

# South Yorkshire's Business Finance Landscape

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## **This presentation focuses on.....**

- High growth businesses in South Yorkshire
- Who funds them to grow, how much have they received, and how does South Yorkshire compare
- The profile and evolution of the South Yorkshire business base
- What can we learn

# High growth companies

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## Defining high growth

- This presentation is based on data from Beauhurst.
- It tracks companies that meet 1 of its 8 high growth trigger.

These are



**Equity investment**



**Academic spinouts**



**Scaleups**



**High-growth lists**



**Accelerator attendances**



**Major grant recipients**



**MBO/MBIs**

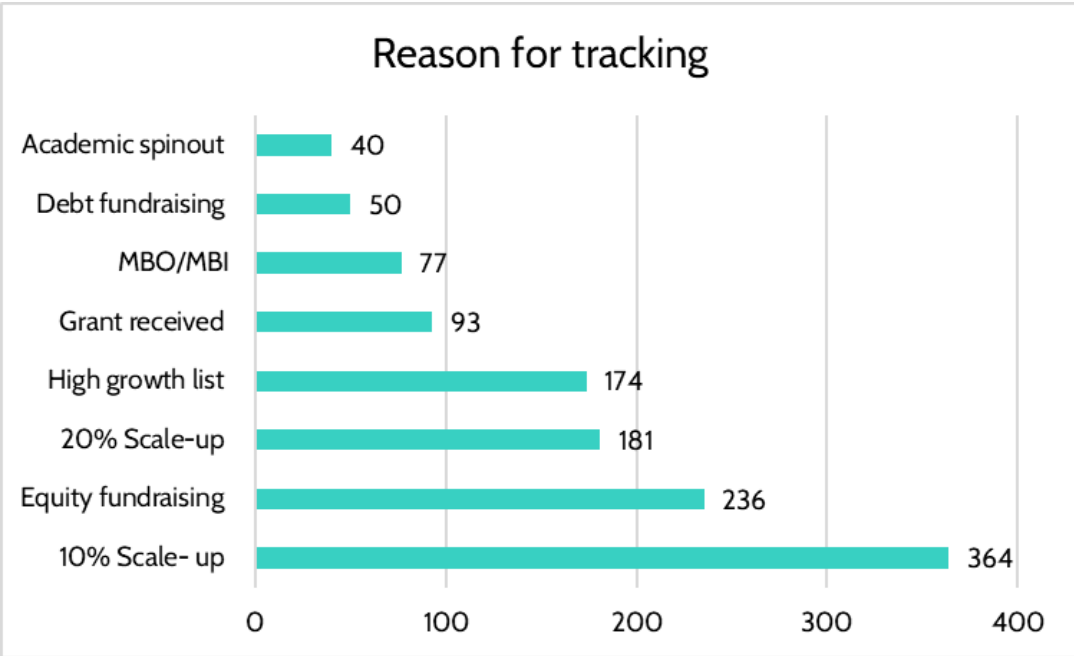
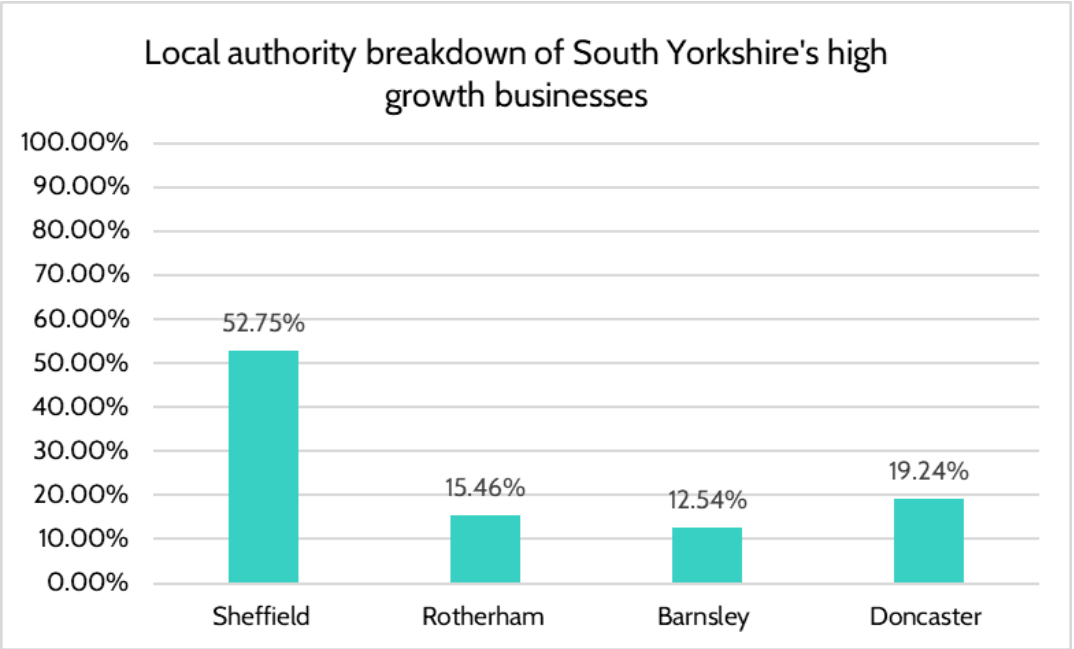


