



Grant Thornton

An instinct for growth™

Scotland Limited 2017







Glasgow
26
companies in
Top 100

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Introduction

Andrew Howie

2017 was undoubtedly a challenging year for the Scottish economy. With the full impact of Brexit yet to be felt, and negotiations between Westminster and Brussels ongoing, a sense of unease overshadowed some of the great achievements of the Scottish business community. But, there is little doubt that resilience and a sharper focus on achieving sustainable, long term growth, have become embedded in our industrial strategy, which has helped to counter the global challenges that lie ahead.



Once again, the Food and Drink sector dominates our top 100, with 25 companies making this year's list, up 1 from last year. The top Food and Drink firms include William Grant & Sons Holdings Limited, holding on to its number 1 place, and The Edrington Group Limited which remains at number 3. The 25 firms have demonstrated an ability to collaborate on a truly global scale, with combined turnover up from £3.7 billion in 2016 to £4.9 billion. They've also played a crucial role in driving down unemployment figures to near-record lows, with 24,552 employees, up from 19,239 in 2016.

This year, we've chosen to record new industry categories, including Manufacturing and Industrial, reflecting the growing importance that Scotland is placing on a 'new industrial revolution' driven by technology and new forms of energy. The sector's success is demonstrated in its position as our second placed group in the top 100, with 22 firms employing almost 27,000 people.

The links between Manufacturing and Industrial and our Energy sector are crucial, but the challenges facing the Energy sector remain an area of concern as we enter 2018. Seven firms are included in our 2017 rankings, down from nine in 2016. Turnover is also down, from £1.4 billion in 2016, to £1.2 billion. However, there are some signs of a slow and steady recovery, with the number of people employed by those firms rising from 6,990 to 7,316.

Another key industry group is Property and Construction, which continues to witness a slow, but steady recovery from the 2009 global crash, which left it facing many of the challenges we're now seeing in the Energy sector. 21 companies make this year's top 100 – up one from 2016. The number of employees has risen from 14,571 to 16,963, demonstrating the rise in orders and a growing demand for large-scale infrastructure projects, but one area of concern is the reduction in combined turnover, which has fallen slightly from £3.3 billion in 2016 to £3.1 billion.

The data trends within Scotland Ltd 2017 provide some guidance as to the direction the country is taking and it's clear that, while there are some areas of concern, our business community is working harder than ever before to maintain the country's position as a global economic success story. Worryingly, though, the advancement of technology has not yet driven through big improvements in overall productivity in the Scottish economy.

Throughout this year's report, we'll look at the trends, challenges and opportunities and meet some of the people helping to shape a Vibrant Economy – including our own Faces of a Vibrant Economy – business leaders who are developing their own strategies to ensure that Scotland continues to flourish.

About Scotland Limited 2017

Scotland Ltd 2017 is compiled using the most recent publicly available accounts (as of 1 September 2017) of Scotland's best performing private businesses based on a hybrid measure of data, which includes turnover and profits.

The report excludes companies that are listed, owned by listed businesses or the subsidiaries of companies from the rest of the UK or overseas. We have then analysed the aggregate financial data of these companies to gain an insight into the shape and performance of this important part of the Scottish economy, and one which is fundamental to generating prosperity and employment in the country. In our findings, we've categorised companies by sector and location. Again, this is to provide us with insight into economic trends and to give us a more detailed understanding of how various industries are performing. Inevitably, there is a time delay between the availability of the data used and the presentation of this report. However, we've worked hard to create parameters and measurement tools that produce as accurate a snapshot of Scotland's entrepreneurial, dynamic businesses as possible.



