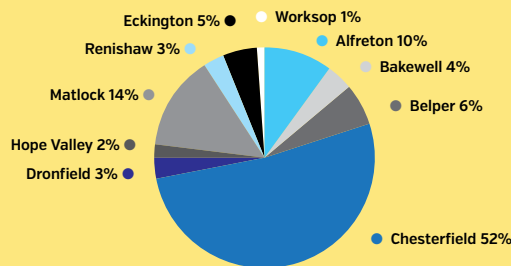


TOP 10 INDUSTRIES BY PROFIT

TURNOVER BY AREA



Manufacturing
2014: 647
2015: 1,159

Retail
2014: 585
2015: 712

Services
2014: 2,539
2015: 1,773

Wholesale
2014: 524
2015: 588

PEOPLE EMPLOYED BY SECTOR



	2015 Count	2014 Count	Movement %
Manufacturing	1,159	647	79%
Retail	712	585	22%
Services	1,773	2,539	-30%
Wholesale	588	524	12%

HEADLINE STATISTICS

	2015 £'000	2014 £'000	Growth %
Total turnover	712,785	648,119	10%
Total profit	55,354	54,702	1%

Total turnover in thousands
£712,785

Total profit in thousands
£55,354

North Derbyshire powers ahead

Against a backdrop of a stable economy, controlled growth and record employment, North Derbyshire continues to shine brightly and is rapidly becoming a powerhouse of the region. Overall the Top 50 SMEs in North Derbyshire contribute turnover of over £712 million, generate pre-tax profits in excess of £55 million and employ over 4,000 people. At the headline level these numbers reflect a growing confidence in the area and demonstrate a willingness to invest. 2014 certainly felt different to previous years and many companies reported significant growth suggesting sustainable confidence and an improving economy.

Figure 1 shows that across the area there is a wide variety of industry sectors which make up our business landscape. When we start to delve further into the numbers some interesting trends are revealed.

It is particularly encouraging to note an improvement in the manufacturing sector, a sector that is historically important to North Derbyshire and a sector that, as I noted in our last Top 50 report, is a cornerstone to economic growth. Government policy continues to encourage investment in the manufacturing sector with generous

tax reliefs available for research and development and more traditional investment in plant and equipment. However, low inflation caused principally by falling energy costs will no doubt impact on those businesses supporting the oil and gas industry.

The building sector has seen marginal growth reflecting recent increased activity in residential housing and commercial buildings. The demand for residential housing in North Derbyshire continues to be strong. It is very pleasing to see that the Waterside development is now well under way and will provide a number of opportunities for businesses in Chesterfield.

The retail sector has shown growth, but this is masked by motor car dealers which mirror the national picture of record new car registrations contributing to significant growth in turnover and profit. Excluding motor car dealers reveals a different story on the high street which continues to be challenging. As a recent government report noted, income levels are now back to pre-recession levels and this combined with low inflation, falling energy costs and low interest rates should provide a fillip to the high street.

Historically low interest rates, which seem unlikely to increase significantly in the short to medium term, combined with improving access to funds should provide business with the confidence to invest in new projects. Whilst a general election in May will no doubt create some uncertainty, I hope that it doesn't stall the ambitions of North Derbyshire.

