MHA

Manufacturing and Engineering

Annual Report 2017/18

www.mha-uk.co.uk

Institution of MECHANICAL ENGINEERS

Supported by LLOYDS BANK

About MHA

MHA members are progressive and respected accountancy and business advisory firms with offices in over 50 locations across England, Scotland and Wales. Our member firms provide both national expertise and local insight to their clients. As well as advising businesses across the whole of the UK, MHA members, through membership of Baker Tilly International, also help UK businesses who are looking to trade globally (and global businesses looking to trade in the UK). Through Baker Tilly International, MHA members can source 'in country' advice through a network of trusted advisors across 147 countries worldwide.

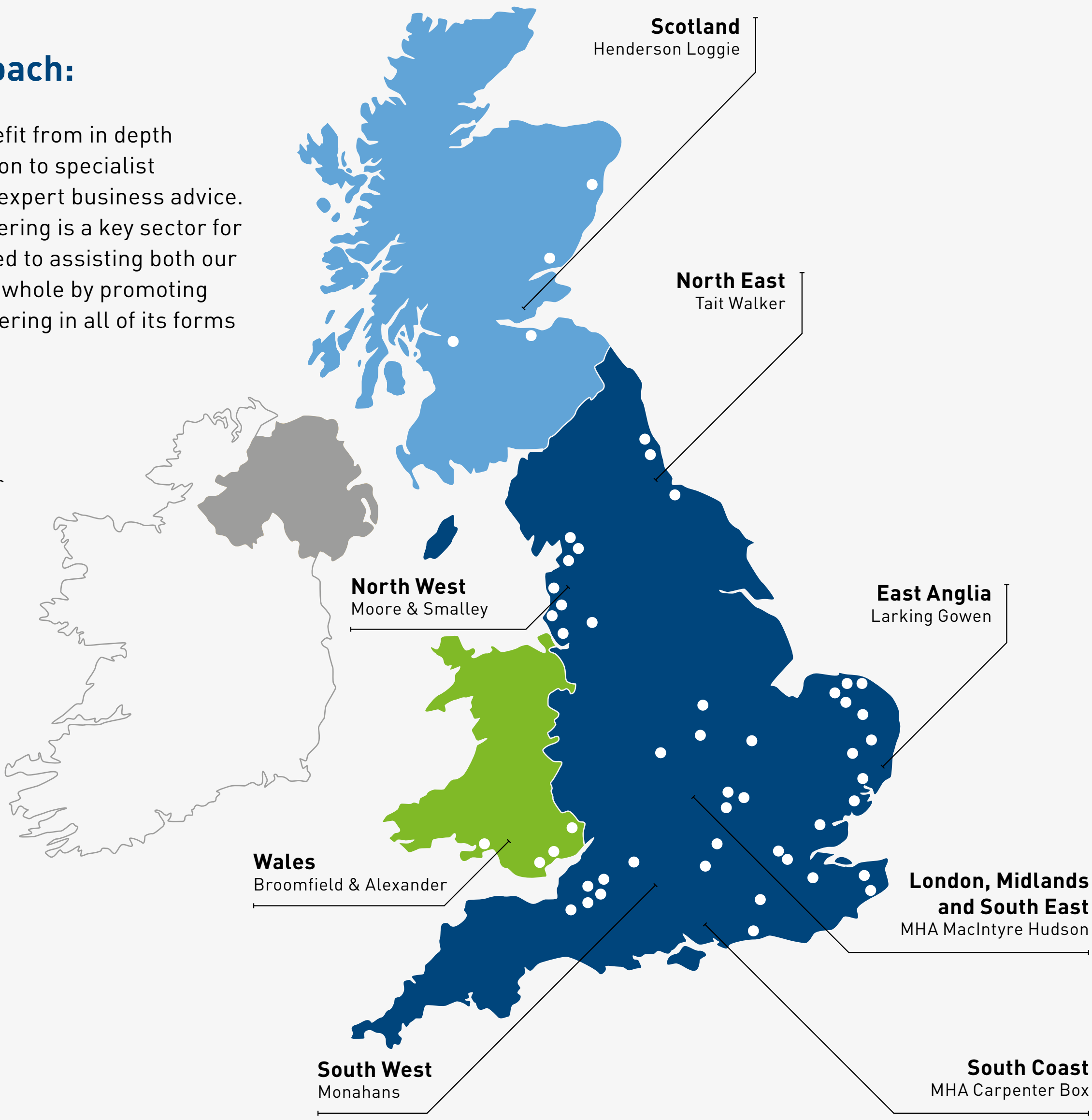
Our Sector Approach:

MHA allows clients to benefit from in depth sector knowledge in addition to specialist accountancy services and expert business advice. Manufacturing and engineering is a key sector for MHA, and we are committed to assisting both our clients and the sector as a whole by promoting manufacturing and engineering in all of its forms throughout the UK.

Collectively we have over

50

offices across the UK



Foreword

Chris Coopey,

Head of the Manufacturing Group at MHA

Now in its sixth year, the MHA Manufacturing and Engineering Survey continues to point to sector trends and highlights the challenges and opportunities that our makers and engineers face.

This year and perhaps counter-intuitively (given some of the pressures building up post the Brexit vote) business is generally buoyant and confidence fairly high. I say counter-intuitively because we are seeing increasing pressures caused both by the rising cost of raw materials consequent on the falling value of the pound and the continuing and growing crisis around skills shortages which is being compounded by the loss of a portion of the workforce who originally arrived here because of the right of free-movement across the EU.

In this respect and elsewhere, I hope you'll agree that the survey uncovers some interesting data and that as the UK needs to trade its way out of trouble, the government needs to put serious effort into building up the ten pillars of its nascent Industrial Strategy.

The sector also needs to do all it can to help itself by investing in such things as diverse as automation to forging better links with local schools, colleges and universities to improve the quality and volume of the talent pool.

As well as benefiting from the valuable commentary of Philippa Oldham who heads Manufacturing and Transport at the Institution of Mechanical Engineers, we also have insight from Sir John O'Reilly, whose knowledge of Manufacturing and Engineering has, amongst other things, seen him advising government, as well as now chairing the ERA Foundation. Our sincere thanks to them both.

We also thank each of the businesses who completed the survey and we are particularly grateful to Lloyds Bank Commercial Banking for their continuing sponsorship of the report which we hope you'll find useful and insightful.

Dave Atkinson,

Head of Manufacturing, SME, Lloyds Bank Commercial Banking

I am delighted to sponsor for the third year in a row, the annual MHA Manufacturing and Engineering Report, in conjunction with the Institution of Mechanical Engineers (IMechE).

Our sponsorship helps us to develop our understanding of the manufacturing sector and educate our dedicated team of local relationship managers across the UK.

The report, having surveyed the views of over 460 businesses from across the sector, puts a spotlight on the current sentiment, issues and opportunities that Britain's makers face. Manufacturing has never been more important to the success and growth of the British economy and this is even more significant in the coming months and years as the impact of leaving the EU emerges and the landscape for our clients changes.

We know that one of the major challenges the manufacturing sector continues to face is the skills shortage, which this report again highlights, compounded this year by the impact of uncertainty following the Brexit vote and the devaluation of sterling.

That's why we continue to support the Lloyds Bank Advanced Manufacturing Training Centre in Coventry, with a £5 million investment over five years to support vital new skills and apprentices into the manufacturing sector.

It is also clear that British manufacturers need further support to explore new opportunities in overseas markets. Whilst the devaluation of sterling has accelerated export growth, we have launched our innovative International Trade Portal to help businesses search for more opportunities and understand new markets.

Capital Investment levels are up on last year and it is encouraging to see that manufacturers continue to plan for the future and respond to changing conditions. We continue to support the sector by providing over £1 billion of new lending every year. This year we delivered our four year pledge of £4 billion of new lending to manufacturing and engineering, six months ahead of target.

I do hope that you find this latest report both informative and interesting and my thanks again to the MHA group for allowing us to work with them and to the IMechE for their insightful commentary.

Introduction and Overview of the Sector

Key Findings:

The MHA manufacturing and engineering survey indicated a number of consistent trends:

20% of respondents stated that they have lost staff or are at risk of losing staff as a result of the Brexit vote.

16% respondents said that Brexit concerns and uncertainty over future trading tariffs etc. was their main barrier to growth over the next 12 months.

22% of respondents put skills shortages at the top of their agenda. Most businesses want to see government action on expanding skills training for the future work-force at all levels of education, from Secondary Schools to Higher and Further Education (FE) colleges.

Despite uncertainty surrounding Brexit, optimism for growth over the next 12 months is up with

78% of respondents predicting growth for their business.

94% of respondents felt their cost of production would rise in the coming year.

A RANGE OF FACTORS CONTRIBUTED:

77% believe that raw material costs will rise

60% cited increasing wage costs

45% expect increases in the price of components (directly or indirectly through currency fluctuations).

Improved productivity and efficiency is the strategy which most companies deploy in order to absorb price increases (44%).

62% took the view that they could not pass on any increased costs to customers.

This is down by 9% compared to last year.

92% of respondents see **Industry 4.0** as an opportunity

66% of respondents believe their main competitors are based within the UK, with 35% of them saying that they face competition within their own region of the UK.

51% of respondents export, with the Eurozone being the most popular destination

96% of exporting respondents export to the Eurozone.

88% of companies invest some percentage of their turnover in R&D. However, only

44% of respondents successfully applied for R&D Tax Credits.

57% of respondents expect to increase their staff numbers in the next 12 months

An increase of 10% from last year.

59% are planning on taking on apprentices in the next 12 months.

35% currently don't have a strategy in place to access Apprenticeship Levy funding.

A further 19% say they have no training needs, whilst 26% say they don't understand the system.

Only **25%** of respondents indicated that they can recruit as needed.

Of the **75%** that can't, 46% have trouble recruiting skilled machinists / technicians.

This has increased by 5% in a year. Also, 39% have trouble recruiting experienced engineers.

Of the respondents that anticipate their staff numbers to increase in the next 12 months,

64% need to recruit production staff;

This is up 5% from last year.