Scotland's Top 100 limited companies

- 1 William Grant and Sons Holdings Limited
- 2 Arnold Clark Automobiles Limited
- 3 The Edrington Group Limited
- 4 The Edinburgh Woollen Mill (Group) Limited
- 5 Miller Homes Limited
- 6 Alexander Dennis Limited
- 7 City Refrigeration Holdings (UK) Limited
- 8 Park's of Hamilton (Holdings) Limited
- 9 Robertson Group (Holdings) Limited
- 10 D.C. Thomson and Company Limited
- 11 Forth Ports Limited
- 12 Farmfoods Limited
- 13 Asco UK Limited
- 14 The Malcolm Group Limited
- 15 Eastern Holdings Limited
- 16 Peter Vardy Holdings Limited
- 17 John Clark (Holdings) Limited
- 18 Edinburgh Airport Limited
- 19 GAP Holdings Limited
- 20 R.J. Mcleod (Contractors) Limited
- 21 Cruden Holdings Limited
- 22 James Jones and Sons Limited
- 23 Balmoral Group Holdings Limited
- 24 J.R. Dalziel Limited
- 25 Craig Group Limited
- 26 James Walker (Leith) Limited
- 27 Walkers Shortbread Limited
- 28 Peoples Limited
- 29 J.W. Galloway Limited
- 30 Forth Holdings Limited
- 31 Scottish Leather Group Limited
- 32 Castle View Ventures Limited
- 33 Advance Construction Group Limited
- 34 Lunar Fishing Company Limited
- 35 Turner and Co. (Glasgow) Limited.
- 36 James Donaldson and Sons Limited
- 37 W.A. Baxter and Sons (Holdings) Limited
- 38 Munro Healthcare Group Limited
- 39 Enermech Limited
- 40 Gray and Adams Holdings Limited
- 41 Dingbro Limited
- 42 Macdonald Hotels Limited
- 43 Ogilvie Group Limited
- 44 Leiths (Scotland) Limited
- 45 Scott Group Investments Limited
- 46 QTS Group Ltd.
- 47 Ian Macleod Distillers Limited
- 48 Mactaggart and Mickel Group Limited
- 49 I and H Brown Limited
- 50 GEG (Holdings) Limited

51	Ethigen Limited	76	Klondyke Group Limited
52	Apex Hotels Limited	77	Walker Holdings (Scotland) Limited
53	T.O.M. Group Limited	78	Patersons Quarries Limited
54	Braid Group (Holdings) Limited	79	Mcalpine and Company. Limited
55	Jacobs and Turner Limited	80	Kettle Produce Limited
56	James Johnston and Co. of Elgin Limited	81	Macphie Limited
57	Mackays Stores Group Limited	82	Tillicoultry Quarries Limited
58	Allied Holdings (UK) 2014 Limited	83	Caledonian Heritable Limited
59	Scot JCB (Holdings) Limited	84	Bear Scotland Limited
60	Richard Austin Alloys Limited	85	Enterprise Foods Ltd.
61	Glenrath Farms Ltd.	86	Cameron Group (Perth) Limited
62	The Harbro Group Ltd.	87	George Leslie Limited
63	Thomas Tunnock Limited	88	John G. Russell (Transport) Limited
64	Clydeport Operations Limited	89	Lothian Electric Machines No.2 Limited
65	Farne Salmon and Trout Limited	90	Hillhouse Estates Limited
66	Brewdog PLC	91	The Anderson Group Ltd
67	Forsyths Limited	92	HMS (485) Limited
68	E.G. Thomson (Holdings) Limited	93	Edinburgh Partners Limited
69	Briggs Commercial Limited	94	Emtec Group Limited
70	Barrhead Travel 2007 Limited	95	Wemyss Development Company Ltd. The
71	Glenalmond Group Limited	96	Caledonian Maritime Assets Limited
72	John Lawrie (Aberdeen) Ltd.	97	Highland Fuels (Investments) Limited
73	Tulloch Homes Group Limited	98	C C G (Holdings) Limited
74	United Wholesale (Scotland) Limited	99	W.N. Lindsay Limited
75	Bell Group UK Limited	100	DI Maggio's Group Limited

