

The Star Business Top 100 Companies

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Business confidence is growing with firms

Companies in buyouts are being undertaken without private equity

I AM not one to make a sweeping generalisation, but ... everyone knows northern companies are normally very reluctant to involve venture capitalists (private equity houses, as they now prefer to be called) in their companies.

Shareholders in South Yorkshire companies certainly display a strong preference not to dilute their equity by having a private equity house as an investor.

Clearly, however, this generalisation applies less to the largest companies in the region. Some 15 per cent of the UK privately-owned companies within the Top 100 have at some stage

By Stephen Ingram
Partner at Barber, Harrison & Platt

been funded by private equity houses.

For example, Kingfield Heath, Maplin, Pinco 1555 (which used to be Lucas Service) are funded by private equity houses. So why do such a large percentage of these companies seek private equity backing?

Typically this form of funding is used to finance either a buyout, an acquisition or rapid development. However, banks are increasingly developing their own financing products

which support transactions without the need for raising private equity.

Accordingly there are several companies in the Top 100, eg Banner Plant, Big Green Parcel Machine, Gilders, which have undertaken buyouts without involving a private equity house.

In his article, John Warner refers to the fragile increase in the level of business confidence.

In practical terms transactions are driven by business confidence and the South Yorkshire region has seen a marked upturn in transaction activity over the past 12 months

with a strong pipeline of deals to come. This anecdotal evidence suggests business confidence is high in certain sectors.

This factor combined with the substantial funds held by private equity houses that they need to invest and the fact that some of the major banks (as well as certain international banks) are taking a more aggressive approach to funding deals has one inevitable consequence: there will be several new faces in next year's Top 100.

Even at this stage of the year this is confirmed by some of the transactions on which we have advised.



Stephen Ingram: 'Confidence'

IN BRIEF Business

Chamber's job challenge

DERBYSHIRE Chamber of Commerce has warned of a challenge ahead in combating unemployment in the county, after new figures showed numbers out of work have now risen for 13 months.

Chamber president David Merfield said: "This problem is with us long term, and the county faces a real challenge in tackling it."

Output grows

CONSTRUCTION output is set to grow by 2.9 per cent in 2006, in sharp contrast to 2005 when a fall in public capital spending brought 11 years of expansion to an end. The recovery this year is driven by an upturn in commercial activity and a pick-up in infrastructure construction, according to the latest forecasts from economic forecasters Experian.

Keepmoat catapults into second place

TOP COMPANIES - DONCASTER

BY PRE-TAX PROFIT

Top 100 2005	Top 100 2004	Company name	Pretax profit £000's
3	5	DFS Furniture Company Ltd	69,200
25	33	Polypipe Building Products Ltd	36,300
7	14	Keepmoat Plc	19,112
50	67	Strata Group Ltd	13,121
77	95	Close Motor Finance Ltd	8,375
72	90	Pegler Ltd	3,468
78	89	Thorne Poultry Ltd	2,602
96		Blp Holdings Ltd	1,825
86		Robimatic Plc	1,595
60	58	Nu-Tool (Holdings) Ltd	1,378
79	85	Fellowes Ltd	1,203
90	98	M. Higgins Ltd	1,152
94		Amnack Ltd	1,000
89		H.I.Weldrick Ltd	986
34	38	Grantrail Ltd	701

A MAJOR leap in profits at Keepmoat has catapulted community regeneration and affordable housing specialist into second place behind perennial Doncaster top profit maker, Lord Kirkham's furniture group DFS.

Keepmoat boosted profits from £19.1 million in 2005 to £33 million, while a fall in Polypipe's profits from £36.3 million to £24.2 million saw it removed from the second place that it has held since 2002.

Figures published since the Top 100 table was drawn up show Keepmoat's pre-tax profits have risen by a further 21 per cent to £40.3 million, on turnover up 40 per cent at £469 million.

The group, which includes Bramall Construction, based in

Rotherham, Haslam Homes and Frank Haslam Milan either built or improved the homes of 100,000 people in the last year.

