

Yorkshire - Top 100 SMEs 2012

YORKSHIRE'S FINEST - 1st INNINGS

1 HIGHSTONE GROUP LTD

2 WAGE DAY ADVANCE LTD

TOP 100 SMEs

PROFIT	£	11,920,000	PROFIT	£	8,347,000
No. EMPLOYEES		20	No. EMPLOYEES		58

COMBINED TURNOVER £ 1,497,556,000
COMBINED PROFIT £ 246,462,000
COMBINED EMPLOYEES 10,193

SCORERS
BARBER HARRISON & PLATT
BHP MITCHELLS
YORKSHIRE POST

BHP with you all the way

early-stage, growth, development, succession, exit

Resilience and ambition at heart of economic growth

Barber Harrison & Platt (BHP) is delighted to be involved with the Yorkshire Post in the research for their first survey of the Top 100 SMEs in the Yorkshire region.

Our merger with the Mitchells Group in February 2011 consolidated our position as the largest independent firm of accountants in Yorkshire and expanded our operations into West and North Yorkshire. Our commitment is to be strengthened by the appointment of new Corporate Finance and Tax partners to the Leeds office from 1 April 2012. As such we were very keen to review the performance of SMEs throughout the region.

This survey identifies the region's most profitable SMEs. Together the combined profit of these businesses has increased by 72% over the last year to reach over £246 million. These businesses employ in excess of 10,000 people and achieve a combined sales figure of £1.5 billion. The resilience and ambition shown by the region's leading SMEs is very encouraging for the efforts being made to support growth in our region.

The support mechanism for business growth has changed significantly over the last 12 months. Yorkshire Forward and Business Link Yorkshire have been replaced by the four Local Enterprise Partnerships of Leeds City Region, Sheffield City Region, York North Yorkshire and East Riding, and finally, The

Humber. I am sure that all those involved in the LEPs will be interested to note the performance of their indigenous SMEs.

The spread of businesses in the Top 100 between the various regions is illustrated in Figure 1.

The emphasis of the various LEPs is focused on particular sectors, but on a whole region basis the key business activities, as reflected in this survey, are shown in Figure 2.

Within this overall analysis there are some significant regional trends. James Newman, chairman of the Sheffield City Region LEP, has emphasised manufacturing capabilities and he will be encouraged by the number of South Yorkshire industrial manufacturing and metals businesses in the Top 100 SMEs.

Likewise it will be no surprise to see West Yorkshire dominating the business support and financial segment. The change in the business base of this part of the region over the past few decades is highlighted by the fact that there is now only one textile company within the Top 100.

It is also in line with expectations that North and East Yorkshire are largely represented by

food production and farming. Barry Dodd, chairman of the York North Yorkshire and East Riding LEP, has emphasised this by the region's bid for a Rural Growth Hub.

The Humber LEP, meanwhile, has focused its strategy on "projects with long-term significance", in particular in the sectors of renewable energy and off-shore wind turbines. These are very much industries for the future and I look forward to seeing them feature heavily in surveys in years to come.

In summary, our inaugural survey of the Top 100 SMEs in Yorkshire reveals a thriving SME sector, despite difficult macro-economic conditions, with the regional variations very much in line with the strategies of the four local LEPs.

Barber Harrison & Platt's involvement in producing this survey is a demonstration of our commitment to being a key advisor to the SME sector. Our continued expansion in Yorkshire will enable us to continue to provide the fullest service offering to growing businesses in the region.