**Venture debt**

- For the purposes of this research, a South Yorkshire company is defined as having a head office where known, otherwise registered a address here. As at December 2022, 62,906 business were identified in the database for South Yorkshire

## South Yorkshire High Growth Businesses

- 582 (0.93%) businesses were tracked and therefore are classed as high growth companies.
- Barnsley has the fewest and unsurprisingly Sheffield has the highest proportion.
- Industrials (44.4%), Business and Professional services (36.7%) and Technology/ IP- based businesses (20.7%) were the top high growth sectors.
- Reaching 10% scale up was the main reason for business being tracked in South Yorkshire, followed by equity fundraising.



Top 10 Companies in  
SY by Employee Count

Name	Sector	Based (LA)	Employee
Stone carshowrooms and Garages	Car showrooms and Garages	Doncaster	2,980
Stafforce Recruitment	Recruitment agencies and personnel supply services.	Rotherham	2,936
Tuffnells	Provides parcel and freight delivery services.	Sheffield	2,424
Symphony Group	Furniture and Household goods.	Barnsley	1,804
AESSEAL	Manufacturers and engineers a range of mechanical seals used in pumps and rotating equipment.	Rotherham	1,755
Orbital Payroll Group	Consumer banking and financial services and Software-as-a-service (SaaS).	Barnsley	1,124
One Call Insurance	Analytics, insight, tools and Insurance services.	Doncaster	1,038
Converse Pharma Group	Business healthcare supplies and services and wholesale.	Doncaster	1,035
Gripple	Property/land development and construction and Property/land management.	Sheffield	901
City Taxis	Taxi company (also develops software which allocates taxi drivers to clients nearest to them)	Sheffield	870

Top 10 Companies  
in SY by Turnover

Name	Sector	Based (LA)	Turnover
Stoneacre Motor Group	Car showrooms and Garages.	Doncaster	£973m
Converse Pharma Group	Business healthcare supplies and services and wholesale.	Doncaster	£332m
Symphony Group	Furniture and Household goods.	Barnsley	£278m
AESSEAL	Manufacturers and engineers a range of mechanical seals used in pumps and rotating equipment.	Rotherham	£195m
Riverside Motors	Car showroom	Doncaster	£191m
Strata	Property and land development and construction.	Doncaster	£165m
Burrows Motor Company	Automotive, car showrooms and garages.	Doncaster	£142m
CF Booth	Recycles scrap metals and manufactures copper alloys.	Rotherham	137m
Iqbal poultry	Food and drink processors (including quality control) and wholesale (sells halal poultry).	Doncaster	£131m
Tuffnells	Provides parcel and freight delivery services).	Sheffield	£114m

Business density

- Compared to other Northern areas, South Yorkshire’s proportion of high growth companies is relatively high as shown in the table below.
- However, this may be because business density is very low in South Yorkshire, compared to other areas.

	South Yorkshire	West Yorkshire	Liverpool City Region	Greater Manchester
% Of high growth business (meeting 1 of Beuhurst 8 criteria)	0.93%	0.97%	0.77%	0.80%
Number of businesses not tracked	62,254	128,536	75,835	197,440
Business density % per 10,000 people	13.56%	24%	19.85%	37.9%



Business density

Businesses per 10,000 people in 2020  
local authority breakdown.

