

Welcome...

...to the winter edition of Inspire from Finance Yorkshire.

It's hard to believe that we are almost at the end of 2011. It's been an eventful year, and whilst I can reflect positively on the last 12 months of activity, I am enthusiastically looking forward to business in 2012.

This has been an important year for Finance Yorkshire with a substantial number of investment deals completed, and key elements of our organisational development successfully delivered. In my view this will bring long-term success, not only for Finance Yorkshire, but for the many hundreds of businesses we work with in Yorkshire and Humber.

Inside this edition you will find details of some of our latest deals and business development activities, which I do hope that you enjoy reading. Indeed, the diversity of sectors we have supported through our investments - which in total now exceed £13million - truly showcases and demonstrates the breadth and versatility of our regional economy. It paints a very rich picture of the thriving businesses we have here in Yorkshire and Humber.

Also I'd like to acknowledge the professionalism of the Finance Yorkshire staff, who through their enthusiasm and hard work have achieved the Putting the Customer First® quality assurance standard for customer service, an accomplishment which underscores Finance Yorkshire's commitment to the needs of our clients.

It would be great to get your feed-back on the various features in this issue - please feel free to let us know about anything you particularly liked/disliked and how we can improve "Inspire" for the future. Your opinion is much appreciated and goes a long way in helping us improve the newsletter we provide to you.

Finally, I would like to wish you all a very merry Christmas and a happy New Year! Here's to a prosperous and successful 2012!



Alex McWhirter
Alex McWhirter
Chief Executive
Finance Yorkshire

Security firm locks down growth plans after funding boost



Pictured: Sally Moore JMS Commercial Director, Lee Holgate JMS Operations Manager, introducer Martin Overfield with Ian Atkinson, Finance Yorkshire Investment Manager.

A Hull-based security business is on a sure footing for future growth ahead of its 25th anniversary next year after a £150,000 funding boost from Finance Yorkshire.

John Moore Security Limited specialises in fire alarms, CCTV, intruder alarms and access control systems and, since being established in 1987, has expanded into areas including Doncaster, Brigg and Cleethorpes.

John Moore said: "We have centralised the administration and service control at Group Head Office operations in Hull. We are also expanding those headquarters which will help protect current jobs and hopefully create more in the future.

"Recent acquisitions have meant we require more working capital while these businesses are integrated into the JMS Group. As we grow we need working capital behind us which Finance Yorkshire is helping to provide.

"We have experienced a very organic expansion from our

traditional heartlands and the company is looking to grow gradually and carefully to expand its operating area even further so it is reassuring to have the funding to support those future growth plans."

JMS was introduced to Finance Yorkshire by Martin Overfield, a partner at Smailes Goldie Chartered Accountants in Hull and Barton.

He said: "Support from Finance Yorkshire is even more relevant than ever in times like these where access to lending can be difficult."

Finance Yorkshire Investment Manager Ian Atkinson said: "This is a perfect example of how Finance Yorkshire can step in to assist companies by providing a significant business loan that will plug the gap in financing that many of our regional businesses face."

Funding to grow.

Finance Yorkshire welcomes new addition to the Equity Fund team

Finance Yorkshire has welcomed a new addition to the Equity Fund team.

Nick Clarke has joined the team on secondment from Deloitte, one of the world's Big Four accountancy firms, where he has worked for three years as a member of the Transaction Services Team.

Nick, 25, from Leeds, will spend his time at Finance Yorkshire as an Investment Manager on the Equity Fund team where he will work with businesses across the region that are looking for equity linked investments up to the value of £2m.

Nick said: "I'm really pleased to be on secondment with the Equity Fund team at Finance Yorkshire. It will give me a chance to expand on the work that I have been doing at Deloitte for the last few years. At Deloitte, as part of the Transaction Services Team I worked on specific areas of a transaction for a client, as part of the Equity Fund team I will be managing the whole investment process.

"There are plenty of good SMEs across Yorkshire and the Humber that have the potential to grow and expand but struggle to secure the funding to do so, and that's where Finance Yorkshire can help. It will be interesting to be involved in the investment from start to finish and work to help these businesses access the finance they need but may struggle to get elsewhere."