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Figure 1 – Regional split

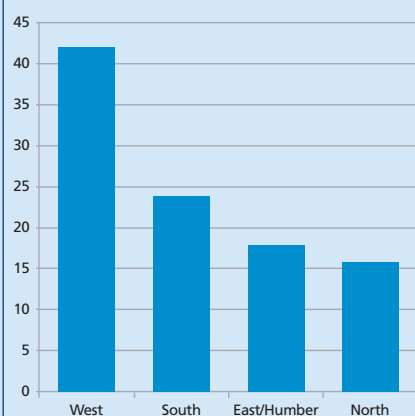
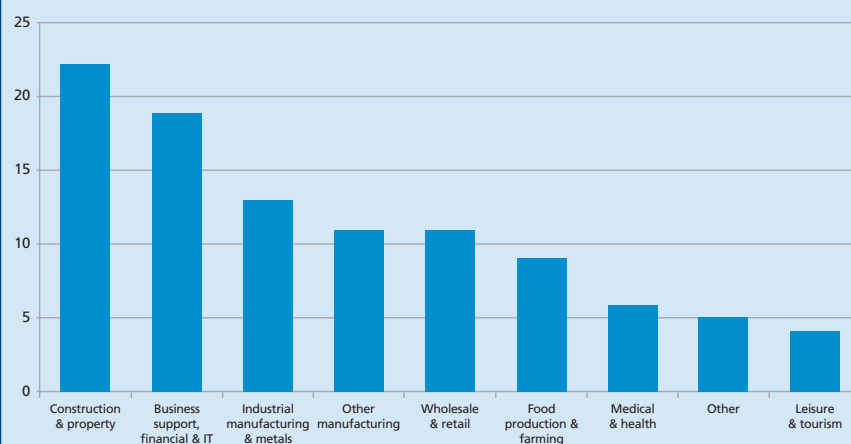


Figure 2 – Industry split



People, more than just numbers

What a list for the region! Congratulations to all.

If the CEOs and leaders of the companies in this list were asked the question, "To what do you attribute your success?" many answers may emerge, with some common reasons. Product, strategy, innovation, timing, could get a mention. One factor which will be common to all is the people their businesses employ.

Leadership provided by the CEOs and owners of the Top 100 will have contributed to the success of their companies shown in these results. The leaders themselves must also be commended.

Payroll is usually one of the largest (if not the largest) items of expenditure for a business, yet people and their retention and value are often overlooked.

People are vital to business success, and this is sometimes hard to measure. Business analysts

love numbers. Gross margin, cash cover for debt service, taxation on profits and return on capital employed can all be calculated from due diligence and the accounts. People however, are more qualitative to measure. "That is why we have HR" I can hear many suggest. There is more to shareholder value than numbers. "Our people are our greatest asset" many a CEO has stated. Not in a vain attempt to win over unions, but more so a public statement of the realities of business. Not only a large item in the profit and loss account therefore, but also as a driver of shareholder value.

The business life cycle of all of the companies in this list, and your business as you read this article, is intrinsically linked to the people the business employs.

Growth for a business, succession from one generation to another or the possibility of sale and exit are heavily dependent upon the people in the organisation at a senior level and their retention. For some, a lack of senior people can effectively act as entrapment for the current owner, mitigating options and restricting value.

There are solutions to such issues ranging from adopting differing trading structures, share options, tax mechanisms, and management techniques, and we have seen many differing concepts work successfully and advised clients with ideas, concepts and on implementation. The starting point however is the realisation that people drive a business and are vital to its shareholder value and ultimate potential realisation.

More than numbers, that is different for an accountant!



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Show me the money...

The availability of debt funding for SMEs is a much discussed topic. The commercial banks have a difficult balancing act to perform, between two apparently contradictory pressures.

On the one hand there are the calls for greater bank lending, on the other there is a requirement for banks to strengthen their own balance sheets.

There is no doubt that debt funding for SMEs is not as easily available as many businesses would like. Banks have had to adjust their risk positions in the light of capital and liquidity requirements. Businesses have had to learn to adapt to the aftermath of the financial crisis.

Continuing difficulties in debt markets will inevitably drive innovation and change. Specialist asset-based lenders (ABLs) are increasing their market share, albeit not as

quickly as I would have expected. There are also innovative (albeit relatively embryonic) new markets developing such as peer to peer lending.

Clearly funding is not all about debt. The option of an equity fundraising is much further up the agenda than previously. There is a huge overhang of private equity money to be invested and there is an increasing number of private equity houses eager to back the development plans of SMEs such as those in the Top 100 list.