Key data

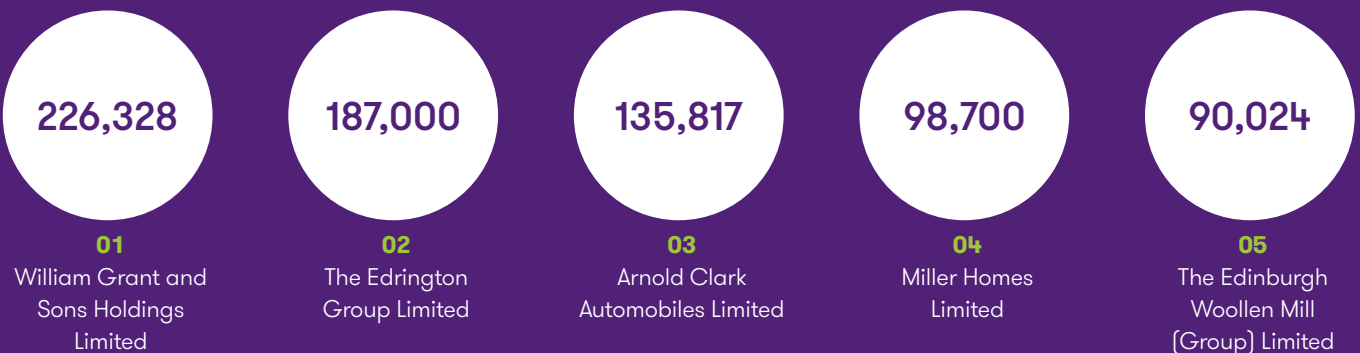
Sector	Count	Turnover (£'000)	Profits before Taxation (£'000)	EBITDA (£'000)	Employees	Employee Remuneration (£'000)
Food and Drink (inc. Leisure)	25	4,910,936	602,469	719,952	24,552	707,184
Manufacturing and Industrial	22	3,150,491	214,094	354,036	26,886	789,102
Property & Construction	21	3,115,073	296,937	376,010	16,963	547,452
Automotive	10	6,688,779	193,769	428,367	18,618	558,295
Energy	7	1,225,407	81,117	135,511	7,316	249,616
Retail	6	1,090,685	114,825	141,562	15,576	220,488
Transport	4	500,831	57,663	128,186	1,818	73,378
Technology, Media and Telecommunications	2	451,967	27,766	27,681	2,354	81,476
Business Support Services	1	137,088	9,085	14,201	4,746	73,506
Financial Services	1	28,443	15,977	14,068	60	9,751
Private Healthcare	1	120,648	8,814	2,682	198	4,572
Total	100	21,450,348	1,622,516	2,342,256	119,087	3,314,820

Note: The above table shows the aggregate results, by sector, for the companies in the top 100.

Top 5 companies by turnover (£'000)



Top 5 companies by operating profit (£'000)



Top 5 companies by number of employees





Stirling
4
companies in
Top 100

Faces of a Vibrant Economy

Poonam Gupta OBE
CEO, PG Paper Company

Poonam is a Scottish-Indian entrepreneur and philanthropist who emigrated to Scotland in 2002. Her business, PG Paper Company, is a global trading house supplying varieties of paper and packaging grades across all continents. Poonam was awarded an OBE for services to business and charity in 2016.

“There is no shortcut to hard work”, she says. “You have to persevere, do your research and stay focused. As the world continues to shrink, make use of the global economy that is on your doorstep.” She clearly takes her own advice – the paper company exports 1,300 different paper products across the world.

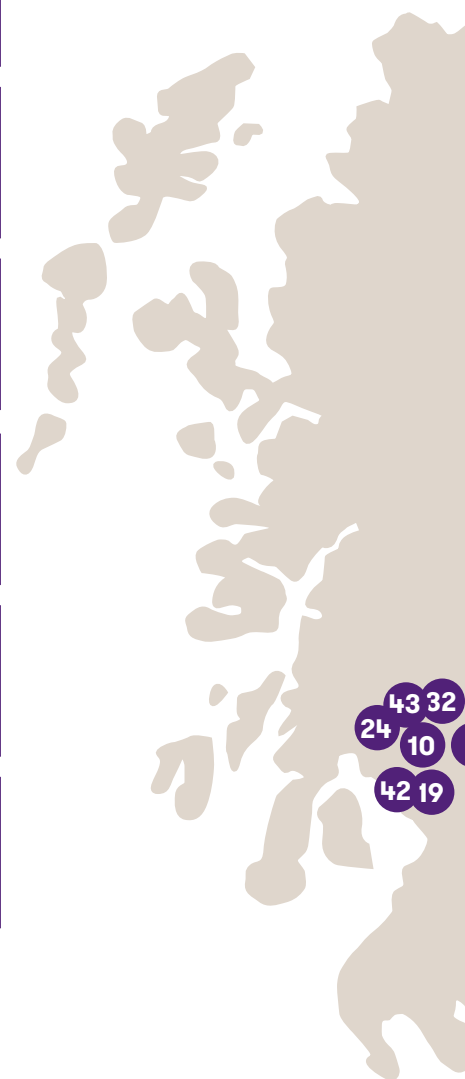
Aside from the paper business, Poonam founded The Scottish Circle in 2009 in aid of Oxfam along with Annie Lennox. The charity provides support for underprivileged women in Scotland.

