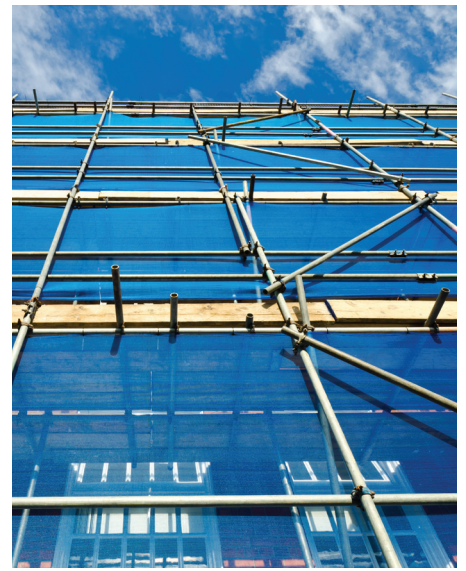




TOP 100 SMEs

Yorkshire



Yorkshire – a time of opportunity

Barber Harrison & Platt (BHP), the largest independent firm of chartered accountants in Yorkshire, is once again delighted to work with the Yorkshire Post to research this third survey of the Top 100 SMEs in the region. We see great opportunities in 2014, not only due to the recovering economy but also because of the ambitious plans for growth being put forward by the region's four Local Enterprise Partnerships (LEPs).

Let's begin with a look at the results of our 2013 survey. At first sight it would appear that turnover, profits and employees have fallen for the top 100 SMEs. This, however, is largely due to the fact that six companies in last year's list have grown to such an extent that they no longer class as SMEs, having increased turnover by an impressive £12m. The 58 companies that are in both of the last two years' lists show continuing improvements in performance and have increased profit by 7.2%, turnover by 3.3% and employees by 6.5%. Figure 1 highlights the key sectors remaining as manufacturing and services, whilst Figure 2 shows West Yorkshire as the most productive area.

My article last year was entitled "Yorkshire – on the right track?" Aided by strong macro-economic conditions, it would appear that we are. Indeed, the Yorkshire and Humber PMI for December shows a 14th successive month of rising private sector business activity, with employment rising for the seventh successive month.

The future success of the region is increasingly in our own hands, as the Government pursues a policy of devolving significant powers back to major city regions, with initiatives such as the Regional Growth Fund and City Deals starting to allocate funds in amounts not seen since the days of the Regional Development Agencies. The four LEPs have a further opportunity in 2014 as they are bidding for "significant chunks" of the Government's £2bn Local Growth Fund.

As part of the process each LEP has produced a draft Strategic Economic Plan in December, incorporating draft Growth and Implementation Plans. After further consultation over the next few weeks these will form competitive bids

Figure 1 - Number of companies by industry

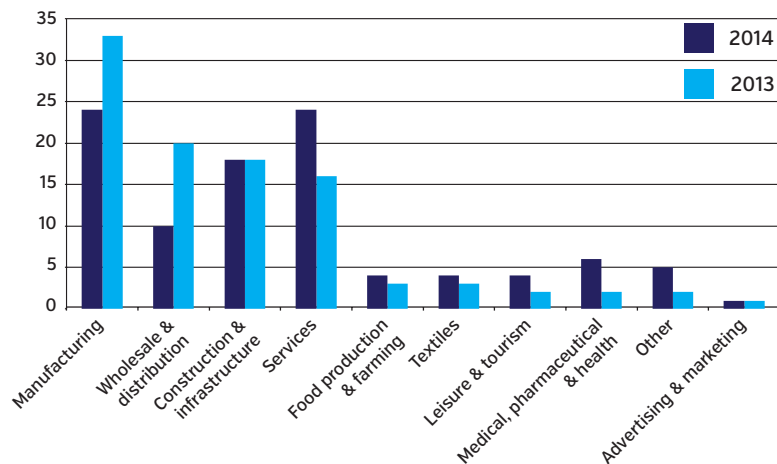
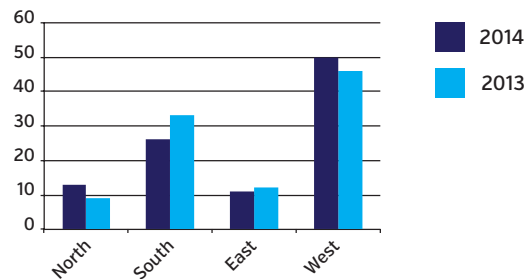


Figure 2 - Number of companies in subregions



for shares of the overall growth funding, although it would surely be better if they could have worked together for the benefit of the whole region! Welcome to Yorkshire showed the benefit of region wide collaboration with its remarkable campaign to host the Grand Départ of the Tour de France.

