

The Star **Top 100 Companies**

BUSINESS

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WEDNESDAY, AUGUST 23, 2006

SIGNIFICANT climb up the profit chart

Insulating and interiors firm is now area's best performer

By Robert Rae
Business editor

SIG, the Sheffield-based leading European supplier of insulating, roofing and commercial interiors products, has knocked Doncaster furniture retailer DFS off the top spot to become the region's most profitable business.

Record profits - up 23.6 per cent to £86.8 million - and sales - up 17.2 per cent at £1,639 million - puts the Hillsborough business firmly at the top of both rankings and means DFS, with profits of £57.5 million - down from £69.2 million - has lost the crown it has held for the last four years as the most profitable company in the Top 100 survey by The Star and South Yorkshire's leading indepen-

TOP COMPANIES - BY PROFIT					
BY PRE-TAX PROFIT					
Top 100 2005	Top 100 2004	Company name		Pretax profit £000's	
3	5	DFS Furniture Co Ltd	Doncaster	69,200	
1	1	SIG Plc	Sheffield	65,520	
25	33	Polypipe Building Products Ltd	Doncaster	36,300	
73		Cortonwood Retail Park Ltd	Barnsley	29,821	
7	14	Keepmoat Plc	Doncaster	19,112	
42	60	Ben Bailey Plc	Rotherham	16,410	
39	25	Henry Boot Plc	Sheffield	15,857	
50	67	Strata Group Ltd	Doncaster	13,121	
38	46	Luk (UK) Ltd	Sheffield	12,622	
21	22	Hepworth Building Products Ltd	Sheffield	12,338	

dent accountant, Barber Harrison & Platt.

"The combination of strong growth from the core operations and the high level of acquisition activity during the year produced excellent overall

results," SIG's chief executive, David Williams, told Star Business when the company's 2005 figures were released, earlier this year. "We've had a great run. It's a great set of results and I'm pleased for everyone in

the business. "We passed a few milestones in the year - the number of acquisitions, the amount we spent on the acquisitions and the comprehensive nature of the growth. We were up in every business stream and in every country."

SIG bought more companies last year than in any other year, acquiring 21 businesses, operating from a total of 68 sites, for a total of £110 million, as well as adding a further 16 locations through organic growth.

The company is one of three building products firms and seven firms from the construction sector among South Yorkshire's ten most profitable businesses.

Polypipe and Hepworth - in fifth and sixth place respectively - join SIG and construction companies Keepmoat,

Henry Boot, Strata and Ben Bailey in the top ten.

Office supplies company Kingfield Heath joins the top profit makers' table in seventh place and, once again, there is only one engineering firm in the top 10.

But, this year it is Firth Rixson parent group Forgings International Holdings - replacing previous top ten profit making manufacturer Luk (UK), which saw profits fall to £7.6 million from £12.6 million.

That said, five engineering businesses fill the next five places - castings giant William Cook Holdings, Queen's Award winning metals reclamation business ELG Haniel, environmental and industrial controls company Danaher, wire products manufacturer Betafence and hand tool manufacturer Stanley UK Holdings.

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Different sectors give region a mixed picture

IT is always interesting to consider what the performance of the Top 100 companies tells us about trends in the region's economy and the various local industrial sectors.

There are many familiar names in the 2006 list, but 16 new entrants. In order to avoid this change distorting the trends, I have, as usual, compared the results of this year's Top 100 against their own performance in the previous year.

The headline figures are average increases in turnover and profits of 9.4 per cent and 9.6 per cent respectively. The com-

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parable figures in 2005 figures were 7.7 per cent and 9.3 per cent. Hence, the overall picture is of growth and continuing profitability.

However, these overall average figures mask quite significant variations between the different sectors.

The manufacturing sector is always of interest because it is traditionally so significant in this region. This year, turnover increased on average by 14 per

cent and the net profit rate from 2.0 per cent to 3.23 per cent of turnover.

Wholesale shows a similarly strong picture with a turnover increase of 12 per cent and an improvement in the net profit rate from 1.7 per cent to 2.4 per cent. This is also largely driven by companies in the metals sector benefiting from the same booming global metal prices. ELG Haniel is a particularly strong performer with turnover up by 70 per cent, whilst ABS Industrial Resources, which supplies metals and recycled packing materials, showed sim-

ilar growth of 67 per cent. Construction is the best performing sector in this year's survey with average turnover growth of 27 per cent and the profit margin being maintained.

The growth has stimulated a 15 per cent increase in jobs in the sector. Mining continues to struggle with turnover down by 9 per cent and jobs down by 18 per cent.

The retail sector shows a very mixed picture this year. The table is slightly misleading in that Maplin Electronics is shown with a turnover of only

£47m. In fact, that is based on accounts for only 4 months' trading and the annual figure for 2005 would have been £120m, lifting the company to 23rd place.

When that discrepancy is adjusted for, the average turnover growth in the retail sector is shown to be 4 per cent, but the net profit margin fell from 4.3 per cent to 2.5 per cent.

Many of the entrants are in the motor sector where there have been continuing changes in the pattern of dealerships. The majority of our companies in this sub-sector have pros-

pered in this environment with Gilders being the best example, shooting up from 43rd place to 25th place, but a few have done less well.

Finally, the service sector also shows a mixed picture with turnover up by 5 per cent, but average profitability dipping. Unfortunately for some of the companies, turnover growth appears not to have been profitable, although quite a number have bucked this trend such as Grantrail and the descriptively named Big Green Parcel Machine. Both showed 15 per cent growth.



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