Earlier this year, Keepmoat set a construction industry record after receiving five excellent ratings from National House Builders Council for its health and safety practice.

The company has also been appointed one of four contractors to deliver the £315 million Decent Homes Investment Programme designed to refurbish more than 23,000 council properties in Rotherham and the company should soon be moving from its current headquarters in Heavens Walk to a prestigious 20,000 square foot head office, which forms part of the South Quay development at Lakeside.

Last year, Keepmoat received the award for making an Outstanding Contribution to the Doncaster Economy at Doncaster Chamber of Commerce's annual award ceremony.

Chamber judges described Keepmoat as a leading force in delivering community regeneration in Doncaster and across the North and Midlands of England.

They went on to say: "Within Doncaster, this company has attracted wealth to the borough in many ways and will continue to do so in the future."

Balleyvessey Holdings, which owns Doncaster trailer manufacturer Montracon, moves into the Doncaster Top 10 this year and so, too, does Ath Resources, the AIM quoted business, which

operates a number of opencast mines in Scotland from its Doncaster Headquarters and is one of the UK's largest coal producers.

This is first year in the Top 100 for Ath, which is South Yorkshire 21st most profitable business and comes after a year during which the White Rose Way company raised £15.9 million in a 1 for 3 open offer, acquired two more Scottish mines for £18.0 million, bringing its level of coal reserves with planning consent to 5.5 million tonnes, from 2.5 million tonnes in 2004.

Ath also invested £25.3 million in plant from Caterpillar during the year.

The mining company enters the Doncaster Top 10 just above Grantrail.

Profit fall Ben Bailey still top company

FALLING profits have failed to knock Mexborough-based house builder Ben Bailey from top spot as Rotherham's most profitable company.

Profits are down from £16.4 million last year to £12.7 million, but Ben Bailey is continuing to climb the top 100 turnover table - up from 60th in 2004 to 42nd last year and 34th this year.

But for a quirk of the postal system which puts Kiveton Park-based clutch assembly manufacturer Luk in Sheffield, rather than Rotherham, it would occupy second place in the table of Rotherham's most

profitable companies, instead of 11th in the Sheffield table.

Last year's second placed Rotherham firm, bus company First South Yorkshire, slipped two places down the table as its profits took a more drastic tumble - down from £11 million to £4.3 million, giving way to Morphy Richards and Rotherham star AES Engineering.

Bradmarsh Business Park-based AES has more Queen's Awards to its name than any other Yorkshire company and recently secured the major accolade of being named Britain's best manufacturer by

the Institution of Mechanical Engineers' (IMEchE), while founder and managing director Chris Rea was named Northern Entrepreneur Of The Year and awarded the title 'Master Entrepreneur'.

The company, which trades under the AESSEAL brand, also won the top prizes for Customer Focus and Resources and Logistics Management, in the IMechE's prestigious Manufacturing Excellence Awards.

The Awards are considered to be one of the toughest challenges for any company. Entrants undergo a gruelling

examination, including close scrutiny of their works and production methods by expert judges.

Speaking at the awards ceremony, IMechE Manufacturing Excellence project manager, John Ling, described AESSEAL as "an excellent example of how UK companies can successfully compete in a global market."

AES specialises in designing and manufacturing mechanical seals which are used in pumps to stop harmful liquids and gases leaking into the environment and recently enjoyed its second best month for sales.

TOP COMPANIES - ROTHERHAM

BY PRE-TAX PROFIT

Top 100 2005	Top 100 2004	Company name	Pretax profit £000's
42	60	Ben Bailey Plc	16,410
52	56	First South Yorkshire Ltd	11,007
32	43	Morphy Richards Ltd	5,898
84		A.E.S. Engineering Ltd	4,071
40	54	Alcontrol Holdings Ltd	3,774
82	91	Beatson Clark Plc	2,777
5	44	Rittal Ltd	1,777
62	70	Metalfin (Uk) Ltd	1,062
54	72	C.F.Booth Ltd	956
92		Toyoda Gosei Uk Ltd.	507