So the supply side of the funding markets is very fluid and navigating these markets

to put together bespoke funding solutions for businesses has become more difficult. Nonetheless it is possible and is an increasing area of work for my firm.

More than ever it is critical that funding proposals are strategically sound, thoroughly researched, properly structured and professionally presented.

The keys to success for SMEs in 2012 will be having the appropriate capital structure and funding lines in place. All businesses will need these to act as shock absorbers, some will also need them as turbochargers for growth.



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Top 100 SMEs 2012

Ranking	Company	Activity	Location	Latest accounts date	Profit 2011 £000	Profit 2010 £000	Turnover 2011 £000	No. of Employees 2011
1	Highstone Group Limited	Property developer	Harrogate	31/03/2011	11,920	17,171	989	20
2	Wage Day Advance Limited	Money lender	Skipton	31/12/2010	8,347	3,059	15,917	58
3	History & Heraldry Limited	Giftware wholesaler	Rotherham	31/12/2010	7,208	4,998	23,550	77
4	C & K Wood (U.K.) Limited	Egg farmer	York	31/10/2010	6,500	4,869	31,249	7
5	Rhino Enterprises Holdings Limited	Storage provider	Leeds	31/03/2011	6,471	-763	5,268	49
6	Bjss Limited	Software developer	Leeds	30/04/2010	5,451	3,899	20,907	138
7	Sovereign Health Care Limited	Health plan provider	Bradford	31/12/2010	5,198	6,530	9,079	49
8	Elmsdale Estates Limited	Property development and investment	Sheffield	31/12/2010	4,657	-236	2,869	20
9	Stadium Parkgate (Holdings) Limited	Property investment and management	Brough	31/12/2010	4,559	-11,264	6,846	5
10	F B Taylor (Holdings) Limited	Property and equipment rental	Ripon	31/08/2010	4,150	n.a.	11,681	174
11	Wykeland Group Limited	Property investment and management	Hull	31/03/2011	4,102	3,761	4,962	15
12	Joe Browns Limited	Clothing and accessories retailer	Leeds	30/06/2011	4,021	3,785	22,611	74
13	Bawtry Carbon International Limited	Carbon products	Doncaster	31/12/2010	3,735	3,057	20,024	87
14	Victoria Plumb Limited	Bathroom equipment retailer	Hull	28/02/2011	3,708		13,689	33
15	Globesign Limited	Carpet manufacturer	Cleckheaton	26/02/2011	3,529	3,102	16,305	206
16	Spinko Limited	Mattress and bed manufacturer	Leeds	02/07/2010	3,496	2,043	23,138	235
17	Impex Parts Limited	Vehicle parts wholesaler	Leeds	30/09/2010	3,437	404	18,509	27
18	Jack Lunn (Holdings) Limited	Property development and investment	Pudsey	30/09/2010	3,422	3,828	23,793	114
19	Topcompany Holdings Limited	Marketing	Leeds	30/06/2011	3,377	454	9,574	16
20	Kuusakoski Limited	Metal merchant	Sheffield	31/12/2010	3,189	1,797	32,483	18
21	Hi-Level Enterprises Limited	Motorcycle accessory wholesaler	Doncaster	31/12/2010	3,042	3,817	9,145	23