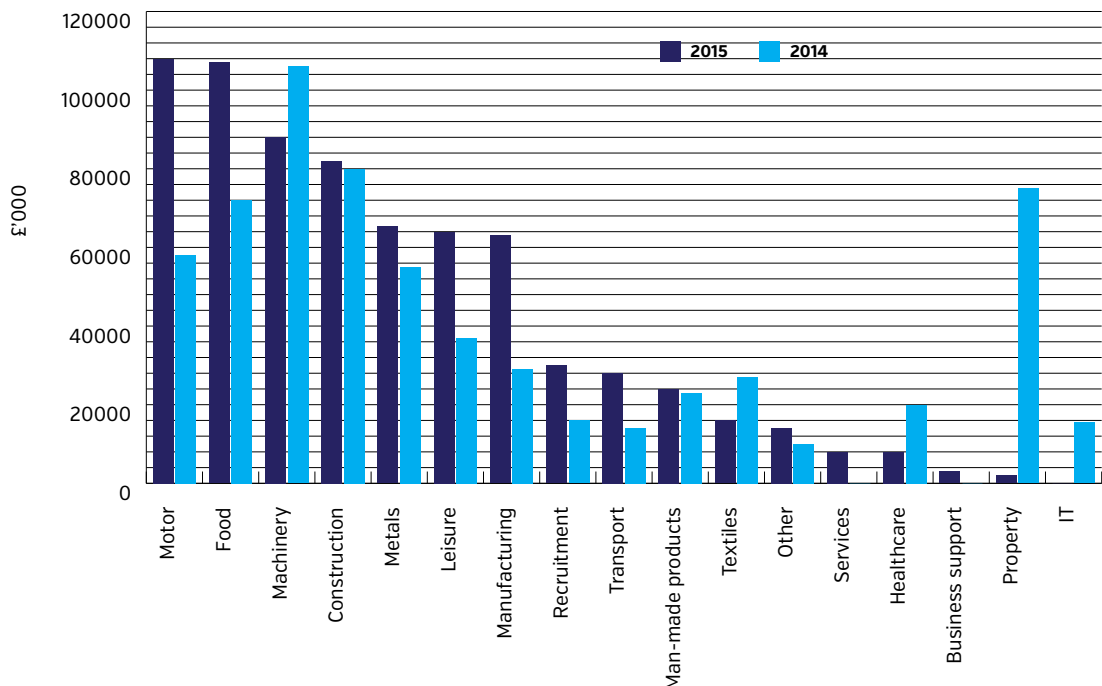
In conclusion, the general theme of this year's Top 50 is improving confidence and whilst there remain challenges, particularly in the retail sector, businesses in North Derbyshire are robust and well placed to take on these challenges.

Dominic Staniforth
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Figure 1

Turnover analysis by industry



Encouraging support for growth in North Derbyshire

Our survey of the top SMEs in North Derbyshire shows significant progress on last year, and levels of confidence in the economy are such that I would expect further progress in the current year.

One key reason for this confidence is the level of government support being pushed out to the regions. North Derbyshire is in the unique position of having a foot in two camps, being involved in both the Sheffield City Region (SCR) and the Derbyshire and Nottinghamshire (D2N2) Local Enterprise Partnerships. The local authority is also a member of the SCR Combined Authority and is expected to be one of the ten councils to form part of the Derby and Derbyshire Combined Authority when it is launched in October of this year. Whilst there are concerns that this double identity might lead to a loss of focus, it does open up two streams of funding to local businesses and infrastructure projects.

The SCR was granted a devolution deal by the Government in December, giving it control over large elements of transport infrastructure, skills, housing and funding for growth via a Growth Hub and support for Access to Finance. This adds to the total of £355m granted in two Growth Deals announced in the past 12 months.

D2N2 has received Growth Deals for similar requirements amounting to £196m to cover the same 6 year period, together with a Regional Growth fund (RGF) of £16m to be administered as "Invest to Grow" by the University of Derby.

Both SCR and D2N2 LEPs have successfully operated similar RGF programmes in the past, with SCR having fully committed its fund of £32m by mid-2014. Finally on Government funding, East Midlands Business (EMB) has recently confirmed the renewal of its contact with UK Trade and Industry to continue supporting exporters in the region.

A further boost to the North Derbyshire economy from the LEPs is that Creative Sheffield has announced that the Outdoor Economy is one of the three key planks of its future strategy and the Peak District will obviously be at the core of this offering. Indeed, the potential of the Peak District has been recognised by the restructuring of the Visit Peak District board and by recent announcements of the potential £400m development of the Peak Resort in conjunction with US firm Grand Heritage Hotel Group.