In line with last year

17% of businesses reported that recruiting appropriately skilled staff is the main barrier to growth over the next 12 months.

Where recruitment is a barrier to growth,

18% of respondents favoured adopting lean manufacturing strategies

16% favoured automation or further automation as a coping strategy.

MHA surveyed over 460 clients and contacts in the manufacturing and engineering sectors. The respondents ranged from companies turning over less than £1 million to global players with significant industry presence, nationally and internationally.

Background

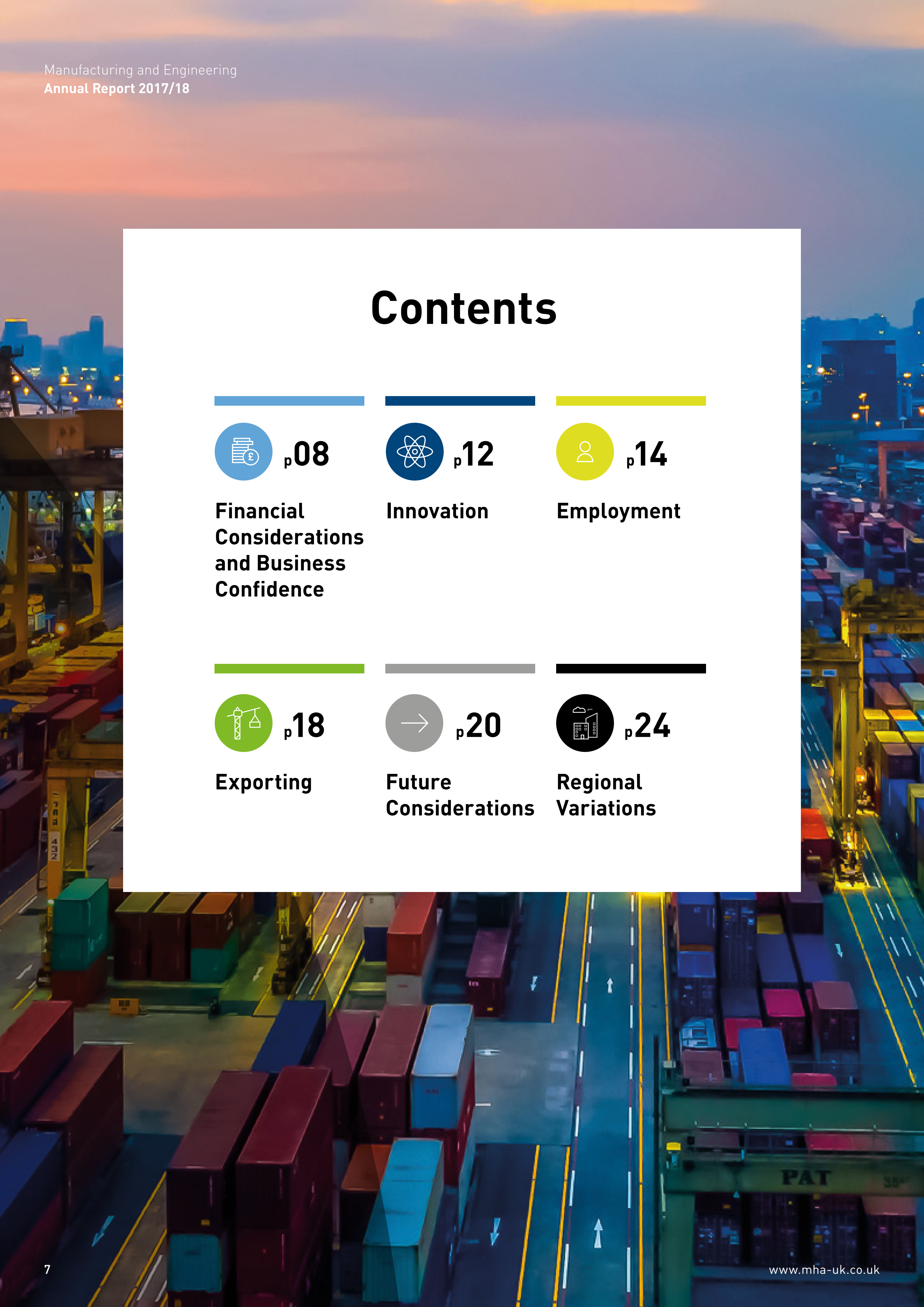
A national snapshot from 8 member firms covering, England, Wales and Scotland

464
responses

The majority of the respondents were SMEs

Respondents came from a variety of sub-sectors within manufacturing and engineering including:

Aerospace
Automotive
Agriculture
Biotechnology
Chemical
Construction
Electrical and Electronic
Defence
Food and Drink
Marine
Metals
Minerals and Materials
Oil and Gas
Pharmaceuticals
Precision Engineering/Tooling
Printing
Renewables and Transport,
as well as other specialist businesses.



Contents

Financial Considerations and Business Confidence

78%

are anticipating growth over the next 12 months.

Philippa Oldham Comments:

The last 12 months have brought about unexpected results and unforeseen outcomes. With the result for the UK to exit the European Union, there has not been a day without Brexit being in the news. Many believed it would send UK engineering and manufacturing businesses into a spin, but the evidence provided by facts and figures show a different picture. With the purchasing managers index (PMI) being consistently above 50 (indicating growth), for all but July last year, we have continued to see resilience within our UK manufacturing businesses. This is reflected by manufacturers continuing to report expansion with new export orders and market demands. However, whilst the data has been telling us that we are in a stable position, is this the real sentiment amongst businesses? This year's survey provides us with an insight into these opinions, with results that will provide a true reflection of the state of the nation.

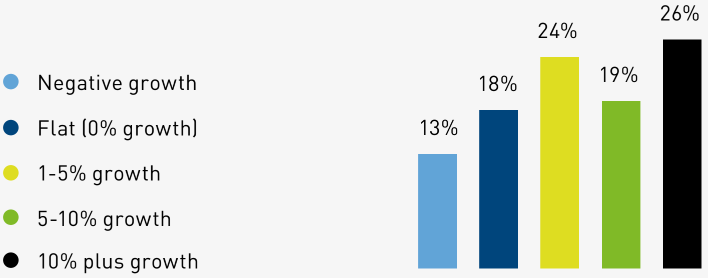
Revenue Growth

When looking at revenue growth for the last 12 months, 69% of respondents experienced growth; this is a 10% increase compared to last year which is good to see and possibly demonstrates some positivity in the sector, despite the apprehension around Brexit uncertainty. Of the 69%, 26% experienced growth of over 10% and only 31% reported negative or no growth which is positive (down by 10% from last year).

Revenue Growth Over the Next 12 Months

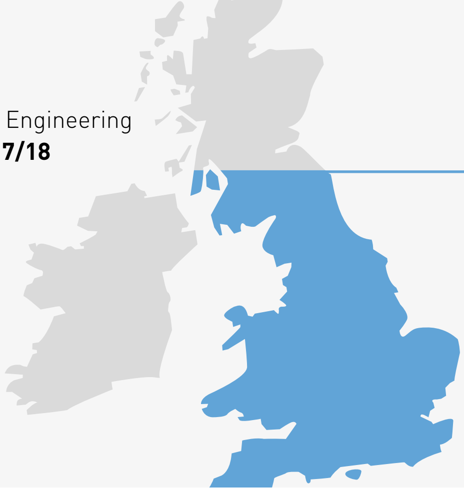
When looking to the next 12 months, optimism is high with 78% expecting growth and of that, a quarter (24%) are expecting more than 10% of growth. Only 22% were anticipating either negative or no growth.

REVENUE GROWTH PAST 12 MONTHS



Drivers for Growth

This year we asked respondents to rank between one and five the areas they felt would be the drivers for growth over the next 12 months. Growth drivers over the next 12 months were unsurprisingly quite varied, with some businesses giving multiple reasons. 40% saw increased demand from customers as the main driver for revenue growth; this was followed by expansion of product range (16%), followed by diversification which was at 15%. New markets overseas were seen as the lowest revenue driver. This could again be because of the apprehension in relation to the Brexit negotiations, but shows how much work there is to be done around encouraging exports generally.



66%

of businesses surveyed stated that their main competitors were based within the rest of the UK

Philippa Oldham Comments:

Over two thirds of the businesses surveyed reported growth this year, and over three quarters are expecting growth over the next 12 months. However, this leaves nearly a quarter expecting negative or no growth. This figure is significantly up on last year, when only 8% expected to see no growth or a reduction. This may be due to the uncertainty over trade deals and fear over loss of business. It is currently unclear as to whether we can expect to start seeing an increase in import costs, as this may affect many companies' bottom lines. For those expecting to see growth, the largest reason sighted is due to the increased demand from customers, which has risen to 40% this year, compared to 28% last year. This is positive as it shows that the businesses have installed confidence in their customers in terms of their deliverables, whether that be quality, reliability, cost or total service.

Business Confidence

We asked businesses to rate their business confidence over the next 12 months and 36 months. Over the next 12 months, only 12% ranked it as high. However, 47% ranked it above average. 14% ranked it as below average. Over the next 36 months, only 12% ranked it as high. However, 52% ranked it as above average. 14% ranked it as below average.

Philippa Oldham Comments:

With the current status of flux, the findings from the business confidence questions are as I would expect. As Brexit negotiations are only just beginning, we are all uncertain over what the business landscape will look like over the next few years. Therefore, unsurprisingly there is an average confidence around businesses, with undoubtedly some optimism and pessimism.

Competitors

35% said that their main competitors were based within their own region in the UK. 66% of businesses surveyed stated that their main competitors were based within the rest of the UK. The Eurozone was second at 37% and China made up 22%.

Philippa Oldham Comments:

The results show that there is healthy competition between businesses across the UK. However, many businesses feel uncertain about the outcome of the Brexit negotiations and how it could affect their organisations. Where possible, manufacturers must engage with their regional authorities and the DIT, raising any concerns that they may have about future trading and the potential loss of skilled workers. This will require our businesses to develop a strategy for growth both within the UK and further afield. Working with their customers outside of the Eurozone, looking at how they can grow their businesses, as well as keeping an eye closer to home supporting their regional economy.