22	Energas Holdings Limited	Industrial gas producer	Hull	30/09/2010	3,005	n.a.	20,266	112
23	Lazarus Properties Limited	Property development and investment	Doncaster	30/11/2010	2,770	-386	12,082	6
24	GGR Holdings Limited	Advertising agency	Leeds	31/12/2010	2,735	1,820	11,759	133
25	Paragon Quality Foods Limited	Frozen food producer	Doncaster	28/02/2011	2,705	1,573	21,656	112
26	H. Mitton Limited	Heating and ventilation engineers	Bradford	31/01/2011	2,658	423	32,970	227
27	A. Taylor & Son (Leeds) Limited	Steel fabricators	Leeds	31/03/2011	2,610	593	15,251	127
28	Blenheim Group Limited	Computer software supplier	York	31/10/2011	2,596	913	73,992	117
29	Whitwood Care Limited	Mental health care provider	Leeds	31/01/2011	2,352	2,843	6,840	142
30	Abbey Forged Products Limited	Stainless steel supplier	Sheffield	31/10/2010	2,341	2,964	17,298	127
31	Optident Limited	Dental products wholesaler	Ilkley	31/03/2011	2,334	-100	11,779	85
32	Bramall Properties Limited	Property investment and arable farm	Harrogate	31/12/2010	2,324	1,496	4,374	5
33	Pricecheck Toiletries Limited	Toiletries distributor	Sheffield	30/04/2011	2,309	2,681	30,336	42
34	Gartland Whalley and Barker Limited	Investment company	Halifax	31/03/2010	2,306	3,623		8
35	Elite Office Furniture (Uk) Limited	Office furniture manufacturer	Goole	31/01/2011	2,288	2,157	12,170	101
36	Simcyp Limited	Software developer	Sheffield	31/07/2011	2,260	1,694	5,870	47
37	Moorhen Holdings Limited	Cladding and roofing manufacturer	Chesterfield	30/06/2010	2,257	2,593	18,680	45
38	Sirdar Holdings Limited	Yarn and textile distributor	Wakefield	30/06/2010	2,225	3,734	16,812	116
39	Park Leisure 2000 Limited	Caravan park operator and caravan retailer	York	31/10/2010	2,099	-916	21,036	131
40	Simply BIZ PLC	Insurance services	Huddersfield	31/12/2010	2,093	1,540	12,033	142
41	Asmet Limited	Metal merchants	Dronfield	30/09/2010	2,043	n.a.	17,263	11
42	TGW (Holdings) Limited	Machine knives manufacturer	Sheffield	31/03/2011	2,039	726	13,473	128
43	Yorkwold Pigpro Limited	Pig farmer	Driffield	28/02/2011	2,030	2,432	14,970	68
44	Microgard Limited	Work wear manufacturer	Hull	31/12/2010	2,009	1,941	14,503	615
45	Groveport Logistics Limited	Logistics and distribution	Scunthorpe	30/06/2010	2,008	2,159	10,669	111
46	Park Lane Properties (Leeds) Limited	Property development and investment	Leeds	30/09/2010	1,998	1,881	8,438	80
47	Reliance RG Limited	Electronic engineers	Huddersfield	31/03/2011	1,970	254	18,406	208
48	IOT Holdings PLC	Office equipment hire	Wakefield	30/09/2010	1,908	712	18,475	173
49	LPD (Holdings) Limited	Property development and investment	Leeds	30/09/2010	1,877	0	20,919	64
50	J.T.Ellis And Company Limited	Furniture manufacturer	Huddersfield	30/06/2010	1,813	1,925	16,451	230