The impetus being given to the self-government of regions by all the political parties has been taken on with enthusiasm by Destination Chesterfield, which is currently working on a strategic plan for the next three years to build on the real momentum it has given to Chesterfield over the last couple of years.

Initiatives such as Chesterfield Champions, the Made in Chesterfield campaign (incorporating the Manufacturing and Engineering Forum) and Invest in Chesterfield have resulted in a considerable increase in inward investment enquiries whilst indigenous businesses are seeing pleasing increases in employment numbers.

Physical evidence of growing confidence in the region is numerous. The Enterprise Zone at Markham Vale continues to attract good quality new occupiers, including Ready Egg Products, Holdsworth Foods, Inspirepac and Gould Alloys. Confidence is, indeed, high enough for Henry Boot to embark upon some speculative development at Markham Vale. Elsewhere it is particularly pleasing to see continued physical progress at Chesterfield Waterside, with commercial development expected to commence shortly. The University of Derby also received grant funding for its 30,000 square foot new site in Chesterfield, whilst the redevelopment of Queens Park Sport Centre further strengthens the town's offering.

On our part, BHP remains committed to growth within our Chesterfield office, and we are looking to relocate to a new site within the town as our offices on Saltergate are not coping well with the extra investment in recruitment we have made over the past twelve months.

We remain keen supporters of all initiatives in the town and are regularly involved with Destination Chesterfield and the Chamber with their various campaigns and events.

On a final note, we were delighted that the contribution of BHP and its staff to the region was recognised by winning the award for Excellence in Professional Services at the recent Derbyshire Times Business Awards, and we look forward to celebrating further successes for local business in next year's survey.



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A total of
£355m
granted in two Growth Deals

Top 50 SMEs N

Top 50 2015	Top 50 2014	Company name	Activity
1	2	Moorhen Holdings	Roofing materials manufacturer
2	3	Cathelco	Protection and anti-fouling for shipping
3	5	AEW Paddock Motors	Vehicle parts and spares
4	48	Can UK Holdings	Geotechnical and special access trade services on structures
5	10	Derbyshire Aggregates	Aggregate manufacturer
6	16	Chesterfield Poultry	Halal poultry wholesaler
7	13	URA Ventures	Vehicle hire and sales
8	12	Chesterfelt Holdings	Roofing products
9	11	Capital Refractories	Refractory materials, ceramic corse and related products
10	23	Clee Hill Plant Holdings	Plant hire
11	8	John Smedley	Knitwear
12	26	Designer Contracts	Interior design products
13	4	David Nieper	Ladies underwear
14	46	UK Egg Centre	Import and export of egg products
15	20	Johnson Bros [Tours]	Coach and tour operators
16		Nesform	Motor engineers, vehicle and machinery dealers
17		Stormdfx	Point of sale design
18	37	SRS Rail System [Holdings]	Railway industry services
19	19	Moto Direct Holdings	Motorcycle parts and spares
20	24	Long Rake Spar Company [The]	Calcite spar and decorative aggregates
21		Chesterfield Motor Company	Motor dealers
22	18	Colortronic (U.K.)	Machinery manufacturer for the plastics industry
23		MMD Mineral Sizing [Europe]	Mining, construction and civil engineering machinery
24	25	Leengate Valves	Wholesale of valves
25	34	Evolution Funding	Financial brokerage and car sales
26	38	LGH Holdings	Industrial equipment hire and repairs
27		Tennant Metallurgical Holdings	Processing and marketing of ferro alloys, metals and minerals
28		Pinelog Group	Manufacture of timber leisure buildings, operation of holiday letting business
29	29	Arbo [Holdings]	Sealant and adhesive manufacturer
30	14	Speeds	Property management
31	15	Mayfly Waste Engineering	Manufacture of containers for oil and gas industry
32	21	Ukcg Group	Carbon rod manufacturer
33	7	Asmet	Metallurgical consumables
34	28	Milner Off Road	Vehicle parts and spares
35		Breasley Pillows [The]	Bedding
36	42	C.K. Associates	Recruitment services
37	39	TM Steels	Steel stockholders
38		Starfish Commercial Ltd	Commercial consultancy
39	33	Xbite	Online retailer
40	47	AGW Holdings	Electronic equipment manufacturers
41	40	Genden Holdings	Dental practice
42	49	Robinsons Caravans	Retail and repair of caravans
43		B.J.Waters [Transport]	Haulage contractors
44		Penny Hydraulics	Hydraulic and electrical components and systems
45		HR Essentials	Business consultancy and labour recruitment
46	50	Owen Taylor And Sons	Wholesale and catering butchers
47	41	Newburgh Holdings	Engineering component manufacturer and property developer
48		Ondrives	Precision engineering components
49		Container Components Europe	Manufacture of plastic industrial waste container lids
50		Granfix Holdings	Manufacture and supply of adhesives and allied products

