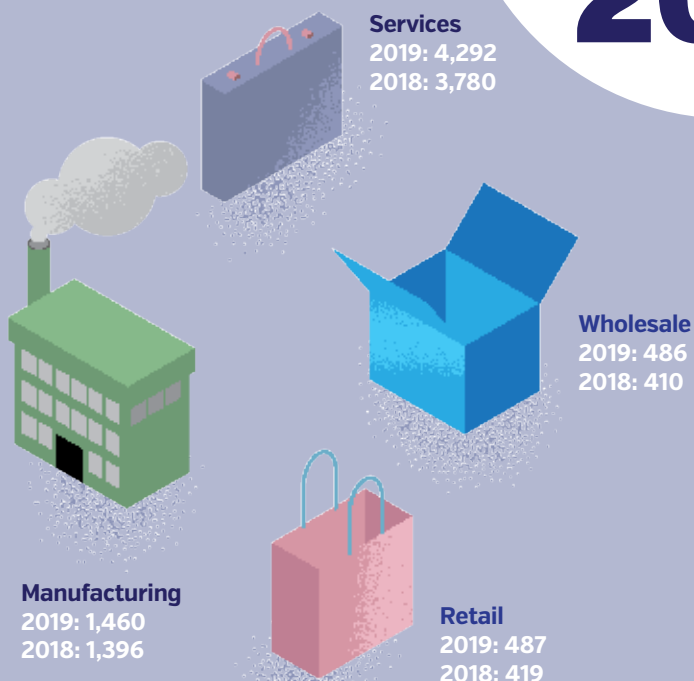




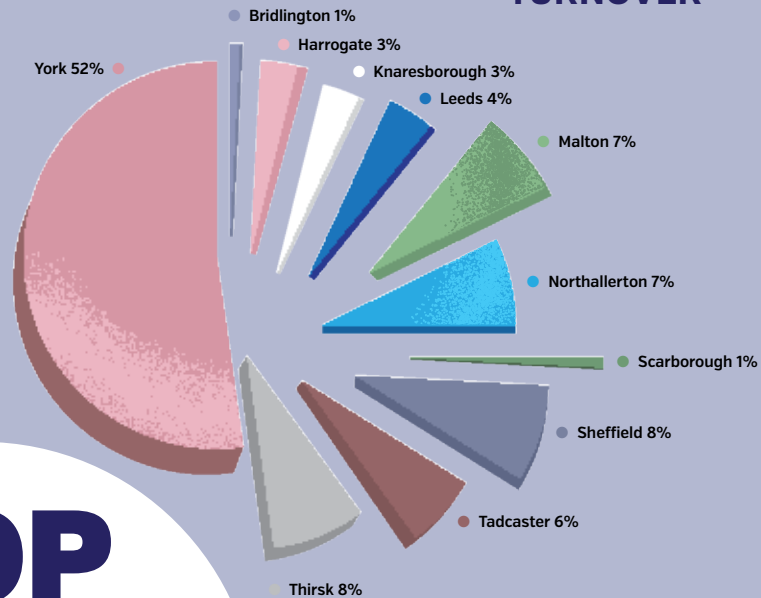
TOP 10 INDUSTRIES BY PROFIT

PEOPLE EMPLOYED BY SECTOR

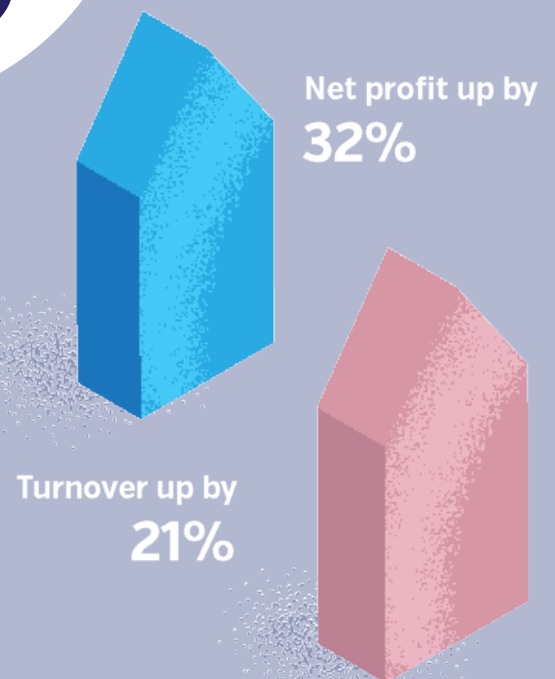


	2019	2018	Growth %
Manufacturing	1,460	1,396	5%
Retail	487	419	16%
Services	4,292	3,780	14%
Wholesale	486	410	19%
	6,725	6,005	

SUB-REGION BY TURNOVER



TOP 50 SMEs 2019



	2019 £'000	2018 £'000	Growth %
Turnover	901,136	747,173	21%
Profit before tax	82,401	62,660	32%
Number of employees	6,725	6,005	12%



Sunny prospects for North Yorkshire SMEs

Profit growth, increased turnover and a rise in employment – BHP's annual analysis of North Yorkshire's leading small and medium-sized enterprises (SMEs) makes for encouraging reading.



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The region's top 50 SMEs saw a 32 per cent growth in profit over the year, with profitability up in 10 out of 11 key locations. Turnover increased by 21 per cent and in seven of the key locations the percentage increase in profitability exceeded that of turnover.

Employment is also up 12 per cent – or 720 employees – reflecting the continued steady progress that the UK has recently seen.

While the services and manufacturing sectors have the highest share of companies in the top 50 – with 18 and 17 respectively – the retail and wholesale sectors continue to be the strongest for turnover and profit growth.