Financial Considerations and Business Confidence

Only
6%
of respondents believe that their cost of production will remain at present levels.

77%
are anticipating the cost of raw materials to increase

Case Study
The Ford Engineering Group (TW)

The Ford Engineering Group (FEG), based in South Shields, work in industrial markets covering wide and diverse processes and services.

In order for FEG to remain a competitive market leader, their companies strive to deliver innovative products for a variety of market needs. The global industry markets that FEG operate in includes aerospace, automotive, marine, defence, power and energy, railway and offshore industries and many more related high technology industries.

A subsidiary of FEG, Ford Aerospace has worked extensively with European aerospace manufacturers such as Airbus and Augusta Westland, but has increasingly dedicated sales and marketing resource towards winning new orders from companies in the rapidly growing aerospace manufacturing sector in China. Chinese domestic airlines are likely to be the biggest global customers for new commercial aircraft over the next 20 years due to demand from Chinese middle class for air travel.

Chinese state owned aircraft manufacturer Commercial Aircraft Corporation of China (COMAC) is likely to become a major competitor to both Boeing and Airbus.

COMACs first major entry into the passenger jet market is the C919 jet which will compete with the Boeing 737 and Airbus A320 for orders in the short to medium haul sector.

Ford Aerospace have worked extensively with representatives of the Department for International Trade (formerly UK Trade & Investment) to build relationships with key organisations in the Chinese aerospace sector including COMAC.

Ford Aerospace have obtained registration of their Easipeel and Plasipeel product ranges on to the Qualified Product List for the COMAC C919 and expect the products to deliver significant revenues as the C919 is expected to secure more than 2000 orders for the new model.

Ford Aerospace increased their turnover by growing their non UK sales from 7.76% to 9.26% in 2016.

Production Costs

When looking at production costs, only 6% of respondents believe that their cost of production will remain at present levels. Of the rest, 77% are anticipating the cost of raw materials to increase, 60% believe wage costs will increase and 8% are concerned about the costs associated with the Apprenticeship Levy. Almost half (45%) are worried that the price of components will contribute to increased production costs. Obvious concerns also remain over the volatility of energy prices, with 42% stating that they will increase over the next 12 months (this is a 6% rise from last year).

Philippa Oldham Comments:

The results from this set of questions are as I would have expected. As a country with little wealth in raw materials, we will continue to need to import these from further afield. Therefore, the prospect that there will be an increase in the price of both raw materials and components are ones that we should realistically expect to see. However, there is an opportunity for businesses to review their end products to look at ways in which they could potentially reduce their reliance on imports. Businesses need to understand that they may need to change their business models, processes and procedures going forward to ensure viability. This may include reflecting on the scarcity and sustainability of the products they are producing. Taking a circular economy approach and addressing the lifecycle emissions of their products could offer longevity within the market place.

Production Cost Increases

In looking at how businesses will deal with any increase in the cost of production, 62% of respondents said they would not pass the cost on to their customers. Last year, only 29% were considering price increases whereas this year it has risen to 38%. This demonstrates that businesses have no choice but to pass production cost increases on to customers. Of the respondents that aren't considering price increases, 44% are planning to improve productivity and efficiency to offset such an increase.

Philippa Oldham Comments:

From the results, it appears businesses have accepted that managing and sustaining their production costs at the 2015/16 levels is unachievable. There will be a number of factors that have led them to this, from the rise in energy costs to the rise in raw material costs. This implies that the only real way for businesses to manage growth within their businesses will be to pass on some of their additional costs to their end customers.

Grant Funding

21% of respondents have received government or grant funding in the past year. Reported sources of funding include: Innovate UK, MAS, UKTI, ERDF and other regional growth funds support, amongst others.

Grant Funding 2017/18

Access to grant funding has many dimensions. It is the case that some areas of the country are better served by grants than others. Even where grants are available, poor signposting and complex application processes drive down demand. Nevertheless, 24% will be looking to make an application in the coming 12 months, against 11% who believe they have access to a grant but will not be applying. Almost half (43%) are still undecided about applying.

Philippa Oldham Comments:

*Applying for government grants and various funding calls always appears to be an area with which a lot of UK manufacturing businesses tend to shy away from. This is reflected here in the numbers, with less than a quarter of businesses looking to apply over the next year. The landscape has typically been a confusing one, but now after restructuring at Innovate UK, there are opportunities for businesses to know what is coming up in the future with the **Innovate UK Delivery Plan** 2016/2017. This informs businesses about the timings of the calls throughout the year, as well as a steer into the topics that will be addressed. Dissemination in terms of what is required to obtain these funding opportunities are communicated through many of the large trade organisations, with focused workshops run by the Knowledge Transfer Network (KTN).*

Innovation

Research and Development

Research and development (R&D) is defined as – 'Investigative activities that a business chooses to conduct with the intention of making a discovery that can either lead to the development of new products or procedures, or to the improvement of existing products or procedures'.

Percentage of Turnover Invested

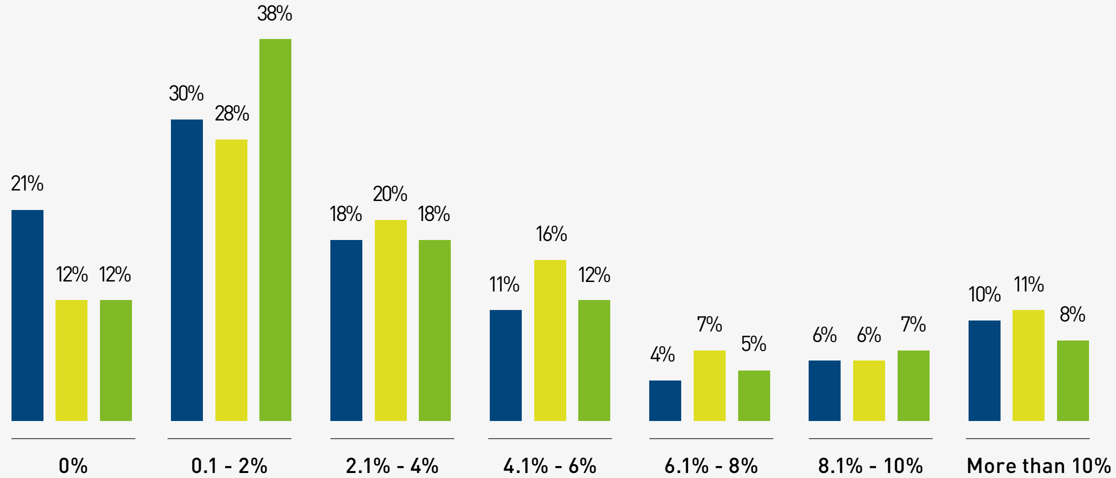
Overall, 88% of respondents are investing in R&D (this is the same as last year). 38% say they invest between 0-2% of turnover on R&D; 30% invest between 2% and 6% and 20% invest 6% or more.

Philippa Oldham Comments:

Upon the first reflection of these figures I saw that 88% of respondents were investing, and that this was the same as the previous 12 months which was positive news. However, after a more detailed look and comparison against last year's figures, it seems that of those 88%, 21% were investing less than 1% in R&D, whereas the numbers last year demonstrated that the 88% were split between 1% and over 6%. ›

WHAT PERCENTAGE OF YOUR TURNOVER DO YOU SPEND ON RESEARCH & DEVELOPMENT (R&D)?

- 2015
- 2016
- 2017



It is generally considered that investment in R&D is fundamental to a business's long-term success, as it leads to the development of new products, increased market share, high margins and rates of growth. However, in times of uncertainty, companies are often tempted to cut back on the expenses devoted to the scientific and technological work that underlie new products, processes and services. This is due to these expenditures sometimes being among the most capital intensive parts of a company's cost structure. However, companies should take note that cutting R&D investment too much can have a detrimental effect on the growth of the business in the future.

However, the percentage of R&D investment depends largely on the sector within which these companies operate. Pharmaceuticals have a tradition of large investment, whereas the telecommunications sector is traditionally much lower.

Claims in the Last 12 Months

It is surprising that even though 88% of businesses invest in R&D, almost half (43%) did not claim for R&D tax credits. Not all activity will be eligible (1% of respondents say their claim failed which is the same as last year), but many who have not claimed could probably do so and save their business thousands of pounds in the process. Almost half (44%) applied successfully. 4% were waiting to hear if their claim was successful.

Philippa Oldham Comments:

Each year we are surprised by the high levels of participants who are still not claiming for R&D tax credits, despite the large numbers claiming to be investing in R&D. Therefore, a plea to all those businesses that have claimed their R&D tax credits is to share your experience within your supply chain and those businesses that you work with, to make sure that they too are taking advantage of this offering from the government. In addition to this, I am concerned to see a large increase in the number that do not think that they will be claiming over the next 12 months rising from 27% to 42%. I find it puzzling that the number is increasing, particularly as we still have 88% of businesses planning to invest in R&D over the next year.

Will you Make a Claim in Next 12 Months?

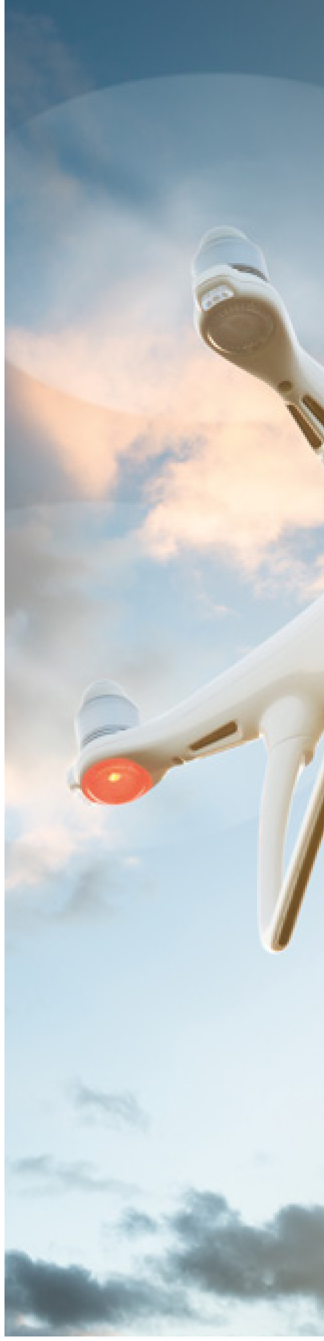
58% of respondents indicated R&D Tax Credit claims would be made in the next 12 months, 42% are choosing not to claim in the next 12 months.