Notes on Top 50 SMEs North Derbyshire

Figures compiled by Barber Harrison & Platt [BHP] 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 per annum - less than £12.9m gross assets • not be a charity, academy, Limited Liability Partnership or listed Public Limited Company • be up-to-date in filing accounts at Companies House • be based in North Derbyshire. For the purpose of this survey the following postcode areas have been used: DE4 2 - DE4 5, DE45 1, DE5 3, DE5 9, DE55 1 - DE55 2, DE55 4 - DE55 7, DE56 0 - DE56 2, S18 1 - S18 2, S18 4, S18 7 - S18 8, S20 5, S20 7, S21 1, S21 3 - S21 5, S32 1, S33 7 - S33 9, S40 1 - S40 4, S41 0, S41 7 - S41 9, S42 5 - S42 7, S43 1 - S43 4, S44 5 - S44 6, S45 0, S45 8 - S45 9, S80 4.

For financial periods of more than or fewer than 52 weeks,

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.

North Derbyshire

	Location	Latest accounts date	2015 Profit before tax £000	2014 Profit before tax £000	Turnover £000	No. of employees
	Chesterfield	30/06/13	4,549	2,360	20,332	48
	Chesterfield	31/03/14	2,902	2,137	17,431	98
	Matlock	31/12/13	2,427	1,713	12,878	-
	Chesterfield	28/02/14	2,360	398	13,555	133
	Bakewell	31/03/14	2,124	1,462	14,108	48
	Chesterfield	30/06/13	2,014	1,182	58,260	59
	Chesterfield	31/12/13	1,722	1,333	11,990	32
	Chesterfield	30/11/13	1,577	1,379	8,225	34
	Chesterfield	30/11/13	1,545	1,452	23,351	184
	Chesterfield	31/12/13	1,515	1,003	13,848	164
	Matlock	31/03/14	1,507	1,509	17,249	396
	Chesterfield	31/03/14	1,374	926	25,894	178
	Matlock	31/03/14	1,339	1,936	14,680	228
	Chesterfield	30/09/13	1,283	433	33,858	9
	Worksop	31/08/13	1,189	1,038	9,355	142
	Alfreton	31/03/14	1,148	1,874	6,564	7
	Alfreton	31/12/13	1,130	378	8,192	126
	Chesterfield	30/04/14	1,057	486	8,048	66
	Alfreton	31/12/13	1,030	1,043	15,802	64
	Bakewell	31/03/14	1,011	974	13,105	57
	Eckington	31/12/13	987	568	36,261	79
	Chesterfield	31/12/13	983	1,067	7,353	24
	Alfreton	28/02/14	969	82	7,966	19
	Alfreton	31/12/13	934	968	6,786	21
	Chesterfield	31/12/13	892	593	16,931	-
	Alfreton	30/04/14	859	632	6,655	57
	Chesterfield	31/12/13	844	556	10,000	16
	Matlock	31/10/13	840	350	14,560	204
	Belper	31/01/14	823	797	8,835	63
	Alfreton	31/12/13	786	1,315	1,331	9
	Chesterfield	31/03/14	785	1,229	17,323	127
	Belper	30/06/13	716	1,019	23,421	32
	Dronfield	30/09/13	713	1,520	19,894	11
	Matlock	31/10/13	706	798	8,662	58
	Matlock	30/04/14	704	551	23,283	211
	Chesterfield	31/10/13	672	455	19,795	302
	Chesterfield	30/09/13	671	528	12,040	64
	Chesterfield	30/04/14	622	210	2,638	-
	Renishaw	30/06/13	622	516	21,491	62
	Chesterfield	31/12/13	599	417	3,668	81
	Belper	31/03/14	561	492	8,051	116
	Chesterfield	31/12/13	532	376	13,422	78
	Matlock	31/03/14	522	144	11,355	89
	Chesterfield	30/06/14	503	348	5,648	77
	Chesterfield	31/03/14	496	116	10,664	-
	Alfreton	31/01/14	491	374	16,527	122
	Hope Valley	31/03/14	478	463	14,058	152
	Chesterfield	31/03/14	435	268	4,573	51
	Chesterfield	31/03/14	412	174	5,489	-
	Chesterfield	31/12/13	392	345	7,379	34