Combined Authority	Local Authority		Total
South Yorkshire	Sheffield	335	1, 356 (13.56%)
	Barnsley	312	
	Rotherham	346	
	Doncaster	363	
West Yorkshire	Bradford	345	2,004 (24%)
	Calderdale	459	
	Kirklees	393	
	Leeds	458	
	Wakefield	349	
Liverpool City Region	Halton	351	1,985 (19.85%)
	Wirral	324	
	Liverpool	365	
	St Helens	317	
	Knowsley	284	
	Sefton	344	
Greater Manchester	Wigan	321	3,790 (37.9%)
	Bolton	415	
	Bury	472	
	Rochdale	346	
	Oldham	333	
	Tameside	325	
	Manchester	505	
	Salford	494	
	Stockport	464	
	Trafford	570	

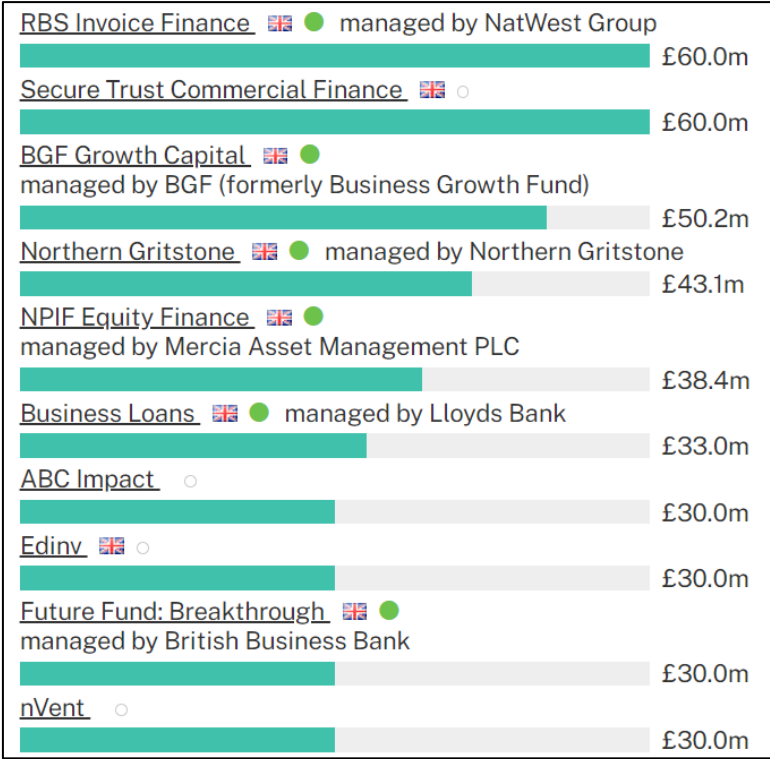
# Funding high growth companies

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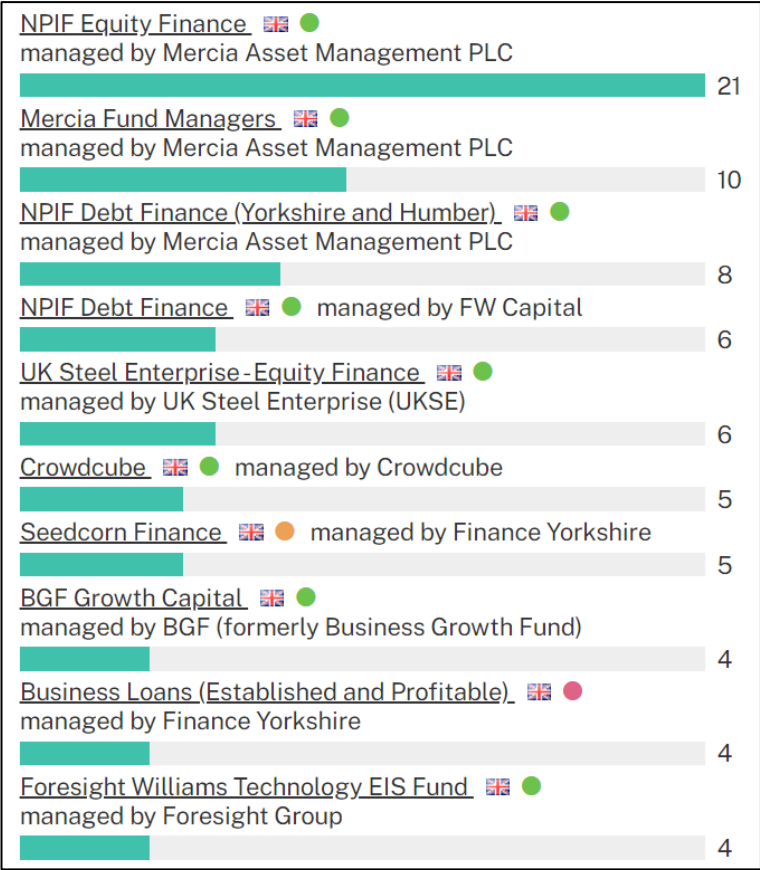
Top funders: 01.01.18- 01.01.23

