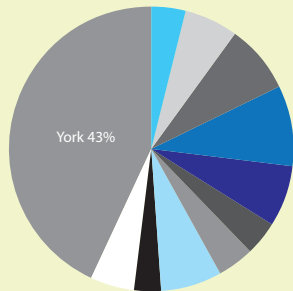
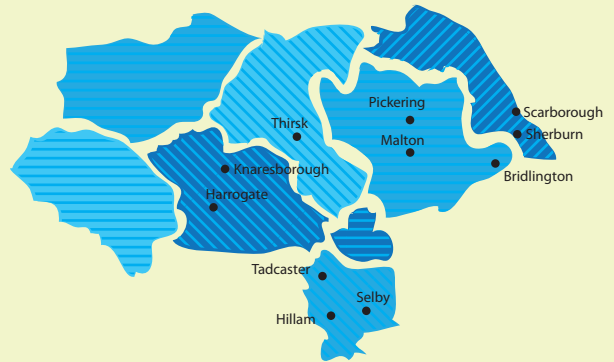


TURNOVER BY AREA



- Bridlington 4%
- Harrogate 6%
- Knaresborough 8%
- Leeds 9%
- Malton 7%
- Pickering 4%
- Scarborough 4%
- Selby 7%
- Tadcaster 3%
- Thirsk 5%



Manufacturing

2015: 454
2016: 485

Retail

2015: 323
2016: 360

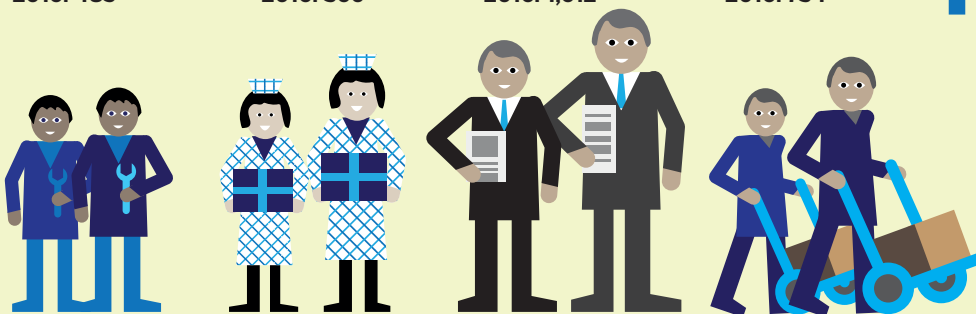
Services

2015: 1,447
2016: 1,612

Wholesale

2015: 671
2016: 734

PEOPLE EMPLOYED BY SECTOR



HEADLINE STATISTICS

	2016 £'000	2015 £'000	Growth %
Total turnover	584,546	571,350	2.3%
Total profit	64,367	52,457	22.7%
Total no. employees	3,191	2,895	10.2%

Total turnover in thousands

£584,546

Total profit in thousands

£64,367

North Yorkshire businesses are a powerful force

Our research into North Yorkshire's Top 50 SMEs is now in its second year, and we can start to take a closer look at how the region is performing and what impact, if any, the Northern Powerhouse agenda is having on businesses based in York and North Yorkshire.

This year's table includes businesses operating in the manufacturing, retail, service and wholesale sectors – two of these sectors have seen a big increase in turnover, with a 22% rise in the retail sector and 21% growth in the wholesale sector. Both the manufacturing and retail sectors have seen a small 7% decrease in turnover, but most importantly, all four sectors have seen growth in both pretax profits and employee numbers which is very encouraging.

The fact that a firm specialising in craneage services tops the table this year is a clear indication that the region is once again building, with lots of mothballed projects and developments finally getting underway in 2016.

Public and private investment in York and the surrounding area has really triggered a new lease of life for many parts of the region, with plenty of opportunity for growth and development.

As we enter the 'second phase' of the Northern Powerhouse agenda, a key question is whether North Yorkshire businesses can enjoy some 'big city' action? George Osborne outlined transport, logistics, science and innovation as key enabling factors for northern economic growth – and these are all areas that North Yorkshire excels in.

So what do North Yorkshire businesses need to do to turn the powerhouse rhetoric into reality? They need to work collaboratively and connect together in order to compete with the south and further afield. As an example, at BHP we have been working with an international client which is taking a unit in the former Mulberry Hall building in the heart of York's city centre. Based in Germany, the business has been attracted to York because of its tourism industry and rich culture.