In 2016, both the manufacturing and service sectors reported a seven per cent turnover fall. Only two years on, both sectors are now reporting encouraging growth in turnover. This hopefully indicates the beginning of prosperous times for these sectors.

Retail SMEs have seen highest growth out of all sectors with an 89 per cent turnover boost. Profits follow just behind with a 74 per cent rise. Despite concerns over consumer confidence in uncertain times, North Yorkshire retailers and consumers alike appear to be resilient and continue to thrive.

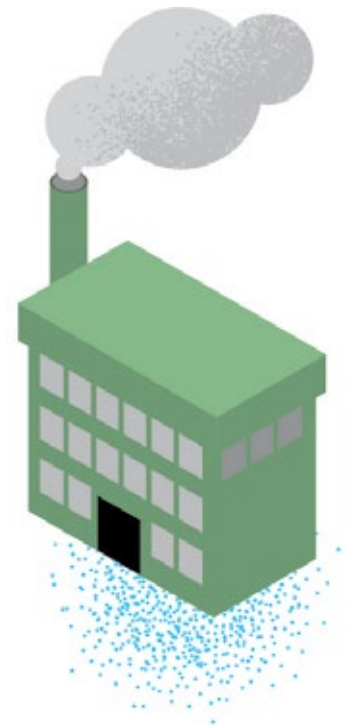
Topping the list with a 56 per cent profit boost to £5.2m is Flower of May Holiday Parks Limited. Up two places from last year, Flower of May offers self-catering caravan and lodge parks. Its success is mirrored by the leisure industry generally which has seen a 15 per cent increase in profits – possibly indicating domestic tourism remains robust in North Yorkshire in light of the impending EU exit.

Local dealer and exporter Britcom International saw an impressive 227.5 per cent growth in profits in its commercial vehicles and equipment business, boosting confidence in Britain's exporting capability despite Brexit fears.

Metal recycling enterprise Serious enjoyed a growth in profits despite turnover fall, indicating the strong potential for renewable resource enterprises in the area.

Location wise, York sits at the top of the table for another year with firms accruing a combined turnover of £472.3m. Profit for York firms this year sits at £34.4m – an increase of just over £7m from last year.