The plans vary widely; Leeds is targeting growing its economy by £10bn by 2020, whilst Sheffield is aiming at increased output of £3bn by 2023 and the ambitious target of 70,000 new jobs. The Humber is aiming to build on the recent approval of the 4,000 job Able Marine Enterprise Park, and being named City of Culture 2017, by focussing on becoming a national and international centre for energy, whilst North Yorkshire is emphasising its leading edge assets in the food manufacturing, agri-tech and bio-renewable sectors. There are also offshore opportunities and a new potash mine in Whitby to make the Yorkshire coast "The Opportunity Coast".

The Strategic Economic Plans share the common goals of developing indigenous companies, creating inward investment opportunities, exploiting export potential

and building skills and infrastructure. These are the building blocks of any successful economy and I trust that our regional LEPs will be successful in their bids and that 2014 is seen as a transformational year in our local economies.

We at BHP are very supportive of all these plans through our five offices in the region and are particularly keen to be involved in improving Access to Finance and a more straightforward signposting of the availability of public and private funding.

John Warner
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Performance even Ed Clancy would be proud of

When I think about our business performance tables in Yorkshire it reminds me of the marketing strap line some clever soul in Yorkshire managed to take viral at the time of the Olympics; "If Yorkshire was a Country we would have come 12th in the final medals league table".

Was it Gary Verity who led this campaign? Certainly the publicity has done wonders for the leisure and tourism industry within the independent state of Yorkshire. This has also had a spin off to many other Yorkshire SME businesses.

Having acted for SME businesses for over 25 years, I have been involved with many companies who have become significant contributors to the local economy. Their success doesn't happen by accident. Management teams put in enormous effort to guarantee success, achieved through a mixture of ability, sweat and determination, and a healthy amount of good luck. So too for the athletes training for the Olympics or cyclists training for The Tour de France. Even Ed Clancy MBE, a true Yorkshire lad from Barnsley, would be proud of the work effort and the performance achieved by our SME businesses.

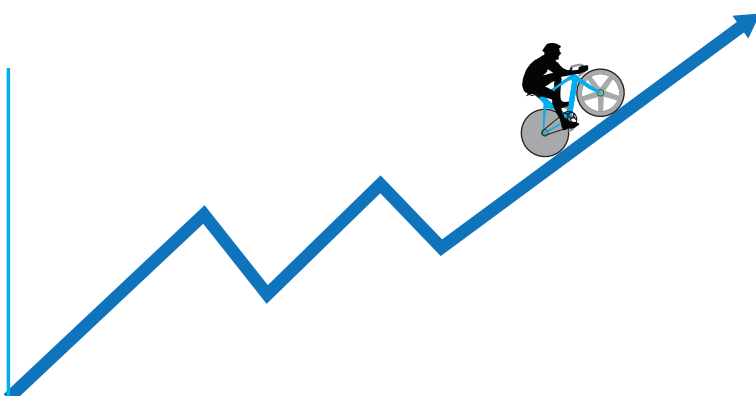
One of the most challenging roles I have working with SMEs is helping them plan for future generations – passing control over within a new management structure or to the next generation within a family owned business.

Pleasingly, we are working with more management teams now, in training the next generation to have the necessary skills to continue the development of great companies in the region, than ever before. As finances become ever more complex and understanding of financial drivers and margins ever more critical, it is imperative that these people have the necessary skillsets.

Of course, it is difficult to make direct comparisons on performance if the measure of performance changes. We are entering a new world of FRS 102 – a new reporting standard for companies which will, for some, change the way performance is measured. Ed Clancy might only have to measure his performance against the clock and in getting to the finish line first – but it will be a whole new ball game for our SME companies in the future, and one they should understand now so they can prepare their stakeholders for a change in performance indicators next year!



Mike Jackson
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Aggregation of marginal gains

Dave Brailsford, coach of the successful GB cycling team, famously stated that small improvements in a number of different aspects of what we do, can have a huge impact to the overall performance of the team.

As the economic recovery continues it is essential that your staff are motivated and on board in order to improve overall performance and impact positively on growth.

How many staff resign and go to work for a competitor for a relatively small increase in basic salary?

How many members of staff truly understand the value of the benefits offered by their employers?

Investing in an employee benefits package to secure long term commitment of your employees should form a key part of your strategy. The benefits offered can be wide ranging and appeal to a workforce from young to old. In addition, total reward statements (offered by most employee benefits packages) show the true value of the total employment package and benefits you provide. Current research expects staff turnover to increase and the cost of replacing a valued staff member is around £6,000.