The success of the region, and in turn that of the Northern Powerhouse, will be based on our ability to join up both physically, with improved transport links, and politically, with a more coherent and collaborative approach. This will then attract major global investment and in turn deliver new jobs and prosperity for people across the whole region.

This collaborative approach is something we pride ourselves on at BHP, working with all four of Yorkshire's Local Enterprise Partnerships and numerous funding organisations to deliver advice on how companies of all shapes and sizes can access finance to grow.

As the largest independent firm of Chartered Accountants in Yorkshire, we believe we have a vital role to play in guiding ambitious and talented businesses through their growth plans, and as this research shows, North Yorkshire is a great place to do business, with plenty of success stories being written.



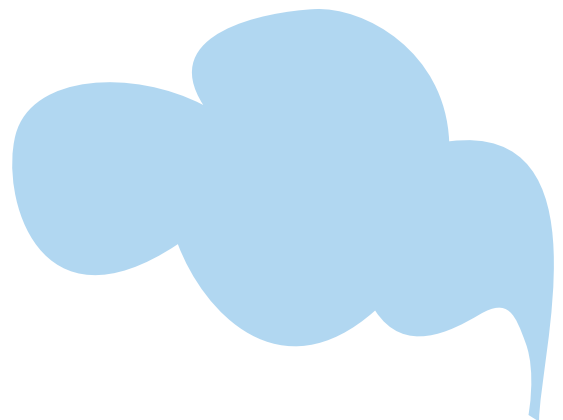
Daniel Sowden, Partner
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22%

Rise in the retail sector

21%

Rise in the wholesale sector



The future looks bright for North Yorkshire businesses

Despite the Boxing Day flooding and the impact it had on homes, local businesses and tourism, we have much to celebrate in North Yorkshire and York in particular, with 22 of the companies listed in the Top 50 being based in the city.

It was with typical Yorkshire grit that people pulled together to tackle the damage caused by the flooding, and now almost all of those affected have regained their ground, despite many of York's most famous tourist attractions having to close in January.

In this year's table there are 365 people employed in leisure businesses. Those businesses also saw a combined 13% increase in turnover and 33% increase in pre-tax profits, with the Flower of May Holiday Parks, which operates nine caravan and camping holiday parks, taking the fourth spot in the league table.

It's not just the leisure industry that is showing real signs of growth. Businesses listed in the table that operate in chemicals and man-made products had the biggest increase in both percentage turnover and pre-tax profits from 2015 to 2016. Those in the healthcare, service and food industries also fared very well.

Looking at York as a whole, the city has benefited from lots of good news since the start of the year. Firstly, City of York Council was awarded £365,000 of government funding to help develop plans for York Central, a Housing Zone and an Enterprise Zone, which will include around 120,000 square meters of office space and up to 2,500 new homes.

The scheme could help to create up to 7,000 jobs in the city, and over £1.1bn value for the regional economy. Also, because of the site's Enterprise Zone status, half of the business rates generated from the site, which would have previously gone back to government, will be reinvested in the local area for 25 years following completion, which is great news.

This month will see the first round of money collected from York's newly adopted Business Improvement District (BID) where businesses pay a levy on their rates for the benefit of the city centre. This levy will equate to an extra £4 million over the next five years and there are some very exciting plans on the horizon to spend this money on improving the business environment in the heart of York. This is great news for both the city's businesses, as well as the millions of people that visit York every year.



With plans also in place for a new community stadium, the redevelopment of Terry's Chocolate Factory and the creation of several new homes developments in the city centre, at Hungate and Germany Beck, it's clear that York's economy has a lot to look forward to. Plus outside the city, plans to deliver a new £2 billion potash fertiliser mine near Whitby are gathering pace and all of this combines to create a huge amount of potential for businesses operating in the region that arm themselves with first-rate advice.

BHP already works with many of the city's most successful SME businesses and we have specialists in York covering many of the city's major industries such as leisure, tourism, agriculture, retail, manufacturing, wholesale and the service sectors.

Our team is hugely experienced in supporting growth and ensuring businesses maximise their full potential, and as this league table shows, there are plenty that are doing just that.