All in all, it's been a solid 12 months for North Yorkshire SMEs and the outlook remains bright as we move into the main tourism season.



17 manufacturing companies in the Top 50





Top 50 SME

2019 Rank	2018 Rank	Company name	Trade Description	Location	Latest accounts	2019 Profit £ '000	2018 Profit £ '000	2019 Turnover £ '000	2019 No. of staff
1	3	Flower of May Holiday Parks Limited	Caravan and camping holiday parks	Bridlington	31/10/2017	5,272	3,369	13,487	94
2	1	S Harrison Group Limited	Land and property development and construction	York	31/12/2017	4,685	5,266	29,226	16
3	5	Emsley Brothers Limited	Craneage services	Harrogate	31/12/2017	3,300	3,215	11,003	72
4		The Skills Network Limited	Educational service provider	Selby	31/07/2017	3,122	-1	11,157	145
5	4	G.R. Electrical Services Limited	Manufacture of electrical switchgear and panels	Leeds	30/04/2018	2,864	3,217	9,943	47
6	40	C & K Wood (U.K.) Limited	Production and supply of eggs	York	31/10/2017	2,486	895	21,558	9
7	9	K And C Love Limited	Plant hire	Selby	31/03/2017	2,458	2,954	10,875	68
8	8	Diagmed Healthcare Limited	Supply of pharmaceuticals principally to local health authorities	Thirsk	30/11/2017	2,402	2,693	17,402	46
9	11	Potter Family Holdings Limited	Packaging and distribution of eggs	Thirsk	30/06/2017	2,219	n.a.	22,446	46
10	18	GSM Group Holdco Limited	Graphic overlays, precision metal parts and barcode solutions	Thirsk	31/05/2018	2,207	1,423	9,342	142
11	10	Timec 1444 Limited	Stocking processing and sale of steel tubes	Thirsk	31/12/2017	2,194	2,224	10,399	49
12		Serius Group Limited	Metal recycling	York	30/11/2017	2,106	1,457	19,190	40
13	6	Cellhire Group Limited	International mobile communications solutions	York	30/04/2018	2,029	3,104	21,001	94
14	21	Stage One Group Limited	Engineering, construction and automation for live public events	York	31/12/2017	1,949	1,314	25,832	179
15		Future Cleaning Services Limited	Cleaning and associated services to various business sectors	York	31/03/2018	1,911	363	20,433	2,199
16	16	Autohorn Group Limited	Vehicle rental	York	31/12/2017	1,778	1,495	28,601	75
17	20	Flamingo Land Resort Limited	Operation of a pleasure park and zoo	Malton	31/03/2018	1,767	1,336	29,141	388
18	31	Ellis Patents Holdings Limited	Design, manufacture & marketing of cable & pipe fixings	Malton	28/02/2018	1,688	1,108	7,688	67
19	14	G R Potter Plant Hire Limited	The hire of plant and equipment.	Thirsk	31/10/2017	1,666	1,660	12,774	22
20		Brecks Holdings Limited	Supplier of cereals and meat-free products to industry and retail markets	Selby	31/03/2018	1,489	527	21,657	89
21	37	Queens Staith Leisure Limited	Hotel operator	York	30/04/2018	1,459	959	6,804	142
22	23	Barkers (Northallerton) Limited	Operation of a departmental store	Northallerton	31/01/2018	1,442	1,277	16,050	158
23	24	Rack Systems (Engineering) Ltd.	Manufacture of metalwork for office furniture	York	31/12/2017	1,420	1,274	13,569	95
24	38	Power Health Products Limited	Retail and wholesale distribution of natural and health	York	30/04/2018	1,369	941	6,545	71
25	28	Lambert Automation Limited	Design, manufacture and installation of automation systems	Tadcaster	31/12/2017	1,368	1,183	21,158	173

Notes on Top 100 SMEs Yorkshire

Results finalised 11/3/19

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 £36m turnover – less than £18m 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.