- Over the last 5 years, by value, **RBS Invoice Finance** is the top funder for businesses in South Yorkshire.
- Over the last 5 years, by volume **NPIF Equity Finance** has funded the highest number of business in South Yorkshire to date.

Top funders by total value of fundraisings



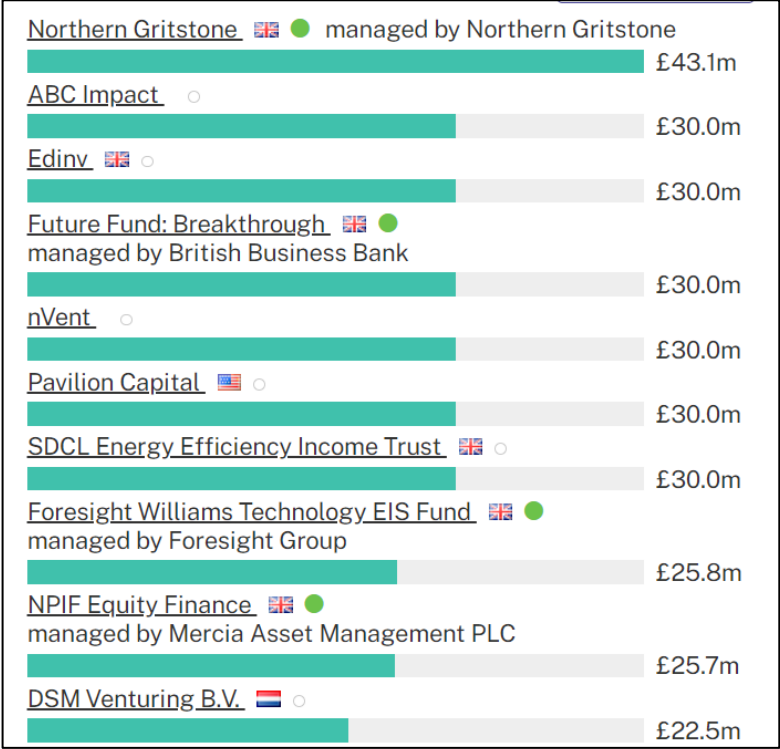
Top funders by number of fundraisings



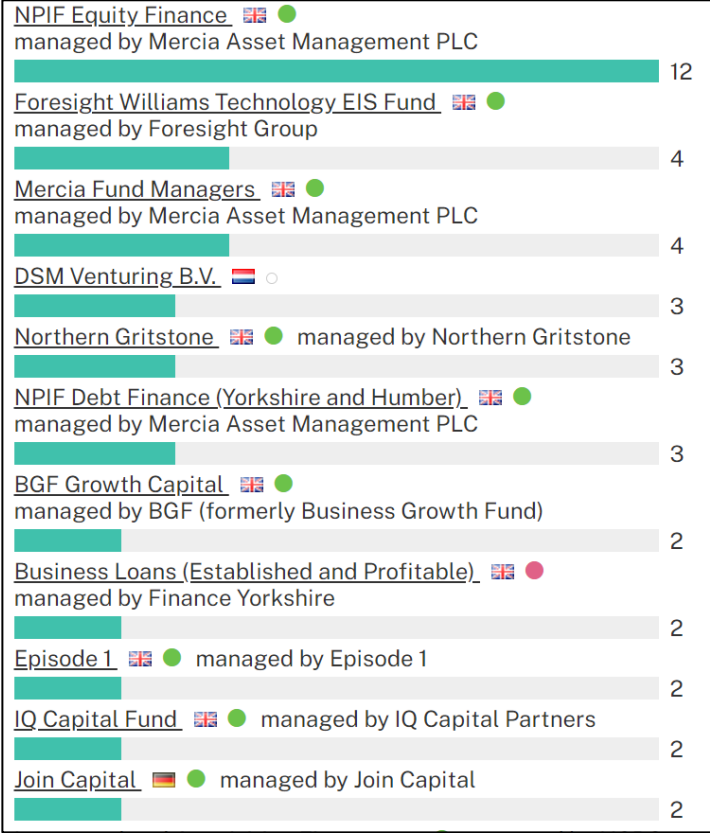
Top funders: 01.01.22- 01.01.23

- By value, **Northern Gritstone** is the top funder for businesses in South Yorkshire.
- By volume **NPIF Equity Finance** has funders the highest number of business in South Yorkshire to date.