Jane Marshall, Partner
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Top 50 SMEs No

Top 50 2016	Company name	Activity
1	Emsley Brothers	Craneage services
2	The Skills Network	Educational service provider
3	K And C Love	Plant hire
4	Flower of May Holiday Parks	Operation of caravan and camping holiday parks
5	Laratech	Design and supply of tailored employee management and security systems
6	G.R. Electrical Services	Manufacture of electrical switchgear and control panels
7	Cellhire (Holdings)	International mobile communications solutions
8	Diagmed Healthcare	Supply of pharmaceuticals
9	S Harrison Group	Land and property development
10	YRG Group	Design and production of artwork, printing plates and ancillary products
11	Guyson Holdings	Manufacture and distribution of blast cleaning equipment and industrial washing equipment
12	Hall & Associates (Marketing)	Marketing and supply of products to the retail trade
13	Stage One Creative Services Companies	Providing engineering, construction and automation for live public events
14	Ellis Patents Holdings	Design, manufacture and marketing of cable and pipe fixings
15	Advanced Alloy Services	Purchase, sale and processing of metals and alloys
16	Dalby Offshore Services	Provision of services to marine, oil and gas industry
17	G.W.Proudfoot	Supermarket proprietors and wholesale grocers
18	Dwco 4	Contractors for asphalt and tarmacadam schemes
19	Thomson	Supply and management of engineering and environmental resources to power generation and refuse incineration industries
20	Ebco (Holdings)	Poultry farmers
21	Hmca/S	Acting as a cover holder for certain insurance products and the provision of insurance services
22	J R Firby	Farming, hiring of agricultural machinery and agricultural machinery dealing
23	Patchwork Energy	Provision of biomass heating solutions
24	D. E. Ford Holdings	Insurance broking and risk management
25	Queens Staith Leisure	Operation of hotels
26	G.H.Brooks & Co.(Harrogate)	Wholesale and retail sale of building materials
27	York Holdings	Provision of industrial roofing, cladding & suspended ceilings contractors & the manufacture and sale of horse boxes and commercial trailers
28	GBUK Enteral	Hospital activities
29	Chariet	Hoteliers
30	Sheppee Holdings	Manufacture of machinery and spare parts for glass container manufacturing industries
31	Oakland Farms	Processing and distribution of fowl and related products
32	Rack Systems (Engineering).	Manufacture of metalwork for office furniture
33	J.E.Hartley	Arable farming and operation of a vegetable freezing and processing plant
34	Cromwell Polythene	Supply of polythene refuse sacks and other polythene related packaging products
35	Burgess Group	Leasing of plant and machinery, property development, manufacture of pet food and the management of investments
36	Power Link Machine (UK) CO	Manufacture of electric motors, generators and transformers
37	Live Yorkshire	Supplier of fresh meats and frozen foods
38	John King Chains	Manufacture, procurement and supply of conveying chains, sprockets and ancillary components
39	Bright Steels	Manufacture and distribution of bright steel bar
40	Business Training Ventures	Adult training services
41	TEF Transport	Provision of road haulier and warehouse facilities
42	T P Jordeson (Holdings)	Import and distribution of softwood timber
43	Gallows Green Services	Blending, dying and packaging of powders and liquids for agricultural, horticultural and pharmaceutical industries
44	Rabbit (Holdings) (Greentech)	Wholesale of landscape and forestry products
45	Langlands Nurseries	Operation of garden centres
46	Court House Farms	Farming and pig production
47	Exemplary Group	Sale of prestige motor vehicles
48	Power Health Products	Retail and wholesale distribution of natural and health products
49	Oleo Solutions	Selling natural based chemical products
50	Chippindale Foods	Production, packing, distribution and supply of eggs

Notes on Top 50 SMEs North Yorkshire

Figures compiled by BHP Chartered Accountants 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 the following postcode areas: DL6 2, DL7 8, HG1 1, HG1 3-4, HG2 4, HG2 7, HG5 0, HG 5 8, LS24 8-9, LS25 5-6, YO1, YO3, YO5, YO7-8, YO10-12, YO16-19, YO22-24, YO26, YO30-32, YO41-43, YO51, YO 60-62 – 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.