2019 Rank	2018 Rank	Company name	Trade Description	Location	Latest accounts	2019 Profit £ '000	2018 Profit £ '000	2019 Turnover £ '000	2019 No. of staff
26	7	Advanced Alloy Services Limited	Purchase, sale and processing of metals and alloys	York	31/12/2017	1,362	2,902	29,646	28
27	27	G.H.Brooks & Co.(Harrogate)Limited	Wholesale and retail of building materials	Harrogate	30/09/2017	1,346	1,214	11,605	29
28	26	Yorkshire Sheeting Group Limited (in as York Holdings last year)	Industrial roofing, cladding & suspended ceilings contractors & the manufacture and sale of commercial trailers	York	31/07/2017	1,327	1,231	22,564	20
29	25	Scriven Park Estates Limited (in as HMCA/S plc last year)	Insurance products and the provision of insurance services	Knaresborough	30/06/2018	1,254	1,252	14,637	46
30		Bright Steels Limited	Production, stockholding and sale of bright drawn steel bar	Malton	31/12/2017	1,224	441	16,588	76
31	13	B & F Potatoes Limited	The growing and sale of potatoes	Malton	31/05/2018	1,187	1,693	10,230	53
32	39	RBM Agricultural Limited	Sale and service of agricultural machinery	York	31/12/2017	1,150	925	38,645	84
33	34	Distribution Cable Jointing Ltd	Jointing of underground high and low voltage cables	Selby	31/03/2018	1,129	1,166	6,255	74
34		Cromwell Polythene Limited	Supply of plastic packaging products	Leeds	30/04/2018	1,124	659	15,324	33
35		Yorkshire Initiatives Limited	Processing and sale of potatoes	Tadcaster	31/03/2018	1,120	454	28,843	87
36	30	Alexanders Prestige Group Limited	Car dealerships and the manufacture and sale of horseboxes	York	31/08/2017	1,105	n.a.	68,459	61
37		York Pullman Holdings Limited	Scheduled bus routes and tours operator	York	31/12/2017	1,097	1,367	7,079	133
38		J Rotherham (Holdings) Limited	Manufacture surfaces for the kitchen and bathroom industry	York	30/04/2018	1,064	555	32,486	283
39	17	Daniel Gath Homes Limited	Residential Housebuilders and Property Developers	York	31/10/2017	948	1,461	5,345	14
40		Harpers Environmental Limited	Waste disposal and industrial services	York	31/03/2018	941	-983	10,500	91
41		Roseville Care Homes Limited	Operation of residential care homes	York	30/09/2017	893	500	5,328	230
42		Britcom International Limited	Dealers in and exporters of commercial vehicles and heavy plant and equipment	York	31/03/2018	891	272	28,323	78
43		Dwco 4 Limited	Contractors for asphalt and tarmacadam schemes	York	31/03/2018	886	693	13,379	62
44		Langlands Nurseries Limited	Garden centres	York	31/07/2017	846	592	7,827	155
45		Fordy Thompson (Holdings) Limited	Steel and metal fabrication	Northallerton	31/12/2017	843	-384	47,540	200
46		John King Chains Limited	Manufacture , procurement and supply of conveying chains, sprockets and ancillary components	Leeds	31/03/2018	827	470	8,702	59
47		Service Timber Limited	Timber importer	Selby	31/01/2018	816	697	18,991	75
48		Rabbit (Holdings) Limited	Wholesaler of landscape, forestry, horticultural and construction products	Knaresborough	30/09/2017	814	569	13,119	71
49	41	SWC Trade Frames Limited	Manufacture of PVCu and aluminium products	Scarborough	31/03/2018	785	872	12,470	126
50	45	Hall & Associates (Marketing) Ltd	Marketing and supply of products to the retail trade	York	31/12/2017	772	789	9,969	31