Industry 4.0

We asked respondents 'Do you see robotics, automation and the "Internet of Things" as a threat or an opportunity for your business?' 92% said they saw it as an opportunity. This is very positive and shows how the sector is embracing technology. Last year, only 26% of respondents believed they understood the principles underlying Industry 4.0.

Philippa Oldham Comments:

To see such a high percentage of respondents realising the opportunity that robotics, automation and the Internet of Things offers their businesses is fantastic. This is a significant increase on last year's figures. This demonstrates that the communication that has been done in terms of what is meant by Industry 4.0 is starting to permeate into businesses. They are seeing the evolution of the digital age and optimising their manufacturing processes and procedures accordingly. Post Brexit, one of the government's newest departments BEIS (Business, Energy and Industrial Strategy) has put 'Digitisation' at the heart of its ambitions. This has taken the form of an ***Industrial Digitalisation Review*** *board that has been working with businesses to feed into the government to ensure that they deliver on strategy. With various consultations and workshops occurring, let's hope we see more incentives and funding opportunities appear within the next year to help businesses better prepare themselves, to ensure that the UK is truly open for business and remains competitive.*



Case Study
OpenWorks Engineering

OpenWorks Engineering, based in Stocksfield in Northumberland, is a high quality product development company, that thrives on solving problems by combining modern technologies with fundamental engineering principles. OpenWorks has developed a system that offers security operators a ground breaking alternative to defeat the modern, but increasingly common, problem of nefarious drones.

The proliferation of cheap and easy to fly drones has triggered a rise in the number of incidents where the safety and security of individuals and facilities has been compromised. They have infiltrated the security of heads of state, delivered contraband into prisons and photographed private film sets and celebrity properties.

OpenWork's SkyWall product range offers those exposed to the drone threat, the ability to physically capture a drone and control it's descent to the ground.

The first version of the system released was the SkyWall100; a man-portable handheld launcher that is highly mobile and a cost effective way of dealing with the drone threat. The technology was deployed with the BKA (Federal Criminal Police Office) in Germany for President Obamas visit in 2016.

In September 2016, SkyWall100 was announced as the winner of the best Unmanned Aerial System interdiction category at the MITRE Technology Day in the United States.

Employment

Barriers to Growth

When looking at barriers to growth over the next 12 months, 17% of respondents thought the main barrier was recruiting appropriately skilled staff. This was closely followed by working capital constraints (16%) and Brexit concerns and uncertainty over future trading tariffs etc. (16%). Global economic concerns are a main barrier for 13%.

Combating Recruitment Issues

Where recruitment is a barrier to growth, 18% of respondents favoured adopting lean manufacturing strategies, a drop of 13% from last year. 16% said they would use automation strategies and 16% said they would introduce shift working or flexible working patterns. 20% said none of the above. Only 18% said that recruitment was not an issue.

Staff Attrition due to Brexit

Writ large is the fact that nationally, 20% of respondents believe they have lost staff or are at risk of losing staff as a direct consequence of the Brexit vote. As worrying as it is, this average masks the fact that in some parts of the country, the London and the South East for instance, the percentage of affected businesses rises to 35%. Looking back to the national picture, 72% of respondents said staff losses were due to uncertainty over post Brexit EU worker's rights, with 40% blaming the drop in the value of the pound. Other reasons given included businesses experiencing reduced orders since the vote was announced, EU funding now not being available and the threatening environment that the Brexit vote has fostered towards foreign workers.

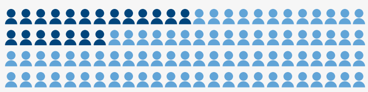
Recruitment

Excluding apprentices, 57% of businesses expect to see an increase in staff in the coming year, up 10% from last year. 38% are expecting their numbers to stay the same.

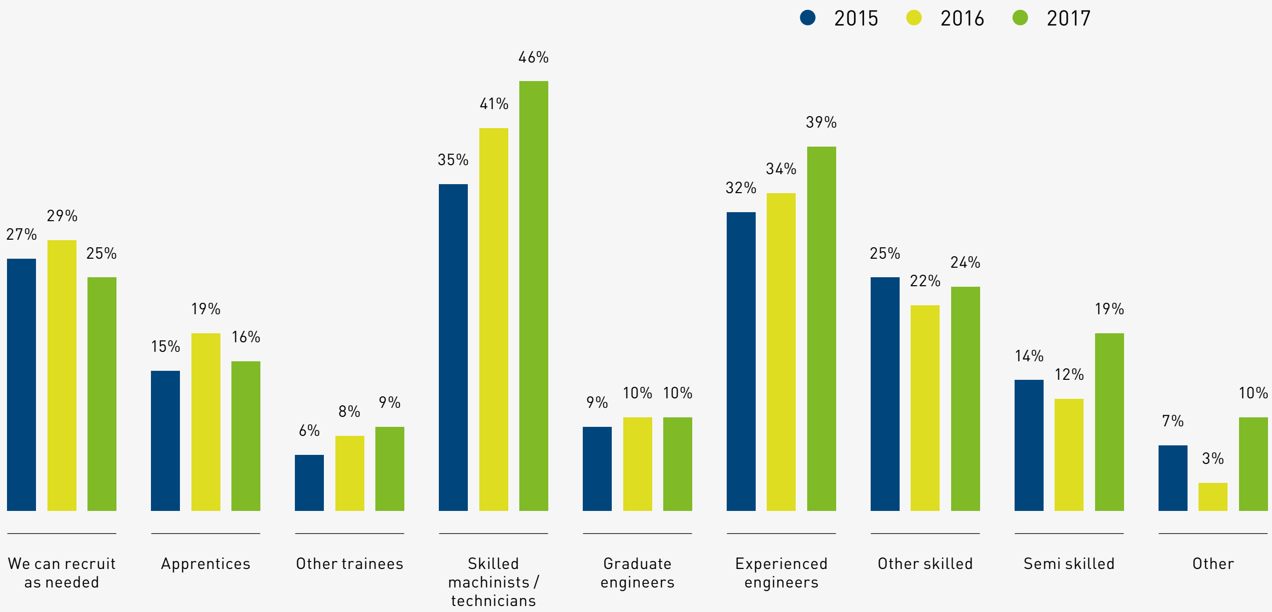
Two thirds (64%) of those planning to recruit will be looking for production staff, whilst 15% want to recruit sales and marketing staff (a decrease of 5%).

20%

20% of respondents believe they have lost staff or are at risk of losing staff as a direct consequence of the Brexit vote.



DO YOU HAVE TROUBLE RECRUITING EMPLOYEES WITH THE RELEVANT SKILLS FOR YOUR BUSINESS AND IF YES, IN WHICH CATEGORIES?



Apprentices to be Taken on in 2017/18

59% of businesses are planning on taking on apprentices in the next 12 months. Does this show that the introduction of the Apprenticeship Levy has worked in terms of encouraging businesses to take on apprentices? Time will tell. Of these, 54% are looking for 1-3 apprentices (a 3% increase from last year). 5% are looking to take on more than 4 apprentices.

The Apprenticeship Levy

Only 14% of respondents will be paying the Apprenticeship Levy. However, 6% are unsure if they need to pay the levy or not. A worrying 80% currently don't have a strategy in place to access Apprenticeship Levy funding. This is concerning given that 59% are planning to take on apprentices.

Difficulty Recruiting Staff with Relevant Skills

Three quarters of respondents (75%) have a problem finding staff. Skilled machinists appear to be the most difficult to recruit, with 46% of those looking to recruit saying this was a problem area for them (a 5% increase from last year). 39% cannot find experienced engineers and 24% of respondents have trouble finding other skilled employees.

According to respondents, the biggest single problem with recruitment into the sector is the shortage of applicants with relevant skills, with 62% of respondents picking this as their top reason. Another common theme amongst businesses and in second place in the ratings was the lack of motivated applicants locally for lower skilled jobs, which was ranked as first choice for 16% of respondents. Unrealistic salary expectations was the joint third reason (8%), along with competition from larger businesses causing recruitment issues (8%).

59%

of businesses are planning on taking on apprentices in the next 12 months.

Employment

75% have a problem finding staff.

The levy was introduced on the 6th April 2017 and if you're an employer with a pay bill of over **£3 million** you will be expected to pay into it.

Philippa Oldham Comments:

There is no doubt that one of the biggest uncertainties surrounding Brexit is the free movement of people. This is particularly poignant as engineering and manufacturing companies do not often recognise borders. By this I mean that many operate an international supply chain and indeed many are owned by non-UK parent companies. Whilst many of the large Original Equipment Manufacturers (OEMs) and Tier ones are voicing their concerns, we can see that this challenge flows right through our businesses and across the country. The results indicate that businesses already feel that this is having an impact on their organisations, losing staff and orders post the Brexit vote.

On the whole, figures over recruitment challenges seem fairly consistent with last year's data; however, there is an increase in demand for those who have production skills. This may be due to the ongoing baby-boomer retirements. Many of these replacements will come from individuals who have trained as apprentices.