North Yorkshire 2016

Location	Latest accounts date	Year 1 profit before tax £000	Year 2 profit before tax £000	Turnover £000	No. of employees
Harrogate	31/12/2014	3,422	2,573	10,262	70
Selby	31/07/2015	3,126	2,577	10,698	119
Selby	31/03/2015	3,018	1,351	8,749	37
Bridlington	31/10/2015	2,663	2,160	10,295	87
York	30/11/2014	2,599	2,377	14,372	156
Leeds	30/04/2015	2,544	1,997	8,709	42
York	30/04/2015	2,055	1,911	21,003	109
Thirsk	30/11/2014	2,042	1,559	12,745	36
York	31/12/2014	1,977	3,472	6,180	10
York	31/12/2014	1,728	934	8,041	61
Tadcaster	31/05/2015	1,660	850	21,041	174
York	31/12/2014	1,615	878	9,405	22
York	31/12/2014	1,494	2,664	8,451	104
Malton	28/02/2015	1,444	1,954	6,886	68
York	31/12/2014	1,374	985	24,057	27
Bridlington	31/12/2014	1,357	1,956	10,981	48
Scarborough	22/03/2015	1,328	704	19,054	170
York	31/03/2015	1,316	496	15,690	77
Leeds	30/11/2014	1,308	502	11,453	69
York	31/03/2015	1,216	921	9,929	15
Knaresborough	30/06/2015	1,216	1,192	11,914	29
York	31/10/2014	1,192	719	8,178	4
Malton	31/03/2015	1,158	909	18,346	32
York	31/10/2015	1,084	922	5,232	66
York	30/04/2015	1,068	889	4,188	128
Harrogate	30/09/2014	1,057	622	12,859	25
York	31/07/2014	1,041	[245]	18,292	19
Selby	30/06/2015	1,024	1,703	11,162	18
Scarborough	31/10/2014	1,005	852	4,710	128
York	31/12/2014	959	614	10,779	38
York	30/04/2015	954	1,180	9,775	19
York	31/12/2014	913	836	8,426	83
York	31/12/2014	862	426	15,436	76
Leeds	30/04/2015	848	482	12,568	29
Pickering	31/05/2015	834	1,108	21,724	98
Leeds	31/03/2015	832	538	12,058	27
Harrogate	30/06/2015	829	835	10,700	74
Leeds	31/03/2015	789	530	6,891	55
Malton	31/12/2014	759	247	14,850	74
Selby	31/07/2014	757	954	8,356	128
Bridlington	31/10/2014	750	165	5,405	58
York	31/12/2014	737	383	23,884	7
Thirsk	31/03/2105	723	874	16,345	104
Knaresborough	30/09/2015	682	527	10,688	52
York	31/07/2014	664	476	6,162	150
York	31/03/2015	654		7,594	18
Knaresborough	31/03/2015	636	n.a.	3,721	36
York	30/04/2015	626	729	3,759	59
York	31/07/2015	595	576	11,360	8
Knaresborough	31/07/2014	582	595	21,184	48

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.

Research finalised on 21/03/2016.

A FOCUS ON YORK

Software firm leads way in SME stakes

Technology based companies are taking centre stage among York's most successful SMEs as the city's top performers report a 21 per cent rise in profits.

Almost half of businesses featured in the Top 50 SMEs are based in York (see table opposite), together reporting pre-tax profits of £26.7 million, up from £22.1 million.

However the city's dominance of the Top 5 reported in 2015, when a York business not only held the top spot but second and fifth place also, has dwindled after being pushed out by regional counterparts.

The highest performing York business is this year ranked in 5th place overall.

Laratech, which also held the 5th position in last year's Top 50, is one of the biggest employers on the table with a team of 156 at its head offices in Green Lane Trading Estate, Clifton.

Trading as Mitrefinch, the software development firm reported a rise in pre-tax profits from £2.4 million to £2.6 million off the back of £14 million sales.

The business was established in the UK in 1979 and is a developer of employee management and security solutions.

In the early 1980s, Mitrefinch developed the first computerised time and attendance system, which was shown on BBC's Tomorrow's World.

The company's continuous investment in research and development resulted in a time and attendance system which serves more than 2,500 clients from all business sectors and varying in size from only a few employees to many thousands.

Speaking about the sustained success of the business over almost 40 years, Andrew Simpson, executive chairman, said: "We spend more than £1 million a year on software development.

"We have a very specialist team of developers based here in York and we are always adding new products and improving our products every year. If we stop doing that then the business goes backwards."

As well as its offices in York, Mitrefinch has branches in Australia, Canada and Ireland, and is reporting growth in the US, where it has opened branches in Texas, California and Chicago.



York's second best performing SME has been listed as Cellhire (holdings), ranked at seventh overall with turnover of £21 million pushing pre-tax profits up from £1.9 million to £2.1 million.

Based in Shipton Road, the business employs a team of 109 offering mobile communications services.

Cellhire has supplied mobile roaming products to those travelling the globe since 1987 and has recently focused on growing its online business channels, seeing increased online sales in the UK by more than 100 per cent in the last 12 months.

Cellhire's portfolio includes supplying organisers and businesses in the Olympic Games, FIFA World Cup, UEFA Euro finals and Cannes Film Festival. The business boasts service agreements with more than 100 network partners in 40-plus countries.

Last year's most profitable SME leading the Top 50 list was York-based developer S Harrison Group which appears at number nine for 2016.