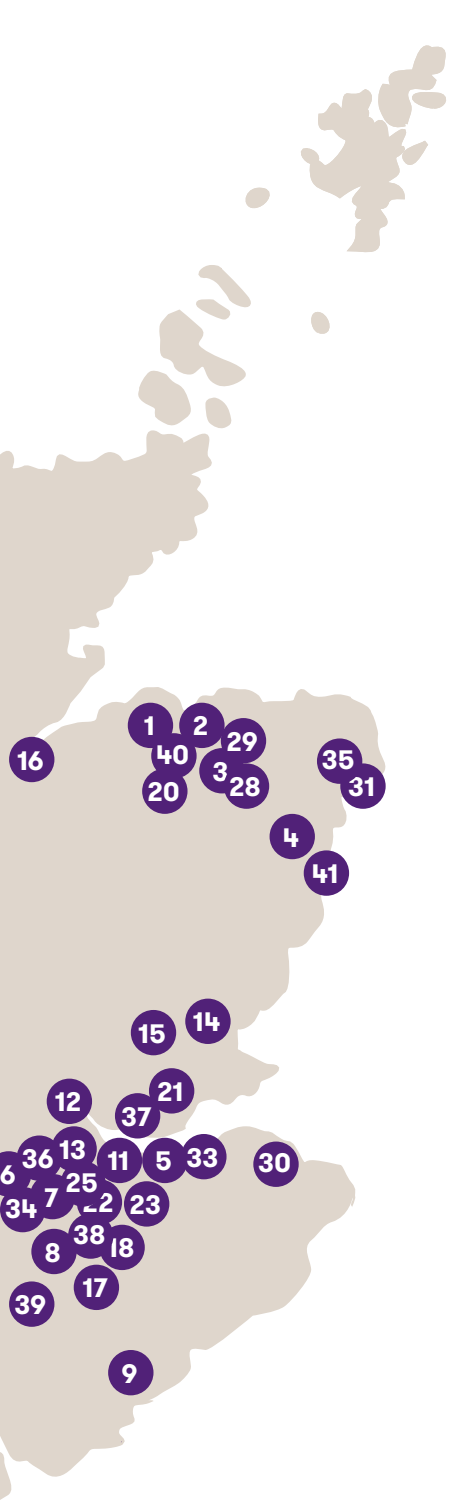
“Being a working mother, starting and growing the business and balancing my family life while juggling all my other roles that I have as a woman – that’s my proudest achievement.”



Location of Scotland's Top 100 limited companies

1 Elgin 2017: 2 2016: 1	9 Langholm 2017: 3 2016: 3	17 Motherwell 2017: 1 2016: 1
2 Fochabers 2017: 1 2016: 1	10 Renfrew 2017: 2 2016: 1	18 Airdrie 2017: 2 2016: 2
3 Keith 2017: 1 2016: 1	11 Broxburn 2017: 2 2016: 2	19 Paisley 2017: 1 2016: 1
4 Aberdeen 2017: 8 2016: 9	12 Stirling 2017: 4 2016: 4	20 Aberlour 2017: 2 2016: 0
5 Edinburgh 2017: 12 2016: 15	13 Falkirk 2017: 1 2016: 1	21 Glenrothes 2017: 2 2016: 4
6 Glasgow 2017: 26 2016: 25	14 Dundee 2017: 1 2016: 1	22 Bathgate 2017: 1 2016: 1
7 Bellshill 2017: 2 2016: 2	15 Perth 2017: 3 2016: 1	23 Livingston 2017: 1 2016: 1
8 Hamilton 2017: 2 2016: 1	16 Inverness 2017: 2 2016: 2	24 Bridge Of Weir 2017: 1 2016: 1