This leads onto the introduction of the Apprenticeship Levy and the questions and answers that surround this show many businesses are still unclear. The levy was introduced on the 6th April 2017 and if you're an employer with a pay bill of over £3 million, you will be expected to pay into it. For those non-levy paying employers, you will contribute 10% of the cost of training an apprentice, and the government will 'co-invest' by paying the remaining 90% (under the current proposal). Businesses with under 50 employees won't pay anything if they employ apprentices under the age of 19, and will receive a £1,000 payment with an additional £1,000 payment to the training provider. For those already employing apprentices, anyone accepted before May 1st 2017 will be funded for the full duration under the terms and conditions that were in place when the scheme started. The government's new digital service will help employers to select an apprenticeship framework, choose training providers and assessment organisations, and post their apprenticeship vacancies. SMEs won't need to use the digital apprenticeship service to pay for apprenticeship training and assessment until at least 2018, when the government will issue further advice.

Hopefully that may clear up some of the uncertainty, but for the 80% of respondents who don't have a strategy in place to access the funding, this is cause for concern, but not altogether surprising. In April 2017, the Institution published a report, 'Apprenticeships in the education and skills landscape of England.' Within the report, one of the recommendations focused around the government using some of the Apprenticeship Levy to fund stakeholder communication and engagement activity, as well as providing quality delivery. It is clear that it has not yet happened. For additional guidance of the application of the Apprenticeship Levy, companies can contact the Institute for Apprenticeships.

In terms of additional recruitment challenges, 62% of businesses are failing to find people with relevant skills. Further analysis is required here as it would be useful to know whether it is specific technical knowledge that is missing, experience of a particular technology or whether it is just sector specific skills that are missing. Engineers develop a tool kit of skills over their education and training. Many of these individuals then obtain professional accreditation from one of the professional engineering institutions (PEIs). This may be denoted as EngTech (Engineer technician), IEng (Incorporated Engineer) or CEng (Chartered Engineer). To obtain these credentials, the candidate would have to have demonstrated various levels of competency. Employers may find these accreditation levels useful to sift through their applications, highlighting candidates that meet a certain level or indeed to baseline their own employees and those with which they are taking through as apprentices. The PEIs can help businesses implement this process into their businesses and advise on training courses to ensure that training provided aligns to the end certification of professional accreditation.

Case Study
Parafix

Parafix is Europe's leading converter and distributor of adhesive tapes, foams, films and foils from the world's leading manufacturers. Their core business is converting these materials into bespoke components and every year they produce over 350 million die-cuts, across their four manufacturing sites in the UK and Hungary. They offer a unique combination of long established expertise, state-of-the-art converting technologies and a reputation for quality and service. Their custom adhesive solutions are supplied into a variety of markets, including healthcare, automotive, electronics, industrial, aerospace and lighting. They are currently enjoying sales growth of 20% p.a. for the last 3 years.

Parafix say they add value through a combination of long-established converting capability, product, substrate, application and market knowledge, access to a variety of materials through globally recognised supplier partnerships, state-of-the-art converting facilities, including ISO 14644-1 clean room manufacturing, quality accreditation (ISO 9001, ISO 13485, ISO 14001, ISO/TS 16949 compliance and FDA registration), customer support (design, prototyping, aftersales) and their industry leading website.

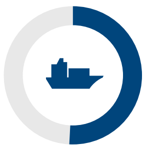
Exports currently account for 55% of Parafix's overseas sales across UK and Hungary, to over 40 countries. Europe accounts for 94.8% of sales, North America 4.7%, Asia 0.3% and Africa 0.2%.

Michael Punter, Managing Director recognises that they have opportunities to educate/raise awareness of the benefits of converted tape over traditional fixings methods; to continue to grow organically, especially in Central Europe; to convert the growing number of visits and enquiries via their website into customers; and to improve the conversion rate of their 500+ sales enquiries per month. Some of their challenges include access to funding, a volatile currency market and general Brexit uncertainty, finding suitable property and time.

Their growth forecast will demand that Parafix remain active in the employment of new staff for the foreseeable future. Given the relatively niche industry, it is unlikely to find workers with first-hand knowledge of the machinery used in the factory, but candidates with an engineering aptitude will be sought. Parafix is also looking to employ its second engineering apprentice.

Michael would like the government to support the sector by increasing capital allowances, improving the A27 urgently and providing business grants to support growing companies that employ more people in the medium sized manufacturing sector in the UK.

Exporting



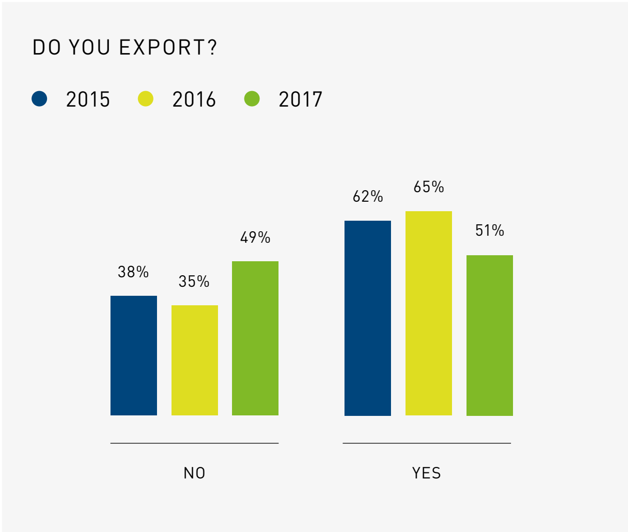
51%
of respondent companies export.

This is a decrease of 14% from last year

Exporting

There has been a concerted push to help UK businesses break into new markets across the globe. Through schemes such as 'Passport to Export' and subsidised trade missions, UKTI and others have been tasked by the government to increase the UK's global share.

Our survey revealed that 51% of respondent companies export (although this is a decrease of 14% from last year) and of those, 62% found exporting assistance from the government useful. Disappointingly, 38% of businesses felt that the help received was not useful, an increase of 26% over the last year.



96%
of exporting companies ship goods to the Eurozone.

Case Study
Electronic Temperature Instruments Limited

Electronic Temperature Instruments Limited (ETI) is a well-established manufacturer and distributor of quality and value-for-money catering, food processing and industrial thermometers, temperature probes, data loggers, humidity and moisture meters both for the UK market and for export. ETI are located in Worthing, West Sussex. Reliable, consistent quality products, continuous innovation and friendly and prompt customer service are winning them more customers year after year. They have managed to build up an excellent reputation in the industry over 35 years with hard work and a "little bit" of help from their Marketing team. In 2017 they won the Queen's Award for International Trade for the third time.

Erika Marsh, Company Accountant has been with ETI for over 6 years, seeing the company through a period of steady growth and investment and also some interesting economic times after the Brexit vote.

"Depending on Brexit negotiations of tariffs and trade agreements we may face reduced exports, due to increased prices of our products into the EU markets. This however may bring new opportunities to sell in the UK market or export to tariff free areas. We export world-wide; our biggest market is the USA. This year over 55% of our sales orders came from overseas customers and we aim to continue improving our export sales to new territories. Due to the weaker sterling we had to absorb the increased cost of materials and finally had to increase our prices to maintain profitability. Automation may prove a threat from competitors, but we are proud to manufacture and test our products by hand and so far we managed to turn this into a selling point. We are continually reviewing competitiveness of our products and the way we manufacture them. The company has made large capital investments in R&D to develop improved and innovative new products to keep abreast of competition and new demands."

"We are looking to hire more staff in line with our growth plan. We do find it increasingly challenging to recruit at all levels and also to retain highly skilled employees despite a great working environment, numerous company benefits, and training and development programs."

To support them, ETI would like to see from the government: "favourable trade and tariff agreements together with an educated work force is key to our success, so a smooth transition from the EU and more investment in training and education would have a positive effect on the manufacturing industry. Continuing with tax credits for R&D investment and expenditure would help ETI to remain competitive."

Export Destinations

The most popular export destination remains the Eurozone, with 96% of exporting companies shipping goods there. This represents a 6% increase from last year. Asia (excluding China) was the second most popular exporting destination, with 62% exporting there (a 15% increase on last year), followed by the United States accounting for 61%. North America (excluding the U.S. and Canada) was the destination which just 18% of respondents export goods to, which either means opportunities are being lost or the barriers to exporting there are perceived to be too high.

Barriers to Exporting

Of those companies that do not yet export, 62% believe it's not relevant for them. 18% put it down to an issue with sourcing and understanding local partners, a recurring theme in this survey. 11% had other specified reasons for not exporting, including lack of resources, lack of sales development in overseas markets, time and logistical issues.

Case Study
Slake Spirits

Slake Spirits is an independent artisan gin distillery based in Sussex. Hand-crafting fine sipping gins at the crossroads of chemistry and botany, they grow, forage and process botanical ingredients to make them into gin and other sipping spirits. Slake Spirits say their USP is the fact they are hands-on from start to finish and their passion and attention to detail, combined with thoughtful production processes, which helps them make exceptional products.

Thomas Martin-Wells, Director and founder of Slake Spirits since February 2016, talks about some of their opportunities and challenges: "With Brexit approaching and farmers looking to be hit particularly hard with tariffs, there is scope to look at alternative profitable land uses. Slake Spirits, with experience in botanical selection and distillation, is ideally placed to look at diversifying into growing artisan botanicals in the UK to feed a growing gin market both domestically and internationally. The market is becoming highly competitive and defining a unique niche and holding/growing market share will be challenging."

Slake Spirits are aiming to grow sales regionally and will therefore take on more sales and admin staff to win new accounts and support existing relationships. They are also looking at obtaining new premises which will increase production capacity. Slake Spirits do not currently export, but the DIT are supporting them and they are looking for export opportunities.

Thomas would like the government to support the sector by "retaining free trade with Europe and/or agree new free trade routes into established, developing and emerging premium markets like India, Eastern Europe, China, Brazil and Japan. Fund and/or host trade missions to emerging premium markets. Increase access to grants and funding for access to land and business growth in the South East, particularly for businesses which have considered and minimised their environmental impact and/or given back to the environment or community."

Philippa Oldham Comments:

Exporting is something that needs to remain a priority during the Brexit discussions. Whilst the results show an overall decline of 14% in the amount of companies exporting compared to those last year, the companies that are exporting seem to be casting their net further afield, with exports to China and the US increasing. However, to get a positive balance of trade, the UK needs to look at how it can reduce its reliance on imports. Currently we import more than we export, which gives us a negative balance of trade.