The right package also helps recruit the right staff to help move your business to the next level. As Mike Jackson says, success doesn't happen by accident.

Joy Clegg
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TOP 100 SMEs Y

Top 100 2014	Top 100 2013	Company	Activity	Location	Latest accounts date	Profit before tax £000	Profit before tax previous year £000	Turnover £000	No. of employees
1	4	Melett	Turbocharger repair parts manufacturer	Barnsley	31/05/2012	8,042	6,754	19,372	54
2	1	Lazarus Properties	Property development & investment	Doncaster	30/11/2012	7,328	8,997	6,273	9
3	17	Dransfield Properties	Property development & investment	Barnsley	30/09/2012	4,985	3,328	18,651	17
4	25	Glass Recycling (UK)	Waste product treatment	Barnsley	30/09/2012	4,606	2,990	12,067	61
5	12	FTL Seals Technology	Fluid seals & engineered product manufacturer	Leeds	31/12/2012	4,577	4,004	14,614	38
6	39	Econ Engineering	Highway maintenance equipment manufacturer	Ripon	31/03/2013	4,239	2,444	28,554	204
7	63	Xamol	Patents & trademark licensor	Brighouse	31/10/2012	3,940	1,934	16,963	109
8	28	Techmotion	Management services	Bradford	30/11/2012	3,714	2,853	18,894	146
9	14	Globesign	Carpet manufacturer	Cleckheaton	28/02/2013	3,677	3,603	17,484	212
10	26	EOF Holdings [Note 1]	Office furniture manufacturer	Goole	31/01/2013	3,665	2,985	15,271	108
11	36	Benchmark Holdings PLC	Technical services	Sheffield	30/09/2012	3,619	2,582	18,547	112
12	-	MRC Flangefitt	Stainless steel flange, fitting & pipe wholesaler	Cleckheaton	30/09/2012	3,570	687	24,407	34
13	-	Robinson Healthcare Group	Medical supplies	Worksop	30/06/2012	3,566	-	19,709	160
14	46	Sirdar Holdings	Yarn & textile distributor	Wakefield	30/06/2012	3,512	2,265	21,066	124
15	-	Walker Modular	Modular bathroom pod manufacturer	Hull	31/03/2013	3,291	5,132	19,296	137
16	21	High Point Estates	Property development & investment	Leeds	31/07/2012	3,242	3,183	6,861	4
17	15	Rushbond PLC	Property development & investment	Leeds	30/11/2012	3,200	3,353	7,202	6
18	19	P R Marriott Drilling	Test drilling & boring	Chesterfield	30/04/2012	3,198	595	17,887	118
19	16	Kuusakoski	Metal merchant	Sheffield	31/12/2012	3,113	3,349	32,811	21
20	13	Hi-Level Enterprises	Motorcycle accessory wholesale	Doncaster	31/12/2012	3,044	3,819	9,462	23
21	37	Simply BIZ	Insurance services	Huddersfield	31/12/2012	2,957	2,523	16,207	148
22	20	J.W. Crowther & Son	Excavation, plant hire, cleansing & winter maintenance	Leeds	30/09/2012	2,939	3,194	8,069	37
23	8	Wykeland Group	Property development & investment	Hull	31/03/2013	2,938	4,513	5,478	16
24	-	Kexgill	Property development & letting	Hull	30/06/2012	2,874	1,395	10,665	84
25	-	Construction Marine	Civil engineering for river, harbour and coastal works, underwater civil engineering and diving contracting	Leeds	30/09/2012	2,864	595	15,639	77
26	-	H. B. Projects	Project & construction management	Bradford	28/02/2013	2,848	549	29,834	107
27	-	Sovereign Health Care	Health cash plan provider	Bradford	31/12/2012	2,777	[1,671]	9,596	49
28	-	Siddall Medical	Medical supplies	Halifax	31/12/2012	2,770	1,028	21,798	148
29	71	Transwaste Recycling And Aggregates	Aggregate recycling & treatment of wastes	North Ferriby	31/12/2012	2,713	1,819	29,610	59
30	31	Aflex Hose	Hose manufacturer	Sowerby Bridge	31/08/2012	2,703	2,753	19,115	203
31	23	Reliance RG	Electronic engineers	Huddersfield	31/03/2013	2,693	3,083	21,045	234
32	-	Westdale Services	External rendering, general construction & property refurbishment	Doncaster	31/01/2013	2,678	-	17,902	-
33	30	Naylors Finance	Money lender & furniture retailer	Wakefield	31/07/2012	2,659	2,778	11,989	60
34	-	Premier Technical Services Group	Permanent façade access equipment & lighting protection services	Castleford	31/12/2012	2,657	564	12,072	109
35	-	Cascade Human Resources	Computer products & services	Pudsey	31/03/2013	2,557	-	6,402	79
36	29	Crompton Lamps	Lighting manufacturer & distributor	Bradford	31/12/2012	2,550	2,841	14,135	41
37	53	Benson Park	Chilled food producer	Hull	31/08/2013	2,525	2,130	24,595	61
38	10	History & Heraldry	Giftware wholesaler	Rotherham	31/12/2012	2,442	4,144	15,376	74
39	45	Drishau Holdings	Electrical enclosures & industry sensing products	Sheffield	31/12/2012	2,436	2,269	16,424	103
40	11	JOE Browns	Clothing & accessories retailer	Leeds	30/06/2012	2,402	4,021	20,971	81
41	64	LPD (Holdings)	Property development & investment	Leeds	30/09/2012	2,384	1,930	24,722	66
42	51	Jack Lunn (Holdings)	Property development & investment	Pudsey	30/09/2012	2,363	2,153	9,308	43
43	24	Moorhen Holdings	Cladding & roofing manufacturer, property trading & investing	Chesterfield	30/06/2012	2,360	3,072	19,816	43
44	50	Bramall Properties	Property development & arable farming	Harrogate	31/12/2012	2,311	2,167	4,627	5
45	40	Groveport 2012 [Note 2]	Logistics & distribution	Scunthorpe	30/06/2012	2,294	2,410	11,116	107
46	-	Heavy Duty Parts	Commercial vehicle parts wholesaler	Retford	31/12/2012	2,270	-	9,234	19
47	66	TGW (Holdings)	Machine knives manufacturer	Sheffield	31/03/2013	2,217	1,889	14,548	147
48	43	Osborn Metals	Metal product manufacturer	Rotherham	31/03/2013	2,216	2,342	23,652	170
49	56	Park House Healthcare	Medical supplies	Bradford	31/12/2012	2,215	2,078	15,495	152
50	62	President Engineering Group	Valve manufacturer	Sheffield	31/10/2012	2,209	1,945	19,579	107
51	73	Laratech	Security system design & management	York	30/11/2012	2,199	1,776	12,645	136
52	80	C & K Wood (U.K.)	Egg farmer	York	31/10/2012	2,189	1,685	14,928	7
53	-	Cellhire Group Limited	Mobile communications provider	York	30/04/2013	2,169	1,420	21,936	97