25 Larbert
2017: **1**
2016: **1**

32 Hamilton
2017: **2**
2016: **1**

38 West Linton
2017: **1**
2016: **1**

26 Dunfermline
2017: **1**
2016: **2**

33 Tranent
2017: **1**
2016: **2**

39 Thornhill
2017: **1**
2016: **0**

27 Fraserburgh
2017: **1**
2016: **1**

34 Strathaven
2017: **1**
2016: **1**

40 Haddington
2017: **1**
2016: **0**

28 Cupar
2017: **1**
2016: **1**

35 Ellon
2017: **2**
2016: **2**

41 Stonehaven
2017: **1**
2016: **1**

29 Turriff
2017: **1**
2016: **1**

36 Coatbridge
2017: **1**
2016: **1**

42 Troon
2017: **1**
2016: **0**

30 Duns
2017: **1**
2016: **1**

37 Burntisland
2017: **1**
2016: **1**

43 Port Glasgow
2017: **1**
2016: **0**

31 Peterhead
2017: **1**
2016: **2**



Aberdeen
8
companies in
Top 100

Aberdeen and Grampian Chamber of Commerce

Russell Borthwick

Chief Executive, Aberdeen and Grampian Chamber of Commerce

Despite the very well documented economic challenges we have had to face over the last few years, this remains one of the top five most economically productive regions in the UK so it is not surprising to see us still punching well above our weight in terms of the number of north-east based companies included in the list.

Our economy is evolving and businesses of all shapes and sizes are adjusting to a 'new norm,' but it is one that is still the envy of many parts of the UK with numerous indicators confirming our strengths in business, innovation, quality of life and education. And the Chamber's investment tracker identifies around £9bn of major infrastructure, regeneration and cultural projects are in the pipeline with many already underway and due for completion over the next year.

Contrary to common belief, this area is not solely dependent on hydrocarbons and our economic diversification plan based on existing strengths in food, drink and agriculture, tourism, life sciences and digital business is building real momentum.

Having said that, energy will remain a major contributor here well beyond our lifetimes with our latest oil and gas survey suggesting that confidence, and with it new investment, is returning. And this is further supported by the development of the oil and gas Technology Centre through a combination of City Region Deal and private funding; inspiring new innovation and collaboration in the sector.





Energy

Barry Fraser

Head of Energy & Natural Resources, Scotland, Grant Thornton

Scotland's Energy sector has endured a prolonged period of challenge due to lower oil prices and global political and economic uncertainty, which has resulted in significant cost cutting, headcount reductions and a lack of new investment. However, many companies have adapted to this environment and seized the opportunity to reduce cost and make themselves more efficient as well as re-positioning their businesses to focus on stronger international markets, diversifying into other relevant industries and collaborating to expand product and service offerings.

Analysts believe a recovery is now underway, supported by an improvement in oil price with Brent crude breaking through \$70 per barrel in Jan 2018, the highest level since December 2014. This provides a basis for cautious optimism in the sector although there are still key challenges to be addressed such as an ageing workforce and skills shortage in certain technical areas and a lack of recent offshore investment in the UK Continental Shelf. Encouragingly though, there are signs that investment will increase in 2018.

The recent challenging climate has had an impact on the Energy sector businesses featured in Scotland Ltd 2017. Only seven companies make this year's top 100 – down from nine in 2016. Total turnover has decreased from £1.4 billion in 2016 to £1.2 billion. However, there are some positive indicators, with the total number of employees for those that feature, rising from 6,990 to 7,316.

The high profile nature of Scotland's hugely important Energy sector means that everybody is aware of the problems it has faced in recent years. However, the industry has again showed itself to be resilient and many companies are emerging stronger and better positioned for growth due to the action they have taken to become more efficient, diversify and expand internationally. There are opportunities to maximise returns from existing assets and future discoveries with enhanced collaboration and the use of technology and innovation, while the race is also on to win decommissioning related work. We're not out of the woods yet, but Scotland's Energy sector will continue to have an essential role to play in the country's economy for many years to come.