Organisations need to readdress what they are importing, to see whether there is an option of UK sourcing. Whilst many believe that this may not be an option due to price points, as negotiations continue on our departure of the European Union we may start to see more tariffs incurred and with the rising cost of transportation, locally sourced may end up being more attractive and viable.

Future Considerations

50% are looking to increase their spend.

Capital Investment in the Next 12 months

Capital investment levels for the coming year are up by 6% from last year which is encouraging. 50% are looking to increase their spend, of these, 17% of businesses are planning for a considerable increase. 42% of respondents are planning for capital expenditure to remain at similar levels to the previous 12 months.

Philippa Oldham Comments:

These results show that there is business confidence despite the uncertainty around the Brexit negotiations. We can see that expected future capital investment is up on last year's figures. This potentially implies that businesses have had a realisation that they may need to update their production capability to remain competitive, but that businesses have also bought into the mentality of Industry 4.0, so are upgrading their facilities to ensure that they are improving their performance in the long term.

65% of respondents say that they have adopted lean manufacturing principles in their processes.

Case Study
Alderman Tooling

A Plymouth-based manufacturer has bought new equipment to increase efficiency and create six new jobs, with the support from Lloyds Bank Commercial Banking. Alderman Tooling, established in 1969, is a family-run business that specialises in sheet metal and fabricated steel products. The business provides a comprehensive range of in-house metal fabrication technologies, including laser cutting, welding, folding, turning and powder coating. It serves retail, IT, automotive and railway sector clients across the South West.

The business needed an additional CNC Laser machine to triple its capacity and give it the opportunity to take on new contracts. The firm's previous system required employees to manually control the machine, whereas the new equipment automatically feeds in the material and can run unsupervised, freeing up employees to focus on winning new business.

Alderman Tooling is based on Newnham Industrial Estate and has an annual turnover in excess of £2.5m, employing 40 people.

Karen Friendship, managing director at Alderman Tooling, said: "The introduction of the new laser cutting machine is a part of our long-term investment plan; and with the extended capacity we can now focus on winning new business in sectors we haven't worked with before, such as construction.

"We've had a longstanding relationship with the team at Lloyds Bank, and with the latest funding we've been able to upgrade our production process and make positive steps towards achieving our growth ambitions."

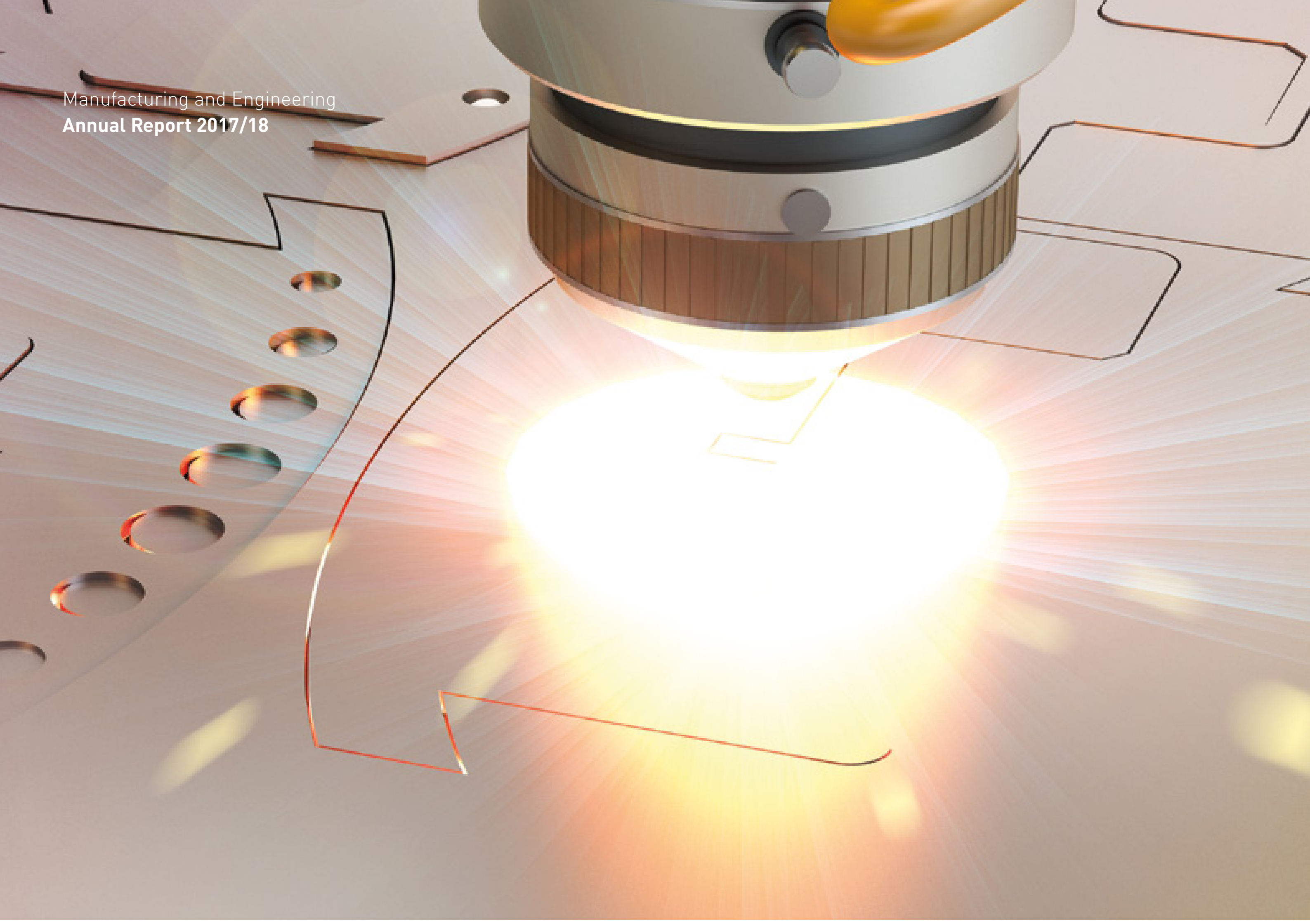
Sustainability

69% said that sustainability was either a medium or high priority in their manufacturing process. 20% gave it a low priority, with 11% giving it no priority at all.

Future Plans for Energy Requirements

With the levels of publicity around energy diversity, it's encouraging to see that just 51% of respondents now plan to remain reliant on traditional energy providers in the next 12 months. This is a remarkable difference to the 67% last year. 15% are now also looking for an energy efficient plant, with IE3 or IE4 motors, 7% are planning to source renewable energy, and 9% already have.

Energy consumption remains a massive cost centre for manufacturers and engineering businesses, so anything that can be done to reduce those costs are a positive. Announcements of investment in new battery technologies and other initiatives around the grid could save billions of pounds thanks to major changes in the way electricity is made, used and stored, the government has said. The ability of businesses to generate and trade in energy may be the consequence of these changes. This could be a positive and so the trend away from traditional suppliers might well accelerate.



Philippa Oldham Comments:

Energy security is something that is fundamental to our engineering and manufacturing businesses. We are starting to see a change in the way businesses are addressing this challenge, as we can see that now, only half of respondents are remaining with traditional energy providers. The UK Government has an opportunity to develop a long-term strategy for energy, addressing both demand and supply.

Such a strategy would help support UK manufacturing and engineering companies, not only in terms of stability, but also security, with the opportunity of sourcing alternative technologies and solutions into the mix. This could influence future incentives into the adoption of various renewable technologies into innovation, science and business parks where multiple businesses are based and could all benefit from the introduction of such technologies. This could include the introduction of PV arrays and wind turbines being used alongside batteries, which would give business parks the capability to store their energy and use it as required to assist with the sites power demand.

Lean Manufacturing

Perhaps as a way of offsetting increasing production costs, encouragingly, 65% of respondents say that they have adopted lean manufacturing principles in their processes.

Making a Wish

As usual, we asked participating businesses to make a wish and tell us the three things that the government could do to help them.

At the top of the list (22%) was combating the skills gap, with businesses wanting to see an expansion in skills training for the future work-force at Secondary Schools, Further and Higher Education (FE) colleges.

A plea for more tax incentives around investment in automation by way of better capital tax breaks, tied with reducing business taxes generally was voted for by 16% of respondents, followed closely by calls for a reduction in business rates (15%).

Sir John O'Reilly FREng HonFIET

Manufacturing: A Cornerstone for Sustainability of the UK Economy

This survey comes at a particularly 'interesting' time, providing important insights into the sentiment and concerns in the UK manufacturing sector. Inevitably, Brexit and the attendant uncertainties feature largely. Business confidence for the coming year is at best mid-range, albeit with some uplift when viewed on a 3-year horizon. Some 20% of businesses nationally and 35% in London and the South East have lost staff, citing Brexit as a factor, but around 95% indicate they expect to increase (57%) or at least maintain (38%) staff numbers in the next 12 months. When looking at the type of staff businesses are looking to recruit, production staff features strongly at 64%, indicating that businesses are looking to grow first, then follow through with increases in Sales and Marketing staff (15%) and R&D staff (12%). This is indicative of a sector willing and wishing to step up to the challenge of growing manufacturing, to feature more strongly in the UK's economy.

Over the past two decades we have seen a serious decline in the volume of UK manufacturing, encouraged by the clearly false mantra that 'the UK is a post-industrial nation'. Yet even at the current low level of 9.5% of GDP, manufacturing contributes around two thirds of business R&D and nearly half of the Nation's total exports. Consideration of exports is pertinent: reduction in manufacturing has led to a growing deficit in UK trade of Goods which isn't offset sufficiently by trade in Services, inevitably resulting in a large deficit in Balance of Trade overall and increased national debt. Foreign Direct Investment has been a substantial factor in balancing the Current Account, but two thirds of this has been in the form of asset sales (change of ownership) rather than new investment. In terms of Balance of Trade, analysis indicates that an extra pound in GDP in manufacturing is worth at least five in services, so increases in manufacturing clearly offers the most practicable means of rebalancing the UK economy.