Notes on Top 100 SMEs Yorkshire

Note 1 EOF Holdings appeared in last year's table as Elite Office Furniture [UK]. Note 2 Groveport 2012 appeared in last year's table as Groveport Logistics.

Figures compiled by Barber Harrison & Platt using latest published financial information at the time of carrying out this survey filed at Companies House and financial data provided by Bureau van Dijk's Fame.

To qualify for inclusion, businesses must: • be an independent company OR the ultimate holding company of a UK group. • be an SME, i.e. meets two of the following measures - less than 250 employees -

less than £25.9m turnover - less than £12.9m gross assets. • not be a charity, academy, Limited Liability Partnership or listed Public Limited Company. • be up-to-date filing accounts at Companies House.

• have a registered or primary trading address in Yorkshire and Humberside. NOTE: Due to the way in which regions are allocated in Fame, some neighbouring towns to the region have also been included in this survey.

YORKSHIRE 2014

Top 100 2014	Top 100 2013	Company	Activity	Location	Latest accounts date	Profit before tax £000	Profit before tax previous year £000	Turnover £000	No. of employees
54	81	Cathelco	Protection & anti-fouling for shipping	Chesterfield	31/03/2013	2,137	1,682	16,603	96
55	32	Timothy Taylor & Co.	Brewing & pub management	Keighley	30/09/2012	2,117	2,736	22,150	215
56	95	Cardale Asset Management	Investment management	Harrogate	30/09/2013	2,107	1,505	8,095	52
57	-	Ward Hi-Tech	CNC machine supply, installation, training & servicing	Sheffield	31/03/2013	2,039	1,117	16,041	29
58	44	Park Leisure 2000	Caravan park operator & caravan retailer	Bridlington	31/12/2012	2,021	2,305	27,325	146
59	-	Arena Group Holdings	Electronic document management & IT solutions	Wakefield	30/09/2012	2,013	737	16,772	152
60	-	Hague Computer Supplies	Print & IT solutions	Normanton	31/12/2012	1,981	694	12,751	42
61	84	High Seat Holdings	Seating manufacturer & retailer	Dewsbury	31/12/2012	1,972	1,655	20,501	136
62	-	Distinction Doors Holdings	Composite doors distributor	Barnsley	31/12/2012	1,958	1,248	29,007	39
63	-	T.&R. Theakston	"Theakstons" branded cask, keg & bottled beer wholesaler	Ripon	31/12/2012	1,952	1,447	10,439	27
64	-	Clarion Solicitors	Legal services	Leeds	31/05/2012	1,942	1,149	8,389	115
65	-	Brands Home & Leisure Holdings	Houseware distributor	Leeds	31/12/2012	1,937	1,402	12,811	27
66	-	Buckley Jewellery	Jewellery distributor	Leeds	31/01/2013	1,921	[46]	13,115	39
67	-	Eddisons Commercial [Holdings]	Chartered surveyors	Leeds	31/03/2013	1,900	1,136	15,786	229
68	-	List Group PLC	Design & consultancy engineers & recruitment consultants	Scunthorpe	30/04/2013	1,893	208	17,706	394
69	-	J.T.Ellis And Company	Furniture & cabinet manufacturer	Huddersfield	30/06/2012	1,891	771	17,733	209
70	-	Astonish Holdings	Cleaning chemicals & materials manufacturer & distributor	Bradford	31/05/2013	1,888	1,031	13,636	58