Top funders by total value of fundraisings



Top funders by number of fundraisings



## Stage of evolution

- Majority of funding happens during the Seed stage\* of a business lifecycle (Figure 1).
- But only 18% of SY businesses are at this stage (Figure 2).
- Which suggests that the profile of the South Yorkshire business base is out of kilter with the rest of England

Figure 1

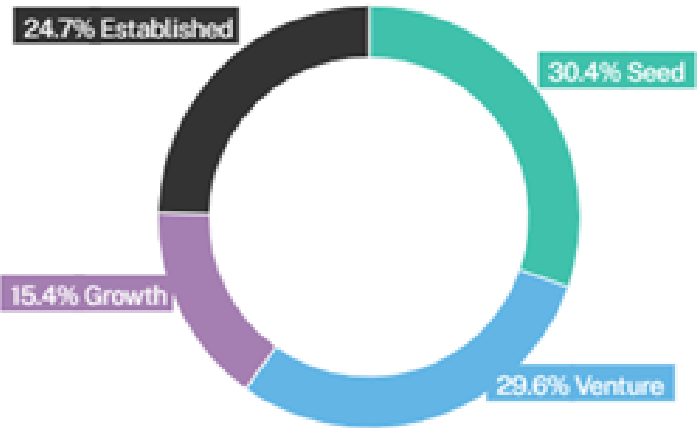
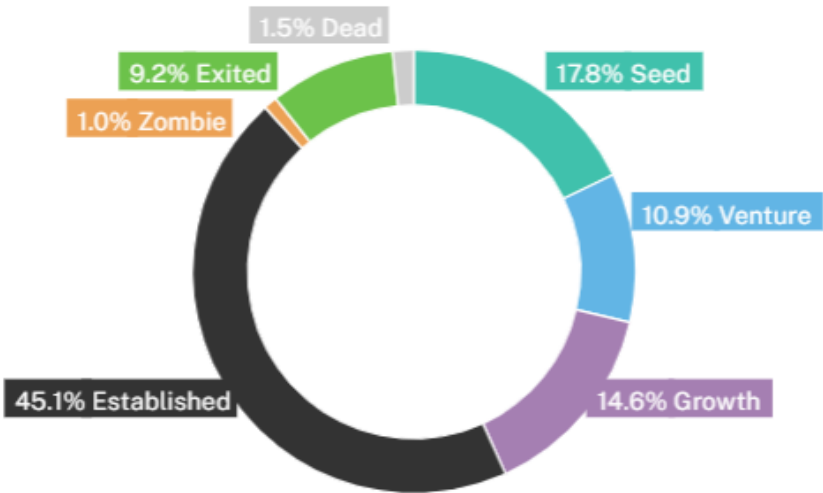


Figure 2



\*Beauhurst describe this stage as a “youngish company with a small team, low valuation and funding received (low for its sector), uncertain product-market fit or just getting started with the process of getting regulatory approval”.

Ceased tracking are all those in the **exited** (a company has done an IPO or been acquired) or **dead** category which is where a company has done one or more of the following. 1. Declared it has definitively ceased all activity.2. Its top parent company has been dissolved. 3. It has been at **Zombie** stage (their website shows prolonged neglect or companies house status is troubled) for a long period of time.

## Comparison to other areas

- South Yorkshire has the **highest proportion of businesses in the established stage** of the business lifecycle compared to these other areas. However, it has **the fewest in the seed stage**.
- South Yorkshire has **the smallest proportion of funding** happening at the seed stage but the **highest proportion at the established stage** when compared to other areas.