Nick Clarke
Investment
Manager
for Finance
Yorkshire's
Equity Linked
Finance team.

Funding helps architectural systems firm build for the future



Pictured: Senior Architectural Systems Managing Director Lennart Jonsson with Finance Yorkshire Portfolio Manager David Ward.

An architectural systems company is looking to grow its business and its workforce after putting in place firm foundations with Finance Yorkshire.

Based in Denaby Main, Doncaster, Senior Architectural Systems Ltd supplies a range of fenestration systems for fabricators, architects and contractors working on commercial building projects.

Now, thanks to a £100,000 business loan from Finance Yorkshire, the company, which already exports to Ireland and the US, is looking to expand further.

Managing Director Lennart Jonsson said: "Last year we had a turnover of £25 million but this year we should be closer to £30 million, so looking ahead we're hoping to employ more people and invest further in the business by developing new product lines.

"We are using the funding to buy extra stock for the glass business and for general cash flow purposes.

The market is very tight at the moment so cash flow is more of an issue for all sorts of businesses which means that our customers may not be able to pay us as promptly and that can have a knock-on effect.

"We originally received help from Finance Yorkshire's predecessor South Yorkshire Investment Fund (SYIF) in 2005. Based on our previous experiences, we knew that Finance Yorkshire would be just as easy to work with. They have been very quick in dealing with our application and very straight forward."

Finance Yorkshire Portfolio Manager David Ward said: "Cash flow requirements are one of the main reasons why businesses encounter difficulties, which underlines the importance of Finance Yorkshire's role in assisting viable businesses with their growth and ambitions."

Bradford company completes major order with quick cash boost

A Bradford-based engineering company that specialises in supplying the global wire industry secured a significant international order thanks to a speedy £75,000 investment from Finance Yorkshire.

Bar Products and Services is one of Europe's major suppliers of precision parts, tools, and associated products for the wire, tube and rod drawing industry.

When a large order came from India, Company Director Steven Rika went on the search for a quick but reliable source of funding and came across Finance Yorkshire. The whole investment process was completed within three weeks.

Steven said: "This was a very significant order for the company and we wanted to get it underway, so required a fairly quick turnaround, I looked into various options and Finance Yorkshire seemed ideal.

"The loan was approved within three weeks, allowing us to get

to work on the order. I was very pleased with the whole process, it was quick but professional - exactly what we needed. I would definitely recommend it to other businesses looking for funding and I am now looking into future opportunities with Finance Yorkshire."

Finance Yorkshire Investment Manager Grahame Lunt said: "We were really pleased to be able to assist Steven and his team by providing the funds they needed up front to complete such a significant order for the company, and we hope it leads to similar orders for them in the future.

"It was good to hear that Steven was pleased with our investment process and we have made plans to meet to discuss the potential of future investment."



Pictured: Bar Products and Services Company Director Steven Rika with Finance Yorkshire Investment Manager Grahame Lunt.

Finance support helping turn business ideas into reality

A new enterprise which supports creative decision making has received crucial financial support to help get the company get off the ground.

Huddersfield-based Veracitix is the brainchild of serial entrepreneurs Ian Pringle and David Grandinetti who have developed new online platform technology to help businesses turn their ideas into a reality.

Initially targeting sales and marketing professionals, the technology will be used on PCs, laptops, tablets and smart phones.

A prototype has been created and Veracitix will be working with key development partners to get the service to market.

To support the development of the company Finance Yorkshire has provided an £80,000 seedcorn investment. Veracitix, which officially began trading on October 1, will use the funding to support the recruitment of a senior management team.

Ian Pringle, Director of Veracitix, said: "The funding will enable us to recruit key people such as a chairman, business development director and chief operating officer, before we pursue another round of funding into the company.

"We are a very early stage business and we are currently working on getting the prototype into a position where we can take it to market. We are aiming for this to be the middle of 2012, so the support from Finance Yorkshire has come at a crucial stage."

Graham Davies, Investment Manager from Finance Yorkshire, said: "Both Ian and David have a successful history in technology innovation. They know the process involved in creating a successful fledgling company and we are pleased to support their development with this finance deal.

