

When British businesses win, we all share the spoils

Mid-sized firms are the engine that drives this country. They deserve more government help

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We all set personal goals, but there are some people who continually strive to be the best at what they do.

Now article 50 has been triggered, and the challenges posed by new markets, technology and trade rules are at the forefront of all our thinking, Britain needs more people to do just that – to be ambitious, set tough targets and surpass those prepared to give only second best.

The good news is Britain has a strong cadre of entrepreneurs, professional managers and investors who already meet these criteria.

This country is home to 30,000 mid-sized entrepreneurial businesses that form our economic engine, with those appearing on this year's Profit Track 100 making vital contributions. These firms outperform their listed peers and small businesses on multiple fronts, from job creation to exports and revenues. In three years, Profit Track 100 companies have lifted profits from £170m to £1bn, a hugely impressive achievement.

Yet these companies are largely overlooked by policy makers in Westminster, something BDO aims to change with our New Economy project.

Take their ability to create skilled jobs. Elaine Fairfax started Animal Friends in her spare bedroom in 1998. She

and her husband Chris have now built the Wiltshire-based ethical pet insurance business into a company that employs more than 200 people.

Appearing on Profit Track for a second year, this time at No 33, she has committed the firm to donating a significant proportion of its profits each year – in excess of £3m so far – to more than 300 animal welfare charities. In addition, last November she bid £1.1m at a Children in Need auction for a 45-minute private performance by Take That – and then donated her prize to a charity ball raising money for Sumatran orang-utans.

Such philanthropy and job creation ensure our society flourishes. We calculate that Britain's 30,000 mid-sized firms added 780,000 new jobs last year, compared with 135,000 by small businesses and 320,000 by FTSE 350 companies.

With concerns mounting



Elaine Fairfax's pet insurer Animal Friends has risen to No 33

over whether consumer spending will stagnate, it is even more important that help is available to these dynamic businesses.

BDO has set out policies to government that we think would make a difference. For example, we believe there is not enough support to help mid-sized builders respond to the housing shortage. While more than 50% of new houses in the UK are built by the eight largest housebuilders, mid-sized builders have a crucial role to play. Look what the eight in Profit Track 100 have achieved – they've built 3,524 homes in their latest year, up 7%, and operate all over the country, from Story Homes (No 44) in northwest England, appearing for a record sixth time, to Lioncourt Homes (No 16) in the Midlands.

Thirteen of the top 20 companies on the table have their headquarters outside London and the southeast,

showing the opportunities we have to rebalance the economy away from the capital. Many of these are manufacturers, such as the automotive seals maker Avon (No 2) in Bristol. Our latest survey with the EEF manufacturers' organisation showed industry had a stronger first quarter of 2017 than expected, with overseas demand for British goods improving significantly.

Such international trade is crucial and, now that the government has triggered Brexit, policymakers should make it easier for businesses to trade across borders. One way to do so is by zero rating the supply chain for exports, not just the export itself.

Companies also want access to highly skilled staff, whether homegrown or from abroad. We think there is a need for better funding of apprenticeships, especially in manufacturing and technology. It was good to

see the chancellor use his spring budget to allocate funding to attract the best global research talent, as well as to introduce T-levels to build technical skills in the workforce.

We also welcomed the £23bn National Productivity Investment Fund, aimed at improving our digital and physical infrastructure and tackling relatively weak levels of productivity. This is aligned with our call for investment in "smart infrastructure". The chancellor's £750m investment in local fibre-optic broadband and 5G networks will help boost productivity.

We will stand by entrepreneurial, mid-sized companies, such as those on the Profit Track 100 list, as they navigate the post-Brexit environment, making sure their voices are heard.

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