	South Yorkshire	West Yorkshire	Greater Manchester	Liverpool City Region	London (Greater)
% of businesses in the seed stage	<b>17.8%</b>	20.4%	22.7%	23.7%	<b>32.9%</b>
% of businesses in the established stage	<b>45.1%</b>	42.2%	35.3%	35.6%	<b>21.1%</b>
% of businesses receiving funding in the seed stage	<b>30.4%</b>	32.5%	35.3%	37%	<b>42.6%</b>
% of business receiving funding in the established stage	<b>24.7%</b>	20%	8.9%	10%	<b>3.5%</b>

**Seed:** a youngish company with a small team, low valuation and funding received (low for its sector), uncertain product-market fit or just getting started with the process of getting regulatory approval.

**Established:** a company that has been around for 15+ years, or 5-15 years with a 3 year consecutive profit of £5m+ or turnover of £20m+. It is likely to have multiple (often worldwide) offices, be a household name, and have a lot of traction.

Top 10 Companies in SY  
by Amount Fundraised in  
the Last 12 Months

Name	Sector	Based (LA)	Funding Raised
Iceotope	Electrical, Energy reduction technology, Server hardware	Rotherham	£57.7m
Additive Manufacturing Technologies	Manufacturing and engineering, 3D printing	Sheffield	£27.4m
Opteran Technologies	Chips and processors, Artificial Intelligence, Autonomous vehicles, Drones Virtual reality	Sheffield	£12.1m
Tutorful	Educational services, Internet platform, EdTech	Sheffield	£10.1m
Managed IT Services Group	IT consultancy and support services, Cloud computing, VoIP	Rotherham	£10.0m
Operam Education Group	Recruitment agencies and personnel supply services	Barnsley	£8.7m
Runflat CBR	Analytics, insight, tools, Automotive	Doncaster	£8.22m
Billian	Building materials, Property/land development and construction	Sheffield	£7.77m
SBD Apparel	Apparel and jewellery, Clothing, Other health and fitness	Rotherham	£7.2m
Mina	Automotive	Sheffield	£6.47m

## Regional funding differences

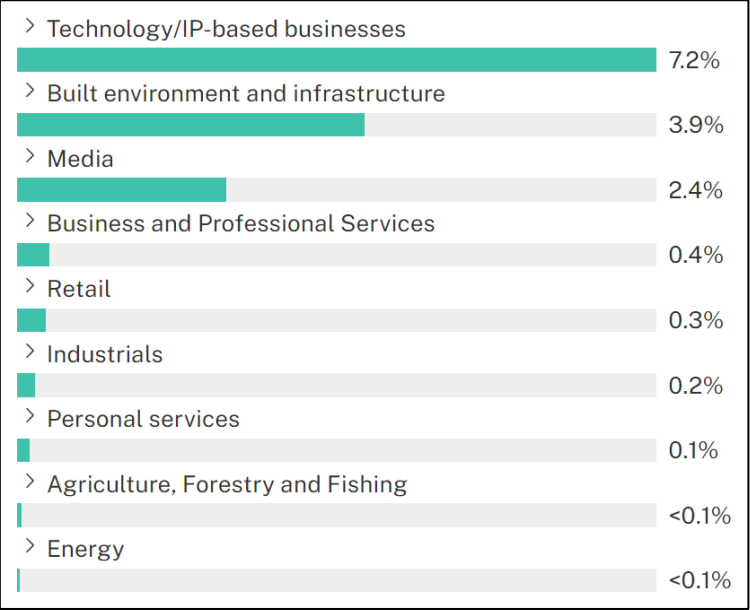
	South Yorkshire	West Yorkshire	Greater Manchester	Merseyside Met County
Funds Raised (Last 5 Years)	£422.6m	£813m	£2922m	£37.5m
Fundraising per Capita	£307.32pp	£345.72pp	£1018.90pp	£26.35pp



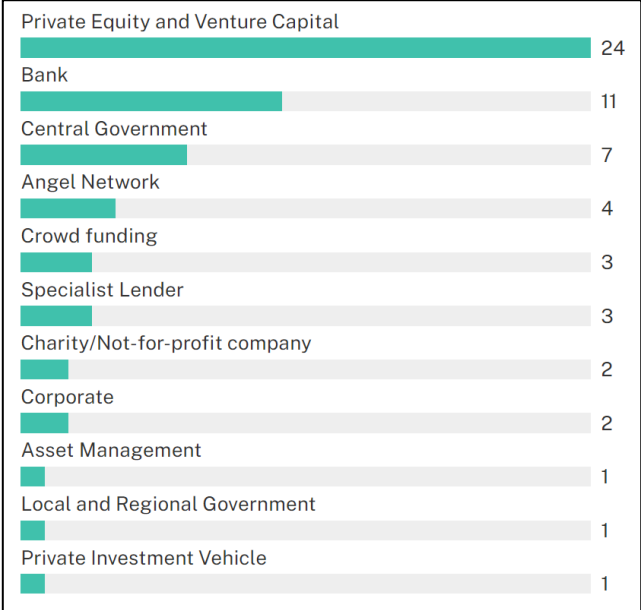
A few insights.....