"As they are a new start-up in the very early stages, Veracitix fitted the exact profile we are looking to invest in from Finance Yorkshire's Seedcorn Fund. We see this being the start of big things for the business."

Funding to grow.

Intermediaries View



Pictured: Tony Parsons.

Financing small businesses' growth was the hot topic at a recent gathering in Sheffield of the region's leading finance providers and business intermediaries.

Tony Parsons, Finance Yorkshire Director, led the roundtable discussion and Inspire has covered the key highlights below.

HAS FINANCE YORKSHIRE FILLED THE FUNDING GAP FOR SMES?

Patrick Abel, PKF - The restrictions Finance Yorkshire has on funding around MBOs and MBIs has meant that there is still a gap in this market which has not been filled.

Alex McWhirter, Finance Yorkshire - There are restrictions but we can structure a deal where we provide the development capital, we come in at the back end and fund the growth.

John Longstaff, BHP - There is nervousness in the economy and this is leading to lack of appetite for development capital deals.

WHO THINKS FINANCE YORKSHIRE IS PROACTIVE IN THE MARKET?

Darren Marshall, RBS - We meet with Karl Hodson from the business loans team every two months and we review the work in progress and look for the deals where we can work together.

Tony Goulbourn, Finance Yorkshire - Our main tactic is to build the relationships with the banks. This needs a cross Finance Yorkshire approach.

Don Gray, BHP - As an advisory firm we are well aware of what Finance Yorkshire offers and we can quickly spot opportunities to connect with the right people.

IS IT DIFFICULT FOR SMES TO GET CREDIT?

Peter Garnham, Business Transformation Team - It is difficult for them to get credit. Banks say credit is available but it is a very difficult process and companies think that it is not worth it.

Darren Marshall, RBS - Companies think the banks will say 'no' and are therefore hesitant. It is crucial we confirm an appetite to assist where we can to eliminate this view. It is important businesses talk to us and we continue to build relationships with clients and the wider business community.

Tony Parsons, Finance Yorkshire - The vast majority of the investments have been part of a wider funding package working alongside the bank or other lenders. This is key to the success of Finance Yorkshire and we need to work closely with the business community to help their clients raise the finance needed.

In Business with...GSE Research

Leeds-based GSE Research is a specialist online scholarly publisher in governance, social responsibility, sustainability and environment for policymakers and practitioners.

It aims to publish a variety of materials including academic working papers, corporate research and e-books.

The new venture has been developed by John Peters, the former CEO of Emerald Group Publishing, after being partially funded by Finance Yorkshire's Equity Fund with a £500,000 investment.

Craig Hopwood, who led the investment on behalf of the Fund, said: "John has a very strong background in the sector, having successfully grown and developed much larger businesses and we are looking forward to working with him and the management team he has built around him."

John Peters, Chief Executive of GSE Research, added: "We are delighted to be supported by Finance Yorkshire and our advisors at Squire Sanders Hammonds in Leeds, and are pleased they share our vision on how to do business.

"Finance Yorkshire's approach was very much to be a partner in the company, not just providing the money. We agreed a realistic medium-term timeframe, which allows us

to grow and develop, and that was very important to us in an investment partner. They were keen to understand the business issues.

"We learned a lot from the due diligence process and the questioning of some of our assumptions. We all enjoyed working with the team at Finance Yorkshire; they were friendly, efficient and professional.

"As a result of our financing deal, we have been able to take on our first employees; we are looking to bring a couple more in; and we have signed collaboration deals with partner organisations in India and the USA, with talks underway with other partners in Continental Europe."

Squire Sanders Hammonds' corporate partner, Jonathan Jones led the team advising GSE Research, alongside senior associate Jayne Aarons.

Pinsent Masons, led by Michelle Kershaw and Peter Wood, advised the Finance Yorkshire Equity Fund on its investment along with Bill Mitchell at Bertoli Mitchell and Adrian Driscoll at Caxtonia.



Pictured: Craig Hopwood Investment Director with John Peters Chief Executive of GSE Research.

www.finance-yorkshire.com

Tel. 0845 649 0000 info@finance-yorkshire.com

[Follow us on Twitter @financeyorks](#)

1 Capitol Court, Capitol Business Park, Dodworth, Barnsley, S75 3TZ