There are significant opportunities for business and for industrial policy adjustments to help businesses operating in the UK realise their potential, which is imperative given the changing world. Three very different examples serve to illustrate this. Firstly, energy security and supply at a cost that is competitive and economically viable is a fundamental requirement of productive industry and a successful economy. Here the UK's untapped indigenous shale gas and oil resources afford the opportunity for a major favourable policy-shift. As a second illustration, we have a very strong UK base in research and technology pertinent to manufacturing of the future, with digital, data and through-life product-service systems to the fore. Finally, with around one-half of the UK's GDP generated by small and medium enterprises (SMEs), we need to ensure that such businesses have ready access to these advances, coupled with the investment and banking facilities essential for growth. There is clear benefit in creating an underlying fertile environment for investment and operations in manufacturing that will benefit companies of all sizes and accommodate all types of product and manufacture: indications from the MHA Survey are that the productive industry community stands ready to respond.

Sir John O'Reilly FREng HonFIET

Contributors Biographies

Philippa Oldham,
CEng MIMechE

Head of Transport and Manufacturing, Institution of Mechanical Engineering

Philippa is a Chartered Engineer with a background of working within sectors including defence, aerospace and automotive with a thorough understanding of the importance of R&D and new product introduction. She has been with the Institution of Mechanical Engineering (IMechE) since May 2011 and is an advocate for the sector and a voice for the Institution's 116,000 UK and international members.

Philippa's work helps to raise the profile of engineers, doing everything from promoting the development of safe and efficient transport systems which reduce congestion and emissions, to creating wealth and employment. She also pens policy statements and reports on topics from Autonomous and Driverless Cars to Life Cycle Analysis and Manufacturing a successful economy.

Sir John O'Reilly,
FREng HonFIET

Chairman, ERA Foundation

Sir John is Chairman of ERA Foundation Ltd. with a career that has spanned universities, industry and government service. He was Director of General Knowledge and Innovation within the UK business department (2013-2015) having served previously as Vice-Chancellor of Cranfield University (2006-2013) and Chief Executive of the Engineering and Physical Sciences Research Council (2001-2006). His experience in industry includes periods with BT, Ultra Electronics Ltd. and in the SME sector. Currently he is Chairman of NICC (Standards) Ltd, the pan-telecoms industry and government body responsible for ensuring network and services interoperability in the UK.

Active in the profession, he is a Fellow and former member of Council of the Royal Academy of Engineering, an Honorary Fellow and former President of the Institution of Engineering and Technology, an Honorary Fellow of the Institution of Chemical Engineers, a Fellow and Trustee Board Member for the Royal Aeronautical Society and a commissioner of the Royal Commission for the Exhibition of 1851. Internationally he has served as a technical advisory capacity to the EU and various government bodies around the world; he is currently Chairman of the Science and Engineering Research Council of the Agency for Science Technology and Research (A*STAR) in Singapore.

He received the J J Thompson Medal of the IEE (now IET) for contributions to electronic engineering. He is also an International Member of Académie Hassan II des Sciences et Techniques and of Academia das Ciências de Lisboa and received a knighthood in the 2007 New Year's Honours List.

Summary of Regional Variations

The results of the survey were taken from a cross-section of businesses across the UK. It is positive to see so many common themes, such as renewed optimism for growth, wherever these companies operate nationally.

In keeping with our ethos of global expertise, national experience and local excellence, each of our member firms is committed to the local market in which it operates. Our team recognises that many businesses operate in distinctly different marketplaces, facing unique challenges depending on where they are in the UK.

Our survey highlighted some interesting, insightful regional variations, including:

NORTH WEST: The majority of respondents in the North West of England were SMEs employing fewer than 250 staff and operating in a wide range of manufacturing and engineering sub sectors. Predictions for revenue growth in the region are optimistic, with 75% of respondents expecting growth within the next year. Above the national average, an encouraging 93% of respondents intend to invest in R&D activities over the next year, with 70% of those intending to take advantage of R&D tax credits. Plans for employment are higher than the national average, with 68% of respondents intending to take on apprentices or trainees in the forthcoming year. In common with the national picture, there is clearly some work to be done around the availability of grant funding and government support in the region.

WALES: Welsh manufacturing companies remain optimistic about their predictions for growth, with 70% of respondents anticipating revenue growth of 5%+ in the next 12 months. 71% of companies expect to see staff numbers increase, as they look to expand production capacity with the main driver for growth identified as being increased customer demand, though the availability of and funding for new premises has increased in importance as a barrier for growth. Investment in R&D remains high, with 88% of businesses investing in this area, with an encouraging 59% aiming to take advantage of R&D tax credits.

SOUTH WEST: Responses in the South West came from businesses of all sizes and a broad range of sectors. The view from South West businesses who responded to the survey is more optimistic than the national picture, with 80% of respondents forecasting growth, up 8% from 2016/17. The survey confirms the ongoing struggle to recruit skilled staff, with 56% confirming there is a shortage of applicants with the relevant skills. Businesses in the South West are coping by way of a number of strategies, including implementing lean manufacturing, looking to automation and introducing flexible working patterns.

SOUTH CENTRAL: The South Central region confirms positive economic development in 2016/17, with 66% of respondents growing and 27% reporting levels of 10% or more growth. Optimism levels remain high, with 80% anticipating revenue growth in the coming year from increased demand and expansion of product ranges, but this is tempered by concerns over Brexit. R&D expenditure in the region lags behind the national average. Short and longer term business confidence remains high and in line with national trends, however, skills shortages continue to represent a barrier to growth for 30% of business.

SCOTLAND:

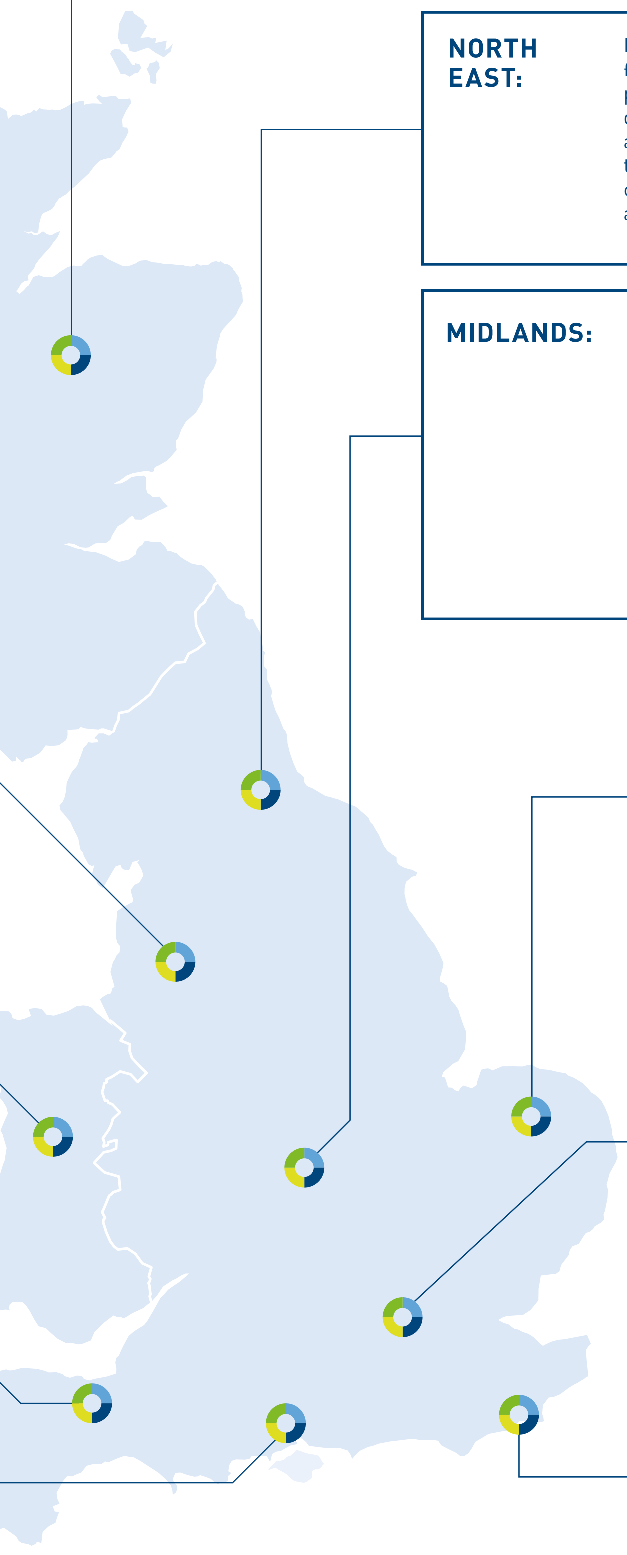
45% of respondents achieved growth in some form in the last year, lower than the UK average at 69%. However, there continues to be optimism for growth for the year ahead with 65% (78% UK) predicting growth for 2017/18. This growth is expected to come from increased demand from customers, expansion of product and currency appreciation. 22% (16% UK) of respondents cited Brexit concerns and uncertainty over future trading tariffs as a key barrier to growth, followed by global economic concerns, 14% (13% UK) and recruiting appropriately skilled staff, 14% (17% UK). 45% (57% UK) of businesses expect staff numbers to increase in the next 12 months; however 62% (75% UK) of respondents have difficulty recruiting employees with the relevant skills, which are in short supply.

NORTH EAST:

Respondents in the North East were typically companies with a turnover of £1 million to £20 million and were from a wide range of sectors including automotive, aerospace and precision engineering. The outlook is generally positive, but it's clear that confidence has dropped over the last 12 months. Whilst 67% were still predicting growth for the year ahead, this number has dropped from 77% in 2015/16. This result is not surprising given the turbulent political landscape, concerns over Brexit, trade and exports and a general lack of clarity in terms of available funding for the region. It's time for the region to pull together and encourage the manufacturing excellence they are so well known for.