Notes on Top 100 SMEs

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 • meet the criteria of a SME, i.e. two of the following measures - less than 250 employees - less than £2 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. For financial periods of more than or 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

Ranking	Company	Activity	Location	Latest accounts date	Profit 2011 £000	Profit 2010 £000	Turnover 2011 £000	No. of Employees 2011
50	J.T.Ellis And Company Limited	Furniture manufacturer	Huddersfield	30/06/2010	1,813	1,925	16,451	230
51	Team 17 Software Limited	Software developer	Osset	31/12/2010	1,805		5,471	71
52	Grantside Limited	Construction and civil engineering	York	31/03/2011	1,805	1,485	15,243	16
53	Thos.Winnard & Sons Limited	Vehicle component distributor	Rotherham	30/11/2010	1,796	212	11,739	32
54	Rushbond PLC	Property development and investment	Leeds	30/11/2010	1,788	2,519	6,173	11
55	Emsley Brothers Limited	Crane hire	Harrogate	31/12/2010	1,780	-76	7,579	59
56	Pitts Wilson Electrical Limited	Electrical contractor	Bradford	30/06/2010	1,748	2,003	15,003	159
57	Thomas Fattorini (Holdings) Limited	Badge maker	Skipton	31/12/2010	1,730	-79	12,303	130
58	Construction Marine Limited	Civil engineers & commercial diving contractors	Leeds	30/09/2010	1,726	1,468	11,539	64
59	Woodhead Investments & Development Services Limited	Property management	Wakefield	31/07/2010	1,710	901	654	8
60	System Q Limited	Security system wholesaler	Chesterfield	31/01/2011	1,709	1,782	6,535	27
61	Morco Products Limited	Heating equipment wholesaler	Beverley	31/03/2011	1,704	375	8,700	17
62	J.S.R. Farms Limited	Pig farmer	Driffield	25/06/2010	1,703	1,934	22,806	143
63	Zubrance Limited	Food producer	Harrogate	26/06/2010	1,654	375	24,630	194
64	Benson Park Limited	Chilled food producer	Hull	31/08/2011	1,622	936	14,670	40
65	Park House Healthcare Limited	Medical supplies	Bradford	31/12/2010	1,620	1,262	11,098	100
66	Econ Engineering Limited	Highway maintenance equipment manufacturer	Ripon	31/03/2011	1,618	562	22,521	172
67	Cavalier Marketing Limited	Bathroom fitting manufacturer	Keighley	31/12/2010	1,617	1,585	19,124	132
68	Moloney Technologies Limited	Supply chain management to the bakery trade	Barnsley	30/06/2010	1,616	1,315	44,455	31
69	Brocklesby Limited	Vegetable oil producer	Brough	30/09/2010	1,582	1,890	12,706	44
70	Grayrentals PLC	Commercial vehicle hire and sales	Hull	31/12/2010	1,581	970	14,433	35
71	Osborn Metals Limited	Metal product manufacturer	Bradford	31/03/2011	1,560	1,539	20,556	165
72	Accession Group Limited	Supply of temporary access systems	Chesterfield	31/03/2010	1,542	1,727	24,966	216
73	Awjp Limited	Printer	Shipley	30/04/2010	1,528	12	5,836	51
74	Charles Thompson Limited	Process plant equipment manufacturer	Mexborough	31/03/2011	1,510	-344	17,662	162
75	Premier Galvanizing Limited	Iron and steel galvanising	Hull	31/03/2011	1,506	1,027	6,889	52
76	Spellman & Walker Group Limited	Printer	Bradford	31/12/2010	1,485	1,902	15,706	117
77	Napoleons Leisure Limited	Casino operator	Sheffield	30/09/2010	1,485	1,673	10,879	152
78	Dennis Baldwin Group Limited	Boiler manufacture and maintenance	Keighley	31/12/2010	1,478	1,163	9,446	84
79	Scunthorpe United Football Club Ltd	Football club	Scunthorpe	30/06/2011	1,477	-481	7,789	249
80	Crompton Lamps Limited	Lighting manufacturer and distributor	Bradford	31/12/2010	1,473	522	14,113	43
81	Brigdale Limited	Property development and investment	Brighouse	31/03/2011	1,464	198	5,600	14
82	Prestigious Textiles Limited	Home furnishings wholesaler	Bradford	31/08/2010	1,463	755	24,899	95
83	All Steels Trading Limited	Metal and metal ore wholesaler	Thirsk	31/12/2010	1,458	130	25,088	3
84	Trackwork Group Limited	Railway maintenance	Doncaster	30/09/2010	1,450	2,946	23,770	202
85	Clee Hill Plant Holdings Limited	Plant hire	Chesterfield	31/12/2010	1,448	540	10,503	132
86	Company Shop Limited	Food wholesaler and retailer	Barnsley	30/09/2010	1,424	2,023	15,481	255
87	J. & R. Naylor's of Wakefield Limited	Money lender and furniture retailer	Wakefield	31/07/2010	1,422	1,382	11,082	56
88	Cardale Asset Management Limited	Investment management	Harrogate	30/09/2011	1,411	1,153	6,600	50
89	Tinsley Bridge (Holdings) Limited	Spring maker	Sheffield	30/09/2010	1,409	-160	11,993	149
90	Millennium Care Group Limited	Nursing and residential care provider	Pontefract	31/12/2010	1,402	1,128	5,761	199
91	Formicary Holdings Limited	Software developer	Hull	31/03/2010	1,395	743	9,318	78
92	Harvard Engineering PLC	Electrical engineers	Normanton	31/10/2010	1,393	436	14,350	116
93	Moortown Construction Limited	Construction	Bradford	31/05/2011	1,387	1,730	20,252	87
94	Ashleigh Signs Limited	Sign maker	Leeds	31/03/2011	1,382	540	13,160	119
95	Aflex Hose Limited	Hose manufacturer	Sowerby Bridge	31/08/2010	1,378	881	13,942	159
96	Flamborough Holidays Limited	Caravan park operator	Bridlington	31/12/2010	1,370	1,078	6,273	84
97	URA Ventures Limited	Vehicle hire	Chesterfield	31/12/2010	1,356	511	10,894	25
98	T.&R. Theakston Limited	Brewer	Ripon	31/12/2010	1,346	979	9,914	27
99	Stag Security Services Limited	Security services	Harrogate	28/02/2011	1,332	536	12,981	609
100	Business Advice Direct Limited	Business advisors	Grimsby	31/03/2011	1,331	364	3,112	-