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

The makers and doers of North Derbyshire



A recurring theme of the Budgets presented by the Chancellor of the Exchequer, George Osborne, over the last few years has been the need to build a resilient economy where economic growth and recovery was driven by the “Makers and Doers”.

It is clear that North Derbyshire is home to many significant “Makers and Doers”, whether it be Manufacturing, Metals, Construction or Food, whose performance is contributing directly to the economic prosperity of the area and indirectly to the UK as a whole.

But what does this year’s Budget mean for the Top 50?

In his final Budget before the General Election, George Osborne confirmed that entrepreneurial businesses were the key to sustained economic recovery as UK PLC continued to out-perform its main economic competitors.

In particular, the Chancellor referred to the Northern Powerhouse of Makers and Doers as the basis of future growth, with the grudging acknowledgement that the North has grown faster than the South over the last couple of years and created more jobs. He also confirmed the Long Term Economic Plan for the Midlands and outlined the next steps to this. As North Derbyshire is in the strong position of being part of both Sheffield City Region LEP and D2N2 LEP, businesses in this area will benefit from developments in both areas.

Whilst there were no pre-election giveaways, Budget 2015 did, as a result, focus on targeted support for entrepreneurs, manufacturing and innovation including:

- Investment measures to boost business in the North and Midlands.
- Devolved powers on skills, training, business growth, transport and housing.
- £14 million over 2 years invested into the Advanced Wellbeing Research Centre in Sheffield, a new sports and exercise research centre.
- £11 million investment into tech incubators in Sheffield, Leeds and Manchester. Intended to create thriving ecosystems by nurturing start-ups and providing mentoring, learning and business support.
- An extra £34 billion to the Midlands economy in real terms by 2030.
- The delivery of £5.2 billion of investment into new transport infrastructure in the Midlands.
- The rate of corporation tax finally reduces to 20% from 1 April 2015 so that all companies now pay the same rate of tax irrespective of size. UK PLC now has the joint lowest rate of company tax in the G20.
- The Annual Investment Allowance of £500,000 introduced last year continues to be available until 31 December 2015 and enables 99% of businesses to get full tax relief on their capital expenditure. Recognising that continued investment in plant and machinery is the key to future innovation and growth, the Chancellor has announced that the rate will not reduce to £25,000 as previously announced, however he did not confirm the amount to which the allowance will reduce.
- The list of technologies and products covered by the energy saving and water efficient Enhanced Capital Allowances (ECA) scheme has been updated to adopt Waste Heat to Electricity sub-technology and to remove the Packaged Chillers sub-technology. Details of the full list, and when it will take effect, can be found

at etl.decc.gov.uk. The scheme allows 100% of the cost of the qualifying plant and machinery to be written-off against taxable profits in the year of investment.