- Doncaster businesses receive the lowest amount of equity investment, and grants and have the lowest percent of companies attending accelerators compared to the other LA areas.
- Majority of funding goes to the technology sector.
- Greater Manchester businesses fundraised **3.3 times more capital** per head than South Yorkshire ones in the last 5 years.
- The main type of funding received by South Yorkshire businesses is Private Equity and Venture Capital.
- However, built environment and infrastructure received the most funding (6.3%) in the last year.

Sector breakdown (01.01.18- 01.01.23)



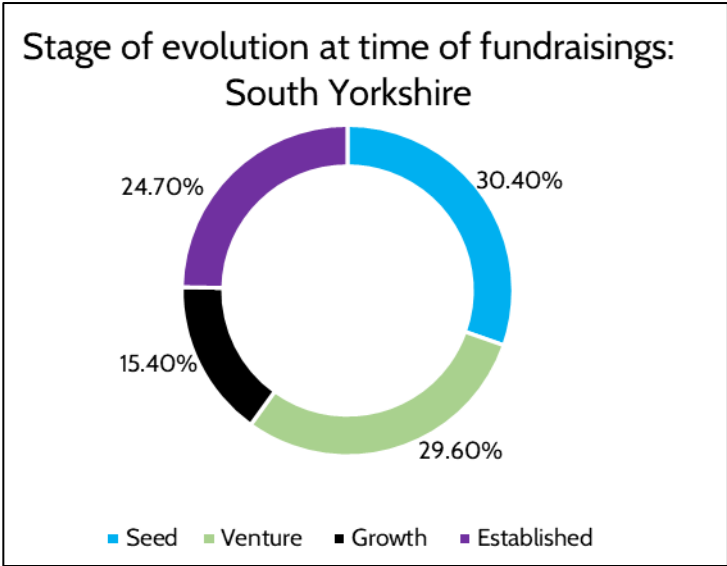
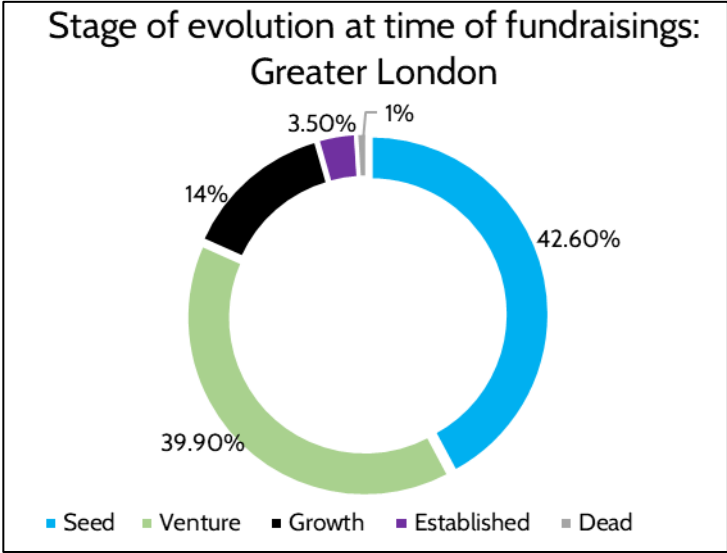
Fund Type (01.01.18- 01.01.23)



**What does this tell us**

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- Although South Yorkshire’s portion of high growth businesses is in line with other combined authority areas, and in some cases is higher, poor business density means this may be misleading
- The profile of the business base is a cause for concern.
- It seems funding is going to established businesses because we don’t have enough exiting and dynamic seed businesses.
- Or perhaps funders in South Yorkshire prefer established businesses as they may be less risky



## Sector breakdown

The table below shows the sector breakdown of high growth companies in South Yorkshire with Industrials being the biggest sector.