more than £25.9m turnover per annum - less than £12.9m gross assets • not be a Limited Liability Partnership or listed Public Limited Company • be up-to-date in filing accounts at Companies House • have a registered or primary place of business in the United Kingdom

where applicable, we 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

North Yorkshire is home to the largest number of SMEs to make it into the top 10 of Barber Harrison & Platt's new list of Yorkshire's Top 100 SMEs.

Coming in at number one in Yorkshire overall is the Harrogate-based Highstone Group Limited, followed by Wage Day Advance Limited, which is based in Skipton. Third ranked in North Yorkshire, and fourth overall in Yorkshire, is egg farmer C & K Wood (UK) Limited, based in York, which employs seven people. Accounts filed for October 2010 showed sales of £31.24m along with a profit of £6.5m.

Fourth in the North Yorkshire table is property and equipment rental company FB Taylor (Holdings) Limited, based in Ripon. This is placed at number 10 in the Top 100 list.

Quality holidays are a serious business

It was a desire to do things differently that saw the directors of Park Leisure 2000 Limited establish the luxury holiday home ownership company in 1997. From opening its first site in County Durham the York-based company will open sales for its seventh park in Oyster Bay in Cornwall in May.

It has the objective to increase its portfolio to 10 by 2015. Profit, as filed on October 31 2010, was £2.09m with sales of £21.03m.

Gary Molloy, one of the directors, puts the strength of the business down to its high quality product, investing in people, training and reinvesting profits back into its holiday parks and owner engagement.

Looking at the last few years he says the economic downturn has been challenging to

the business but it has rode the storm well. *"I think we've been quite savvy in terms of our approach, cut our cloth accordingly and have not gone off at a tangent,"* he says. *"We stick to a solid plan which has worked for us. It's things like bringing on board a marketing function and centralising things has helped as well. It's given us concentration into areas where we probably haven't had concentration before."*

The staycation concept has helped he says, adding: *"But it's going back to, I think, the quality of the product we offer, the fact that our parks are five star."*

All together, as shown in the BHP list, the 16 SMEs in North Yorkshire employ 1,772, had sales on £296.09m, along with a collective profit of £52.07m.

South

A total of 24 South Yorkshire-based SMEs have made it into Yorkshire's Top 100 SMEs based on profitability. Together the companies employ 2,126 in the region and have combined profits of £57.3m and a turnover of £413.6m. Giftware wholesaler History and Heraldry Limited comes out top in the South Yorkshire list and third overall. South Yorkshire's second most profitable SME is Elmsdale Estates Limited. The company is behind a £20m scheme to redevelop the site of the former Niche nightclub and derelict industrial buildings in Sheffield.