71	74	X-Cel Superturn (GB)	Precision engineering component manufacturer	Sheffield	31/03/2013	1,866	1,769	19,073	114
72	42	Aspire-I	Career advisors	Bradford	31/07/2012	1,857	2,368	4,721	71
73	88	SCX	Mechanical handling, lifting & crane services	Sheffield	31/03/2013	1,844	1,614	17,301	113
74	-	Silkstone Finance	Furniture systems manufacturer	Barnsley	31/01/2013	1,839	1,390	14,347	115
75	-	P.P. Group Holdings	Engineering	Leeds	31/08/2012	1,838	1,420	14,125	73
76	-	Ansell Electrical Products	Electrical lighting products wholesaler	York	30/04/2012	1,837	1,009	17,785	70
77	-	Videcon Public Limited Company	Video security equipment & microcomputers & ancillary equipment wholesaler	Heckmondwike	31/08/2012	1,828	738	14,489	49
78	-	Diagmed Healthcare	Supply medical devices	Thirsk	30/11/2012	1,827	1,385	10,836	35
79	35	Abraham Moon Holdings	Wool manufacturer	Leeds	31/12/2012	1,817	2,592	17,026	190
80	49	John Horsfall & Sons [Greetland]	Travel textile manufacturer	Halifax	31/12/2012	1,807	2,173	15,665	46
81	-	Emsley Brothers	Craneage services	Harrogate	31/12/2012	1,803	1,042	7,794	60
82	-	Jessgrove	Lining & textile material wholesaler	Bradford	31/12/2012	1,800	1,162	22,604	66
83	-	Stroma Developments	Quality assurance, energy assessors training & fire safety equipment testing	Castleford	31/03/2012	1,775	917	10,571	164
84	54	Park Lane Properties [Leeds]	Property development & investment	Leeds	30/09/2012	1,775	2,121	10,107	90
85	69	GGR Holdings	Advertising agency	Leeds	31/12/2012	1,758	1,849	10,244	143
86	78	Pitts Wilson Electrical	Electrical contractor	Bradford	30/06/2012	1,748	1,706	18,392	156
87	-	Leeds Commercial	Vehicle hire	Leeds	30/09/2012	1,741	1,585	22,436	110
88	79	E C M Systems	Electronic & micro-electronic equipment manufacturer	Hull	31/03/2013	1,698	1,698	6,191	62
89	-	PC Specialist	Computer assembly	Wakefield	31/08/2012	1,686	-	17,207	31
90	83	Viscount Environmental	Energy conservation	Castleford	31/05/2012	1,676	[504]	10,790	131
91	-	Wooltex U.K.	Textile manufacturing	Huddersfield	31/12/2012	1,674	494	13,766	58
92	-	AL. Murad D.I.Y.	Ceramic tiles, wallpaper & DIY accessories wholesaler	Leeds	31/03/2012	1,662	1,020	22,417	210
93	-	Peak Health Distribution	Health supplement supply & distributor	Hull	31/03/2013	1,643	-	9,767	23
94	-	Harder Bros.	Sausage casing manufacturer	Leeds	31/03/2012	1,637	803	29,165	137
95	100	Wolf Safety Lamp Company [The]	Manufacture & sale of safety lamps	Sheffield	30/06/2013	1,635	1,459	10,223	38
96	86	Morco Products	Heating equipment wholesaler	Hull	31/03/2012	1,630	1,704	9,235	17
97	76	System Q	Security system wholesaler	Chesterfield	31/01/2013	1,603	1,716	6,483	28
98	-	If Cardboard Creations	Innovative gift & book wholesaler	Pickering	31/03/2013	1,599	-	7,008	55
99	-	Hmca/S PLC	Insurance services	Knaresborough	30/06/2013	1,590	1,225	11,171	26
100	-	T.W. Ward C.N.C. Machinery	Metalworking machinery hire & sales	Sheffield	31/03/2013	1,580	1,880	16,463	39