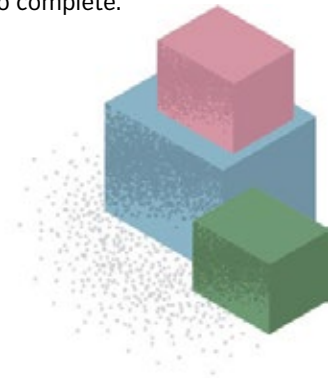
Planning for a successful business sale

Deciding to sell a business is probably the most important decision an owner will make. For most people it is about more than just realising the financial gains from years of hard work. Finding a good home for the business where the company and its employees can continue to flourish is a key consideration for many owners.

Whilst every deal is different and needs to be handled in its own unique way, there are common mistakes that should be avoided by everyone.

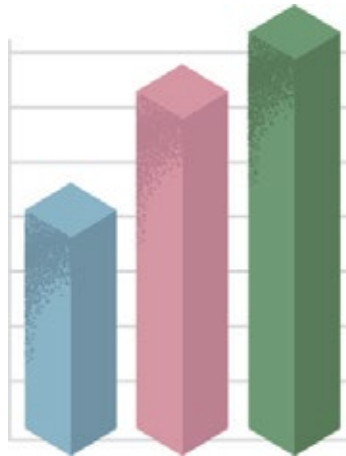
Poor or no preparation

The earlier you start your preparations the easier it is to fix things in advance. Working with advisors a few years in advance will help you to not only maximise interest in the business and the value of the offers received, but also reduce the risks of price chips or a deal failing to complete.



No exit plan

Leaving things to chance or reacting to a cold approach for your business is less likely to result in you achieving the optimal exit. A good exit plan will consider how the business is likely to be valued and what factors may make it more attractive. It's also an opportunity to review the quality of your succession plans and how key staff have been factored into these, and if you don't want to work post-deal how you can take steps to secure this with the buyer.



Make sure current performance is maintained during the process

Selling a business is both time consuming and immensely distracting. It is therefore very common for current trading to suffer. A sales process is about building confidence in the company and its future forecasts, so it is vital to try to avoid taking your eye off the ball and letting this happen. A good corporate finance advisor will take ownership of the sale process allowing you to focus on running the business.



Find a great advisor not a sales agent with a slick marketing machine

Selling a company is an intense and often complex process and there is a huge amount of skill in ensuring a deal completes. It is vital you find someone who has the skills to delicately manage the numerous negotiations and commercial points which will arise throughout the process. You want to work with someone who is not only skilled and experienced at identifying and extracting the highest offers for your company but who also cares about the process as much as you do and who you know you can have frank and honest conversations with.



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R&D tax credits

First introduced by HMRC in 2000, R&D relief has become a valuable claim for many companies, but companies are still unaware of the opportunities to claim this generous tax relief.

It's a common misconception that R&D tax credits are only associated with hi-tech industries or heavily scientific projects, however this simply isn't the case.

What qualifies for R&D relief?

BHP regularly carry out R&D meetings and from experience, some businesses still have preconceptions that they won't qualify for R&D for a variety of reasons ranging from "it's just what they do" to believing it's such a small investment that it's not worth investigating a claim. Others are put off because they believe it's only projects involving white coats in laboratories that qualify.

This couldn't be further from the truth. Here at BHP, we've carried out R&D claims for a variety of companies in various sectors including recycling, coffee bean roasters, software developers, construction and the automotive sector to name but a few.

This lack of understanding often means companies miss opportunities to claim this generous tax relief.

As well as innovation on new products, claims can be made for modifying existing products, processes or systems. Whatever sector a company operates in, if a challenge has arisen when trying to resolve technological or scientific uncertainties, there is a high possibility of making an R&D claim.

A project doesn't even need to be successful! HMRC recognise that failures often arise in the world of R&D. The R&D tax relief is therefore still available for failed projects and any time spent on the process will still be eligible for the relief.