Third is Bawtry Carbon International, based in Doncaster and which makes cathodes and other carbon based products, mainly for the aluminium industry. South Yorkshire's eighth most profitable SME is Abbey Forged Products Limited in Sheffield.

Managing director Jackie Neal says what has

Forging ahead in the global steel market

contributed to its success is that the company has been progressive in terms of moving forward with equipment and personnel. The stainless steel supplier, with its key markets in the oil, gas and utilities industries, intends to expand by covering a greater range of forged products. Since the company was established some 30 years ago it has witnessed many changes in the steel industry. The MD comments: *"The whole scenario has become much more complex and the demands that are made are far greater on the product – far more technical and, therefore, on board you have to have far more technical people selling the product and covering it in terms of warranties and one thing and another; it is insurance-driven to some degree."*

Placed at number 10 in the South Yorkshire list is Simcyp Limited. Last year the Sheffield simulation firm, which develops a user-friendly platform

designed specifically to allow simulations in representative virtual patient populations based on in vitro and clinical data, posted profits of £2.26m and a turnover of £5.87m. Employing the best people, from administration staff to the scientists; giving the market something it needs and the right commercial model are just some of the factors managing director John Evans puts down to the success of the business which was established in 2001 as a spin-out company from the University of Sheffield.

Another is being close to the clients to get their feedback. Simcyp has a consortium model where its clients, from all over the world, come together every year and share ideas. John says: *"The product we have is on constant innovation and they [the clients] have a really big say in what they would like to see us do to take it to the next step."*

East

Two property investment and management companies hold the top spots in East Yorkshire and the Humber region in Barber Harrison & Platt's research on Yorkshire's Top 100 SMEs. Topping the regional table, and ranked ninth overall, is Stadium Parkgate (Holdings) Limited, a property investment and management in Brough, with a profit last year of £4.55m and sales of £6.84m. Coming in at number two is another property investment and management company, Wykeland Group Limited. The privately-owned property developer, based in Hull, was formed in 1969 and has successfully developed over 9m sq ft of commercial property of which nearly 2m sq ft is still retained in its portfolio.

Wykeland has a £350m development programme including the Europarc business park in Grimsby, Flemingate Regeneration project in Beverley, Bridgehead Business Park and the Dry Dock regeneration scheme in Hull. Its profit last year was £4.1m with a turnover of £4.96m.

Third placed in the East Yorkshire and The

Property proves sound foundation

Humber list is bathroom equipment retailer Victoria Plumb Limited, of Hull, with profits last year of £3.7m and a turnover of £13.68m.

The company with the earliest date of incorporation in the Top 100 list is Morco Products Limited, based in Beverly, with a date of December 21 1899. However, the heritage of the specialist suppliers of LPG gas heating and hot water equipment to the UK caravan holiday home and residential park home industries goes back to 1792. Last year the company, which comes ninth in the East Yorkshire region, had a turnover of £8.7m and a profit of £1.7m.

Placed 10th in the list is JSR Farms, a family business which has celebrated over 50 years in business. Along with a pig genetics company and an integrated arable business demonstrating sustainable farming, in 2011 the farming group opened a cookery school and has branched into renewable energy. Tim Rymer, chairman of JSR Farming Group, points out that the pig industry has halved in the last 15 years due to

a number of economic factors. Explaining why the company has thrived, he says it's down to **"people and pigs"**.

"We've got a breeding company that produces world class pigs because we export them all over the world, especially to places like China now, and so having a breeding stock side has helped us to insulate us, perhaps, from poor pig prices at home. We've been able to get the added value from the breeding animals in Russia and China, so that's helped," he says, adding the company has some excellent people.

"We always say that but when you see the difference in skill and knowledge in the UK pig industry compared to other parts of the world then we really are second to none."

Collectively the 18 SMEs, based in the East Yorkshire and The Humber have a turnover of £204.77m and combined profits of £38.98m. Together the group employs 1802 people.