Based at the former Terrys chocolate factory, the business saw pre-tax profits drop from £3.5 million to just short of £2 million after revenues fell 78 per cent to £6.2 million from £28.6 million.



Laura Knowlson
Business editor at The Press

YORK PRE-TAX PROFITS

Top 50 2016	Company name	Activity	Year 1 profit before tax £000	Year 2 profit before tax £000
5	Laratech	Design and supply of tailored employee management and security systems	2,599	2,377
7	Cellhire (Holdings)	International mobile communications solutions	2,055	1,911
9	S Harrison Group	Land and property development	1,977	3,472
10	YRG Group	Design and production of artwork, printing plates and ancillary products	1,728	934
12	Hall & Associates (Marketing)	Marketing and supply of products to the retail trade	1,615	878
13	Stage One Creative Services Companies	Providing engineering, construction and automation for live public events	747	2,664
15	Advanced Alloy Services	Purchase, sale and processing of metals and alloys	1,374	985
18	Dwco 4	Contractors for asphalt and tarmacadam schemes	1,316	496
20	Ebco (Holdings)	Poultry farmers	1,216	921
22	J R Firby	Farming, hiring of agricultural machinery and agricultural machinery dealing	1,192	719
24	D. E. Ford Holdings	Insurance broking and risk management	1,084	922
25	Queens Staith Leisure	Operation of hotels	1,068	889
27	York Holdings	Provision of industrial roofing, cladding & suspended ceilings contractors & the manufacture and sale of horse boxes and commercial trailers	1,041	[245]
30	Sheppee Holdings	Manufacture of machinery and spare parts for glass container manufacturing industries	959	614
31	Oakland Farms	Processing and distribution of fowl and related products	954	1,180
32	Rack Systems (Engineering).	Manufacture of metalwork for office furniture	913	836
33	J.E.Hartley	Arable farming and operation of a vegetable freezing and processing plant	862	426
42	T P Jordeson (Holdings)	Import and distribution of softwood timber	737	383
45	Langlands Nurseries	Operation of garden centres	664	476
46	Court House Farms	Farming and pig production	654	
48	Power Health Products	Retail and wholesale distribution of natural and health products	626	729
49	Oleo Solutions	Selling natural based chemical products	595	576

Investors' Relief

The Chancellor's theme in his recent Budget speech was 'Building Britain for a Future Generation'. To provide businesses with more opportunity to access the capital they need to grow and create jobs, and to foster a strong investment culture for the next generation, the Government has introduced a new CGT relief - Investors' Relief, which may help give a financial boost to many North Yorkshire businesses including those in the survey.



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Businesses often find themselves requiring external funding to support growth/fund the gap etc.

Directors and employees who own shares in the businesses they work for are able to qualify for Capital Gains Tax Entrepreneurs' Relief (ER) in relation to their shares if they meet the relevant conditions. ER is the CGT rate of 10%. Investors who are not directors or employees cannot qualify for ER and therefore would pay CGT on a disposal of their shares at a rate of 20% for disposals on or after 6 April 2016, previously 28%.

Investors can subscribe for shares in a company and claim tax relief under the Enterprise Investment Scheme (EIS) but the rules are complicated, stringent and not all companies qualify for EIS status. A disposal of EIS shares can be made CGT free but only if the EIS rules are met and the shares are held for at least 3 years.

Investors must therefore welcome a surprise announcement in the recent Budget that they too may be able to access the 10% CGT rate for disposals of shares in unquoted trading companies on or after 6 April 2019 by claiming Investors' Relief (IR). The IR rules are not as complex as the EIS rules and the relief should be accessible to more investors.

The maximum lifetime amount of ER an individual can claim is £10 million. The same applies to IR. As each relief is separate and distinct there is a maximum lifetime limit of £20 million for the CGT rate of 10%.

Some of the differences between IR and ER include:

- There is no minimum shareholding needed to qualify for IR. For ER a shareholder normally needs to hold at least 5% of the issued ordinary share capital and voting rights of the company;
- a shareholder must have subscribed for new shares to claim IR whereas ER can be claimed on both subscribed shares and purchased shares.

- a shareholder cannot claim IR if he or people connected with him (including his wife and close relatives such as parents, children, brothers and sisters) are directors or employees of the company;
- IR applies only to shares issued on or after 17 March 2016;
- as with EIS, to claim IR a shareholder needs to hold shares for at least 3 years, slightly longer if the shares were subscribed for between 17 March and 5 April 2016, whereas only a minimum holding period of 1 year is needed for ER.