MIDLANDS:

The view from the Midlands' businesses who responded to the survey is slightly more optimistic than the national picture, with nearly 79% of respondents forecasting growth, an increase of 6% on the previous year. This expected growth is forecast to be below 10% and driven by increased demand. During the last 12 months, 69% of businesses reported growth which compares well to the 73% who forecast growth in last year's survey. The majority of businesses have a strategy for Brexit in place. Of these, 43% claim that Brexit will have a limited impact and 15% claim that it will make an extensive impact to their business. It is interesting to see the link between this and the high percentage of businesses predicting growth. In addition, 22% of businesses have lost staff as a result of the referendum result due to uncertainty relating to EU workers rights, adding a challenge to the delivery of this growth against the prevailing challenge of recruiting the right staff.



EAST ANGLIA:

All of the respondents in East Anglia were SMEs with less than 250 employees with a turnover range of under £1 million to £20 million and operated in a wide range of manufacturing sub sectors. Optimism is exceptionally high in this region, with over 84% of businesses expecting revenue growth in the next 12 months. Investment in R&D is also high, with 81% of businesses spending a percentage of their turnover, although this is lower than the national average. It is therefore surprising that 35% of respondents will not be making a claim for R&D tax credits in the next 12 months. It is promising to see a commitment to further investment in the sector, as 46% suggested that their level of capital spend would increase. Although, there are frustrations that the current annual investment allowance has not been increased to previous levels.

LONDON AND THE SOUTH EAST:

Despite concerns about the impact of Brexit, this year's results show that manufacturers and engineers in the London and South East region are more optimistic than last year, with 75% predicting growth, which is up a staggering 15% in a year. 93% of companies surveyed are investing in R&D, which is 5% above the national average of 88%. 56% of respondents are anticipating increasing staff numbers in the next 12 months, not including taking on new apprentices. However, 84% of respondents have had difficulty recruiting staff with relevant skills. Therefore, it is not surprising that expanding skills training for the future work-force was the highest ranked action the government could take to help businesses in the region.

SOUTH COAST:

Optimism around turnover growth over the next 12 months outstripped the national figure, with 84% of businesses predicting growth. Retention and recruitment is an even bigger issue this year than last year, with 83% of respondents finding it difficult to recruit staff and over a quarter (27%) already losing staff to the Brexit effect (the national figure being 20%). Anecdotally, although not specifically covered in the survey is the growing concern around the lack of availability of commercial/ factory space for both new and expanding businesses in the region. The survey again confirms that the message around R&D tax credits is still not being heard by enough businesses which is a frustration, given the scope of the relief available.

MHA Member Firm Offices

Broomfield & Alexander
www.broomfield.co.uk
Cardiff (Head office)
Ty Derw
Lime Tree Court
Cardiff Gate International Business Park
Cardiff
CF23 8AB
Tel: 02920 549 939

Additional offices: Monmouth, Newport, Swansea

MHA Carpenter Box
www.carpenterbox.com
Worthing (Head office)
Amelia House
Crescent Road
Worthing
BN11 1QR
Tel: 01903 234 094

Additional offices: Gatwick

Henderson Loggie
www.hlca.co.uk
Dundee (Head office)
The Vision Building
20 Greenmarket
Dundee
DD1 4QB
Tel: 01382 200 055

Additional offices: Aberdeen, Edinburgh, Glasgow

Larking Gowen
www.larking-gowen.co.uk
Norwich (Head office)
King Street House
15 Upper King Street
Norwich
NR3 1RB
Tel: 01603 624 181

Additional offices: Bungay, Colchester, Cromer, Dereham, Diss, Fakenham, Holt, Ipswich

MHA MacIntyre Hudson
www.macintyrehudson.co.uk
London City
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ
Tel: 020 7429 4100

Additional Offices: Bedford, Birmingham, Canterbury, Cayman Islands, Chelmsford, Folkestone, High Wycombe, Leicester, Maidstone, Milton Keynes, Northampton, North London, Peterborough, Reading

Moore and Smalley
www.mooreandsmalley.co.uk
Preston (Head Office)
Richard House
9 Winckley Square
Preston
Lancashire
PR1 3HP
Tel: 01772 821 021

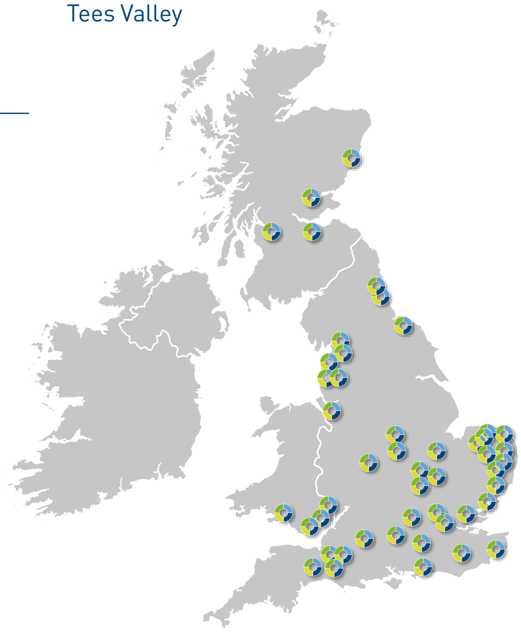
Additional offices: Blackpool, Kendal, Kirkby Lonsdale, Lancaster, Nottingham, Southport, Liverpool, Manchester

Monahans
www.monahans.co.uk
Swindon (Head office)
38-42 Newport Street
Swindon
Wilts
SN1 3DR
Tel: 01793 818 300

Additional offices: Bath, Chippenham, Frome, Glastonbury, Melksham, Taunton, Trowbridge

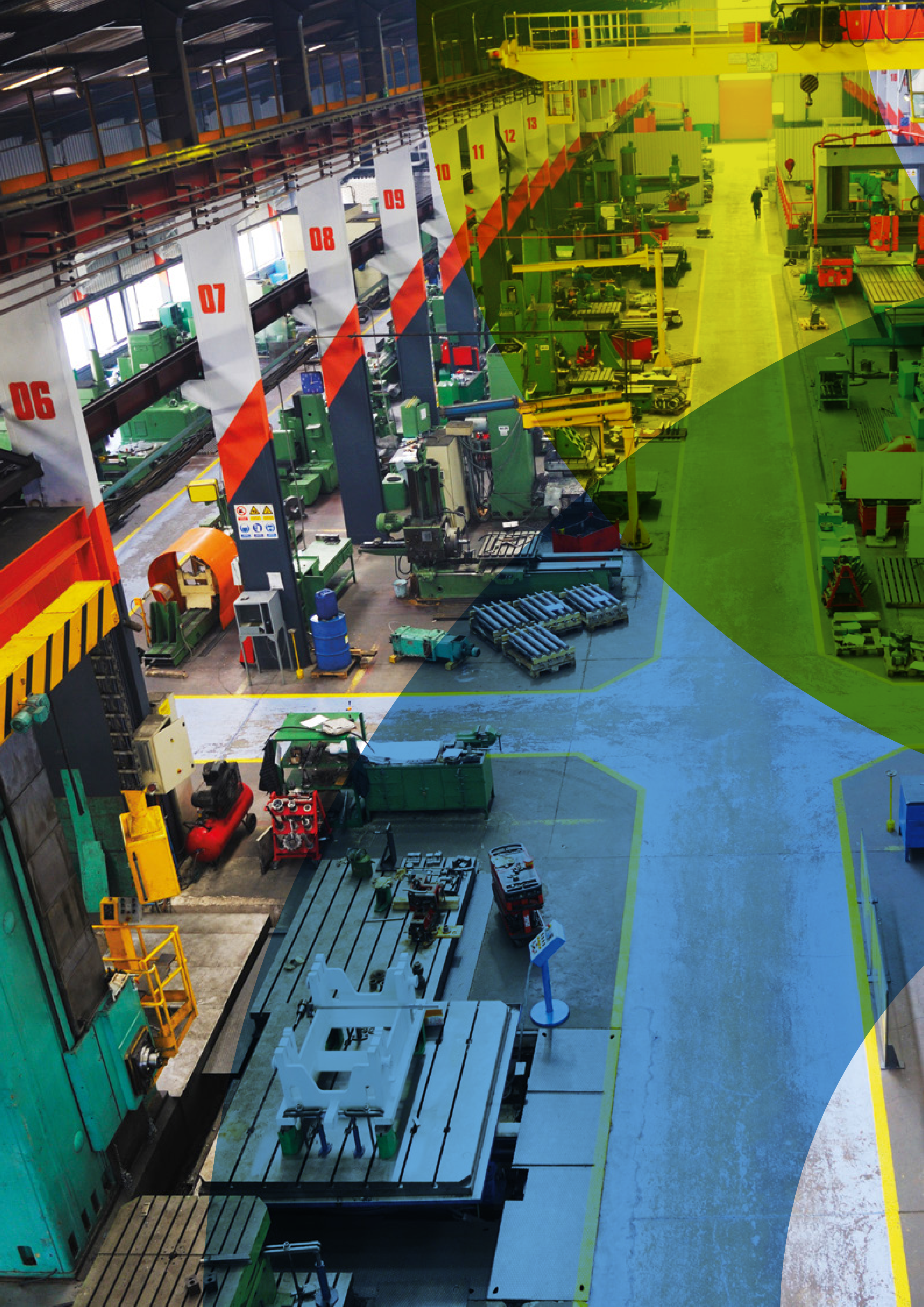
Tait Walker
www.taitwalker.co.uk
Newcastle (Head office)
Bulman House
Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS
Tel: 0191 285 0321

Additional offices: Northumberland, Tees Valley



An independent member of
BAKER TILLY
INTERNATIONAL

Issued September 2017


06
07
08
09
10
11
12
13

To find out more about the accountancy and business advisory services MHA can offer, please contact +44 (0) 207 429 4147.

Follow us on:

www.mha-uk.co.uk