For financial periods of more than or fewer than 52 weeks, the figures have been annualised on a pro-rata basis. Private company information can be incomplete: in preparing this table every reasonable effort has been made to ensure that no qualifying companies have been omitted. In certain circumstances the compilers of the table have made exceptions to the qualification criteria and their decision is final.

Nominations for next year's table are welcome at info@bhp.co.uk

Review by Region

Lisa Stocks, Yorkshire Post

North

The weather is never easy to predict, making it a difficult business for firms who are dependent on it.

It hasn't stopped Ripon-based Econ Engineering, established in 1959, a manufacturer of winter maintenance fleets.

With a pre-tax profit of £4.23m, Econ Engineering has leapt from 39 in the Top 100 last year to six. Commenting on the result Andrew Lupton, joint managing director of Econ Engineering with brother Jonathan, said the firm had been investing in hi-tech, high-end laser cutting technology and 3D design alongside its strong and skilled labour force.

Since 2010 the firm has grown its fleet by 50 per cent, with the hire fleet giving the company a predictable revenue stream through the winter period. This is later exported to countries such as Bulgaria and Ukraine. "Those emerging economies are getting a lot of EU investment in the infrastructure, but in terms of the maintenance of the infrastructure they

have got to fund that themselves, that's why they struggle to afford new equipment," Andrew explained. "Our machines would be, in terms of sophistication, towards the top middle end of the range throughout Europe, compared with our competitors. That strikes a chord, and as the market has become more established now we have been exporting in these numbers for the last seven/eight years.

"We are designing build into it that we know will appeal to that market sector in six or seven years' time. With the latest products, in terms of new builds, it is the latest new control systems. A part of that is to allow the control system to be re-programmed or changed over to a different language, so we can then change it from English instructions to Romanian, Bulgarian and so on. Obviously, that has been very attractive down the line so we are planning the product development on two tiers - what the UK want to see but also being operator friendly for the export market."

Second in the North Yorkshire top 10, and ranked 44 over all, is Bramall Properties. With accounts recorded to December 31 2012, the property development company, based in Harrogate, posted pre-tax profits of £2.3m and a turnover of £4.6m.

Coming in at number three in the top 10 is Laratech, involved in the design and management of security systems with pre-tax profits of £2.19m and a turnover of £12.6m.

North Yorkshire SMEs missing from the Top 100 list this year include York-based Advanced Alloy Services, as its turnover exceeds the BHP criteria, as well as construction and civil engineering company Grantside, metal recyclers K A Anderson and bright steel bar manufacturer Bright Steels. These all posted a profit.

Collectively, the 13 North Yorkshire SMEs in the Top 100 have a combined profit of £27.8m, a turnover of £183.1m and employ 920 people.

South

South Yorkshire SMEs have dominated the head of the BHP Top 100 list with an impressive top four positions in the table.

Barnsley-based Melett, manufacturer and supplier of turbocharger repair parts, takes the number one spot in the list.

This is followed by the property development and investment companies of Lazarus Properties, located in Doncaster and holding the number two position, and Dransfield Properties in Barnsley, in third.

Fourth is Glass Recycling UK, based in Barnsley. The SME, described as the UK's largest independent glass recycling company, reported pre-tax profits of £4.6m in its accounts dated to September 30 2012, and employs 61 people.

The company has invested millions of pounds into the development of specialist machinery, and collects thousands of tonnes of glass bottles and jars every week.

South Yorkshire newcomers to the Top 100 include Robinson Healthcare Group, founded in 1839 and manufacturers of single use instruments for surgical procedures, personal healthcare products and animal healthcare products at number six in the top 10 and 13 overall, and Westdale Services.

The pre-tax profits of Doncaster-based Westdale Services, which specialises in external wall insulation and render systems along with other energy efficiency renovations and new build systems, put it at number 32 overall in the Top 100 list, and tenth in the South Yorkshire table.

Malcolm Kitching, director of Westdale Services, attributes the success of the company to its people, adapting to the market and putting the customer first.