- Research & Development (R&D) relief gives additional Corporation Tax relief for expenditure incurred on R&D projects that seek to achieve an advance in science or technology. Profit-making companies benefit from the enhanced relief, while companies with no Corporation Tax liability are able to claim a repayment from HMRC.
- In an attempt to streamline the application process for small companies investing in R&D, the Government is looking to introduce an advanced assurance scheme for small businesses making their first claim.
- The rates of R&D relief increase slightly from 1 April 2015 and the extra relief can be worth up to almost 30% of the actual costs where SMEs are profitable and paying Corporation Tax at marginal rates. A loss making SME can “surrender” its losses and obtain a cash repayment of nearly 25% of the underlying R&D costs. With effect from 1 April 2015, the above the line credit [available to both large companies and SMEs] increases from 10% to 11%.
- The UK and Germany recently issued a joint statement agreeing a way forward for patent box regimes in the EU, which will mean some changes to the UK regime. It is apparent the current UK patent box regime (where a company is able to benefit from an effective 10% rate of Corporation Tax on qualifying profits) will end by June 2016 at the latest (although there will be a run off period to June 2021 for those already within the regime) and changes will be made which will require substantial economic activities to be directly connected to R&D expenditures. There will also be a restriction on the amount of patent box relief available for qualifying expenditure that is outsourced.

So a political Budget with no pre-election giveaways but certainly one that supports the Makers and doers of the North Derbyshire Economy!

An extra
£34bn
to the Midlands economy in
real terms by 2030

£14m
over 2 years invested into
the Advanced Wellbeing
Research Centre

£5.2bn
of investment into new
transport infrastructure

£11m
investment into tech
incubators



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Mergers and acquisitions in North Derbyshire

At \$3.5 trillion, the global value of mergers and acquisitions (M&A) in 2014 reached its highest peak since the crash.

Closer to home, the number of deals completed in North Derbyshire in 2014 rose by around a third with the table below highlighting the top five by disclosed value.

Company	Activity	Location	Transaction	Deal Value
Unidrug Distribution	Pharmaceutical distribution	Alfreton	Acquisition by Alliance Boots	£66m
NFT Distribution	Chilled food distribution	Alfreton	Institution buy-out by Emergevest	£60m
Fusion Group	Utility infrastructure products and services	Chesterfield	Sale of Fusion Provida to Wolseley	£26m
Servelec Group	Software developer	Eckington	Acquisition of Corelogic	£23m
Ideagen	Software developer	Matlock	Acquisition of Gael	£18m

In our experience this increase in M&A activity reflects a number of factors including improved corporate confidence, better access to funding lines and a backlog of transactions that were put on hold during the downturn.

The result of this is that for many of the businesses we work with the opportunity to grow by acquisition is pushing its way to the top of the boardroom agenda. If executed properly with careful planning, an acquisition can provide a step change in shareholder value for the buyer. Access to new markets, a technology leapfrog, supply chain integration, product and customer diversification are all opportunities that can be accelerated through M&A.

Conversely, acquisitions made in haste with no clear strategic rationale have the potential to seriously erode the value of both the target business and the acquirer. Based on our extensive experience there are some common factors that underpin successful acquisitions and go a long way to mitigate the risks that will inevitably be present. These include:

- Be "acquisition ready" – is your own organisation capable of handling an acquisition? Have you got robust systems and processes in place? Does your management team have the requisite skill set?

- Lift the drains and kick the tyres – proper due diligence is essential if you are to make a success of the acquisition. Due diligence is about more than just identifying risks, it should challenge the rationale for the acquisition.
- The right financial structure – make sure the financing that funds the acquisition allows for bumps and shocks, both in the target business and in your own.
- Have a plan – the hard work starts once the acquisition has been completed. Make sure you have a well-developed integration plan in place before you complete the deal and monitor progress against this closely.



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