business with an increased working capital facility through a more proactive approach to

Confidential Invoice Discounting with Barclays Sales Financing, the use of the Small Firms Loan Guarantee facility and an introduction to SYIF.

The speedy collaboration between the business, the bank and Grahame Lunt of SYIF, secured successful funding for the company from SYIF. With the overall increased funding package the business has gone from strength to strength and current trading is well ahead of expectations.

The ability for us to work closely with SYIF is crucial for local businesses to ensure the correct funding packages are delivered, often within tight deadlines.

At Barclays, we know better than most what a difference a fund like SYIF makes to the local economy. We look forward to seeing the continued growth in the South Yorkshire economy and a buoyant business market for all to trade in.

Specialist bar and cable manufacturer engineers success

Specialist bar and cable manufacturer Macalloy Ltd, from Sheffield, has engineered a move to new premises courtesy of a second loan from South Yorkshire Investment Fund.

The £100k loan fulfils the second phase of Macalloy's expansion plan which was also backed by UK Steel Enterprise. An initial loan of £100k enabled company directors, Peter Hoy and Chris Willett, to stage a management buyout in 2003.

Tailor-made premises have been built for the ambitious company on the re-developed South Yorkshire coalfield at Dinnington, enabling Macalloy to streamline manufacture and improve the flow of products.

Peter Hoy, Managing Director of Macalloy, said: "The move has just taken place and will essentially meet an increase in demand. We have experienced year-on-year growth since the buyout and we consider the new premises key to sustaining this impetus."

The company currently employs 65 staff across their manufacture, distribution, installation and administrative departments.

"We have kept everything under one roof," said Peter,

adding: "We do however, anticipate greater efficiency through careful organisation of the space available at Dinnington."

Macalloy Ltd produce and supply a range of tensile steel products, including large diameter cable/strand and tensile bar systems, to Architects, Engineers and Contractors across the world and count projects such as the Millau Bridge in France amongst their portfolio.

Peter said: "It is important to acknowledge that none of the extraordinary success that Macalloy has enjoyed would have been possible without the support of SYIF. We are very optimistic about future growth of the company and look forward to a continued partnership."

As well as loan provision, SYIF have also worked to appoint business mentors David Roberts and Chris Goddard from 'Director Resource,' who advise



Caption: Pictured (left to right) Chris Willett, of Macalloy; Chris Goddard of Director Resource; Melanie Reynolds, of SYIF and Peter Hoy, of Macalloy.

Macalloy on strategic matters and provide specialist manufacturing support.

Melanie Reynolds, of SYIF said: "Macalloy is a great success story for South Yorkshire. They have worked on projects as far away as Hong Kong and Korea and we are committed to supporting such dynamic organisations within the region."