West

There has never been a salesman at BJSS, the IT consultancy & project delivery company based in Leeds. Word of mouth and reputation, instead, has pulled in the sales, with the second most profitable SME in West Yorkshire posting a turnover of £20.9m from April 2010 accounts and a profit of £5.45m.

Mike Bates, managing director, points out that the company has retained the clients it has had since it was established in 1993 by its two founders, whose focus was on doing a "fantastic job" for clients.

"We've got a really simple model that we stumbled across by accident, but it seems to energise people in the company. All the staff like the fact it's a very ego-less place to work, people are flexible in what they do, that no-one's focused on titles, that we're very much focused on excellence at our accounts. That's allowed us to carve out a niche really where

Bringing in the sales on reputation alone

we're working for some of the biggest brands out there."

Heading up the West Yorkshire table is storage provider Rhino Holdings Limited in Leeds, with profits last year of £6.47m and a turnover of £5.26m.

The third most profitable SME in West Yorkshire is the health plan provider Sovereign Health Care. The independent, not-for dividend company, based in Bradford, was founded in 1873 as a Local Hospital Fund. Over the last six years it has donated over £3.5m to good causes through its charity arm, the Sovereign Health Care Charitable Trust. Looking at the challenges the recent economic climate has presented, chief executive Russ Piper says: *"It has been very tough but what we've done is made some changes to the way our field team work. What we've managed to do is increase the number of new customers that*

we've brought on board year-on-year for the past three years, to the extent that in 2011 we've actually delivered net growth on our customer numbers, which is the first time that has happened."

Mr Piper adds the company takes a responsible approach to growth. "I think we've got a responsibility that we have been around since 1873, the bulk of our customers is the local community in West Yorkshire and equally we also give money to health related good causes in West Yorkshire and that is quite a responsibility to carry, so we need to make sure that we don't endanger any of that."

West Yorkshire is home to 42 of Yorkshire's Top 100 SMEs, which have a combined profit of £98.11m, sales of £583.08m and provide employment for 4493 people.

Tax: a controllable cost of the business

There is no doubt that a successful business not only seeks to maximise turnover, but also looks to control costs without being to the detriment of the former.

It is surprising how many businesses do not view tax as being a "controllable cost" despite, in its many forms, being one of the largest costs of a business. SMEs are likely to be without an in-house tax function, and thus rely on their general finance team to simply "get it right". This rather assumes that they have a reasonable understanding of the ever increasing number of volumes of tax legislation covering VAT, PAYE, NIC and Corporation Tax. Whereas there will certainly be at least one individual who has a thorough understanding of the overheads of the business, thus being in a position to obtain the best possible prices.

Controlling the tax cost to a business is not simply about minimising that cost; there are additional cost implications of getting it wrong. There is therefore a fine line between:

- Not paying too much tax: ensure that your business is applying all relevant tax reliefs available; and
- Getting it right: paying insufficient tax is likely to result in penalties and interest/surcharges being levied on the business (think: recent press re Glasgow Rangers).

Penalty regimes imposed by HMRC have become stricter and more costly to businesses in the last couple of years, and this trend is only likely to continue as H M Treasury seeks to increase overall revenues. Their hope is that

this will encourage businesses to be "on the cautious side" thus paying more tax.

The owners of a successful business are also likely to have future succession on their minds, whether this is a trade sale, an MBO, or passing to future generations in the family. Tax will always form a substantial part of any due diligence exercise which would be relevant to most successions.

Carrying out regular VAT/PAYE/Corporation Tax "Healthchecks" will not only highlight any potential risk areas to help minimise issues arising on HMRC enquiries and in future due diligence processes, but will also identify areas in which beneficial tax planning could be undertaken.

All SME businesses should have an ongoing dialogue with a trusted tax adviser, which will probably encompass regular updates, planning meetings, and a good understanding of the business, and the owners' short to long term objectives. A tax adviser who works closely with other business advisory functions such as corporate finance is likely to maximise the overall benefits to an SME.



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