Established in 2001, the firm, which is a Green Deal approved installer, has since developed into one of the largest carbon

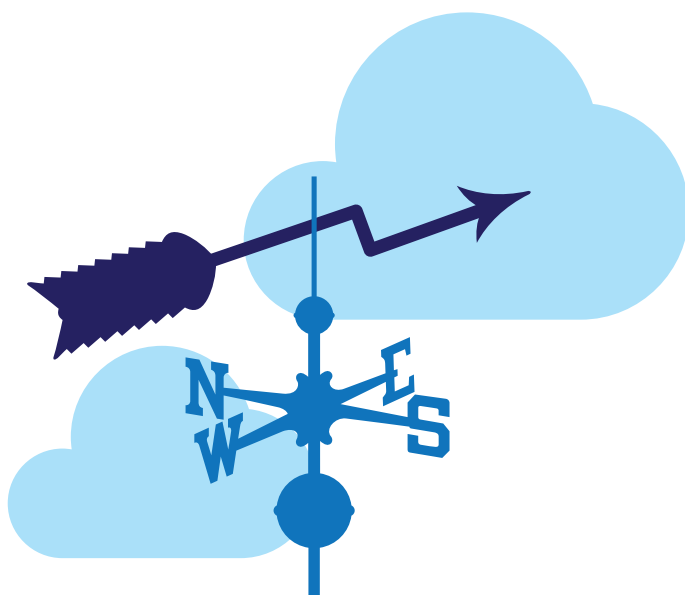
focused refurbishment contractors operating within the UK today and says it is currently undertaking over 15,000 energy efficient measures per year.

Mr Kitching commented: "We tend to have been at the forefront of undertaking the ECO schemes and now the Green Deal.

"In the past there was what we called CERT schemes, and we probably pioneered the concept of the majority of our work being aimed at the private sector as opposed to being dependent on social housing and local authorities.

"I think, last year, we've possibly undertaken something like 3,000 houses."

The 26 South Yorkshire firms in the Top 100 SMEs table collectively have profits of £76.8m, a turnover of £436.8m and employ a workforce of 1,849.



East

The 11 East Yorkshire-based SMEs in the BHP table collectively have a pre-tax profit of £27.1m, with a turnover of £158.9m and together employ 1,068 people.

There has been lots of movement within the top 10, with four SMEs, absent from 2013, making an appearance, with three leaving the table completely.

LPG Direct (Holdings) in Hessle, which attributed its second place ranking in 2013 to the consolidation of its figures ahead of a sale of a larger business in the group, and Hull-based John H Whitaker (Holdings), both dropped out of the Top 100, as did Victoria Plumb, the Hull bathroom equipment retailer, whose assets and turnover exceed BHP's criteria.

Taking the title of the most profitable SME in East Yorkshire is office furniture manufacturer Elite Office Furniture. Accounts to January 31 2013, show the Scunthorpe firm, which employs 108 people, posted pre-tax profits of £3.6m, up from £2.9m the previous year, and a turnover of £15.2m.

Explaining its success, which has seen Elite Office Furniture (as seen as EOF Holdings in the table) jump from position 26 to 10, Julian Jowett, sales director at the company, said: "Tough times such as those we all face now demand exacting standards of everyone and John Hull, managing director, demonstrates this through effective leadership of a focused and determined team of people.

"Elite has remained true to its ethics of designing furniture to a very high standard, sourcing our raw materials from the home market and manufacturing in the UK.

"Our development plans continue with this strategy of quality design and manufacturing."

Second in the east of the county's table is Walker Modular, a newcomer to the BHP Top 100 SMEs list in Yorkshire.

The Hull modular bathroom pod manufacturer, established in 2006 and is part of the Walker Group, in turn established in 1972, produces, on average, 550 bathrooms per week at its 500,000 sq ft state-of-the-art production facility. The BHP table shows its pre-tax profits of £3.2m and a turnover of £19.2m.

The third largest SME in the east of the region is property investment and management company Wykeland Group, with accounts dated to March 31 2013, showing pre-tax profits of £2.9m and a turnover of £5.4m.

In July 2013, the 50-acre business park Bridgehead, developed by the Hull-based company and said to be the North's 'most sustainable business park' was officially opened.

In December, Dominic Gibbons, managing director of Wykeland, told the Yorkshire Post: "Enquiries have been growing at our three business parks.

"The conversion of enquiries into transactions will be a big focus for us in 2014."

West

West Yorkshire has the highest number of SMEs featuring in the Top 100. Together, the 50 companies employ 5,254 people, have a turnover of £791m and a profit of £119m.

Topping the list as the most profitable SME in West Yorkshire is FTL Seals Technology, based in Leeds. Improving on its 2013 position by seven, the company moves up to fifth overall in the Top 100 with a pre-tax profit of £4.57m and a turnover of £14.6m.