Why are R&D tax credits available?

HMRC's ultimate goal by providing enhanced relief for R&D expenditure is to encourage greater spending where projects may be risky. They hope the relief leads to greater investment in innovation throughout the UK.

The relief signals the government's commitment to supporting UK businesses to innovate and succeed.

According to HMRC's September 2018 report, 39,960 R&D tax credit claims were made for 2016-17 – worth £3.5bn.

How do R&D tax credits work?

For SMEs, R&D tax credits work by enhancing qualifying expenditure for tax purposes by an extra 130%. The enhanced expenditure can then either reduce a company's tax bill, or in a loss making position, can be cashed in to HMRC for a 14.5% repayable tax credit.

Qualifying expenditure covers the cost of staff working on R&D projects, expenses relating to consumable materials and equipment as well as costs for subcontractors that have assisted with the project.

If assets are acquired for use in R&D, a 100% allowance on the expenditure can be where annual investment allowance has already been exhausted.

R&D Example

The put savings into context, the following example compares a company spending £200k on R&D with differing levels of taxable profits pre R&D enhancement.

Without a claim for R&D, corporation tax would be due as follows:

ABC Ltd – £95,000

XYZ Ltd – £19,000

	ABC Ltd (£)	XYZ Ltd (£)
Taxable Profits (Pre-R&D)	500,000	4,877
R&D enhancement (£200,000 x 130%)	[260,000]	[260,000]
Revised Taxable Profits/[Loss]	240,000	[160,000]
Corporation Tax @ 19%	45,600	nil
Losses cashed in @ 14.5%	nil	[23,200]
Saving due to R&D	49,400	42,200

Find out more

As experts in R&D tax credit claims, BHP take pride in taking the time to 'step back' and help our clients recognise all the R&D they are undertaking, often without even realising. As noted, since April 2018, BHP have been successful in saving our clients over £9.4 million in R&D tax credits.

Don't miss out! Get in touch today on to find out how we can help.

Kieron Batham-Tomkins
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BHP: Your team of trusted advisors

With origins dating back to 1867, at BHP we pride ourselves on being pioneers and leaders of change. Whether it's the dynamic business environment or shifting client needs, we're continuously evolving to meet change head-on and we never stand still.



Lisa Leighton
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Our history is built on our ability to innovate, adapt and lead – this is how we stay at the forefront of our industry, an industry which is now largely shaped by technology.

Our work is becoming increasingly digitalised – Making Tax Digital (MTD) legislation has landed, signalling a fundamental step in HMRC's ambition to become one of the most digitally advanced tax administrations in the world.

MTD requires UK businesses above the £85,000 VAT turnover threshold to keep records digitally and submit VAT returns using MTD-compatible software. It puts the onus on businesses and accountants to move forward into the digital world.

New legislation, together with the development of apps, cloud-based solutions and artificial intelligence, continues to transform our sector.

Using technology, we're able to make everything more seamless, efficient and above all, simpler and faster for our clients. With tech support for some of the traditional elements of our work, we're free to focus on areas that, as people, we do really well. We can save time with inputting and processing, allowing us to add more value to our work and dedicate more time to providing advice to clients.

While traditionally at BHP we used to be largely 'number crunchers', we've been changing what we do for some time – moving to become more advisory focused, bringing in new skill sets and innovating our value-added services.

We listen to what businesses want and need and shape our offering to fit. This has led to the extensive growth of BHP's service lines and us becoming a one-stop-shop for all business challenges.

We've also made the decision to drop the words 'Chartered Accountants' from our name, as we're now so much more than just accountants.

It's this thinking that's shaped our 'how do you tie your laces' campaign for 2019. We're celebrating our team as unique individuals and how we're each able to support our clients with our own expertise and advice, but with one goal throughout. We all tie our shoe laces in different ways, but all with the same goal.

We're your team of expert, trusted advisors, giving the best possible service for all business needs.



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