Second is patents and trademark licensor Xamol. This SME has made a huge leap up the list, from 63 in 2013 to seven in 2014, with an increase in pre-tax profits of £2m, from £1.9m as recorded in the 2013 table to £3.9m, according to its accounts filed to October 31 2012.

Rushbond PLC, whose developments include Crispin Lofts in Leeds city centre and Bradford Library in Centenary Square, comes in at number eight in the regional top 10 and 17th overall in the table.

Explaining its success, Jonathan Maud, managing director of Rushbond Group, said: "Our philosophy has always been about working hard to create stunning developments, in popular locations, that genuinely stand out from the crowd.

"In recent years we've been involved with some of Yorkshire's best developments across the residential, leisure, retail, office and education markets. We always take a very considered approach to every scheme and work closely with our partners to maximise our local knowledge in order to create developments that will have a positive impact on the communities and people who visit them and live or work there.

"Since the start of the downturn this ethos has become even more important and has enabled us to continue creating highly sought after developments, in addition to pursuing an active acquisition strategy, regardless of many of the challenges facing the wider economy."

Two Leeds-based SMEs that made West Yorkshire's top 10 and that are no longer in the Top 100 table are software company Bjss, third in last year's Top 100, and street lighting firm Harvard Engineering, ninth overall in 2013.

This is due to both companies exceeding the BHP criteria.

What's your drive?



My esteemed colleagues have highlighted inspirational topics by relating the continuing improvements for the Top 100 SMEs in Yorkshire to the recent successes of our very own Yorkshire Olympic Heroes. I am left with the rather “dry” topic of taxation, although I hope you will keep reading to be inspired further.

Mike talked about the enormous efforts that Management Teams put in, whilst Joy and David went on to stress the importance of keeping both the current and the future Management Teams motivated. Working alongside my fellow partners enables us to provide businesses with

the appropriate “tool kit” to provide an environment in which current/future Management will possess the appropriate skill set; be motivated to carry on building the business; and all this in a tax efficient manner. The latter being my particular forte.

Only too often we find the lure of tax efficiency driving forward decisions that a business makes. In our experience, the overall benefits for a growing business are substantially increased if the drivers behind changes are based on commercial decisions. We can then help implement those commercial decisions in a tax effective manner.

For example, HMRC approved share schemes are extremely popular and are often used as part of an incentive/lock in package for key individuals. There are many criteria to consider in deciding the scheme rules/hurdles, and these are often based on the result being the lowest possible tax liabilities for all concerned.

However, with tax efficiency as the leading driver, the conditions set in tax efficient schemes such as Enterprise Management Incentive (“EMI”) can sometimes drive behaviours that may not result in the best outcome for the business, or the individuals involved. Consider an individual who has been promised a “slice of the action” on an exit, but has only paid a nominal value on the exercise of his shares due to it being a minority holding. Would this individual strive to protect the current value they have been “gifted”, or would they be incentivised to drive an increase in the overall business value?

As John has mentioned, we are looking at a time of opportunity, with ambitious plans for future growth. Therefore we should surely be looking to drive forward our businesses by incentivising one of our most important assets, our teams, and any tax benefits should be maximised in accordance with the strategy, rather than the strategy being formulated around any potential tax benefits.

Saying all that, as Mike states, we are entering into a new world of FRS 102, a new accounting standard which many businesses will not yet need to adopt. However, you are allowed to adopt this standard earlier – which could accelerate some tax benefits. For example, if your business uses financial instruments (hedging), or owns investment properties or intangible assets such as goodwill, then there could be some valid tax benefits available. After all, tax is a cost to the business, and will affect the overall growth of your business if not managed effectively!

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Handing over to the next generation

A number of the companies listed in the SME survey are “family businesses” where the original founder of the company is now the “owner-manager” and a number of family members are actively involved with the management and running of the company.

For this type of SME, succession planning is essential to ensure that the business continues to grow and thrive when ownership and control have passed to other individuals, whether this is family members or other persons. Careful planning and preparation is required well in advance of the event to avoid unnecessary pitfalls.

There are a number of potential exit strategies, including management buyouts, a sale of the business and transfer of ownership to other family members. Handing over the business to a family member is only possible if someone in the family is willing to take over control.

A key issue in any succession planning is taxation as any potential tax exposure could be minimised if planning is undertaken in advance and the “exit” from the business is structured correctly.

Ideally, planning an exit from a “family business” should be looked at least a couple of years before the event. The longer time frame there is the easier it is to decide on the best and most appropriate approach, to identify a successor / successors and to organise finances (both company and personal) in the most tax efficient way.

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