Total number of companies

7

9 in 2016

Total number of employees

7,316

6,990 in 2016

Total turnover

£1.2bn

£1.4bn in 2016



Five minutes with...

Jim Milne CBE

Chairman and Managing Director, Balmoral Group Holdings Ltd

What have market conditions been like for Balmoral Group over the last year?

The sectors in which Balmoral Group operates, oil and gas and civil and environmental engineering, have faced challenging operating conditions. In common with most other manufacturing companies we see our clients facing uncertain times, both economically and politically, and this is having a knock-on effect on decision making, ultimately leading to project delays.

Has the ongoing uncertainty over Brexit played any role in new thinking or strategic direction for the business?

Without doubt there is a lot of uncertainty around, but we have a very positive outlook and a strong team here at Balmoral Group. We will continue our focus on offering the best products in the market combined with innovative thinking and collaborative working which will see us through the political turmoil. In fact business will probably be one of the constants that will help the situation.

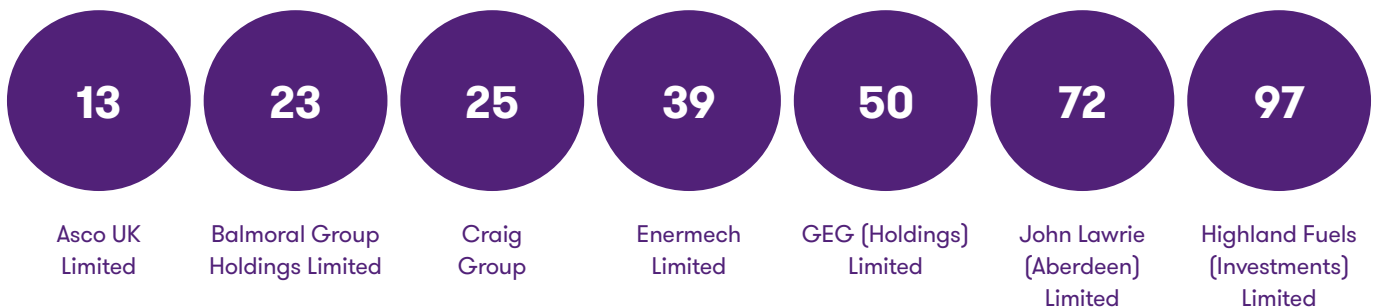
What would you say was the secret behind the success of your company?

Across the Group we have continued our strategy of investment in people, processes, product and plant. We have always operated in a highly efficient manner and as a privately owned company our focus on R&D and continuous improvement helps us stay ahead of our global competition.

Looking ahead, what challenges/opportunities does Balmoral Group anticipate?

We have just opened the new £20m Balmoral Subsea Test Centre in Aberdeen and brought online a new 60,000sqft manufacturing facility in South Yorkshire for Balmoral Tanks so we are optimistic across all business streams. We will continue to focus on building our export markets as that is where future growth is to be found. Project delays and indecision are the biggest concerns for us as we have high capacity manufacturing facilities which demand significant throughput.

Energy companies in top 100





Faces of a Vibrant Economy

Chris Martin
CEO, Waracle

Waracle is Scotland's largest mobile app development, Internet of Things and digital systems company. Working with the UK's biggest brands, Waracle has unrivalled industry experience in designing, building and managing software projects across many platforms. Its work extends across a wide range of industries, including fintech, digital health, energy and luxury brands. Clients include Scottish Power, Clydesdale Bank, JLL and the NHS.

"As well as unwrapping the opportunities that mobile brings, we help customers unlock a completely new way of working," says CEO Chris Martin. He describes himself as "an energetic and adventurous software guy who gets his kicks helping Dundee businesses take on the world." He originally joined Waracle as Chairman, helping the business with two specific projects. After two years in the role, he became CEO to further craft and grow the organisation.

What advice would Chris give his younger self? "Do it and if it breaks then you can always change it."



Food and Drink (inc. leisure)

James Chadwick

Head of Food and Drink, Scotland, Grant Thornton

Scotland's Food and Drink sector continues to grow at an impressive scale, and that's reflected in Scotland Ltd 2017, with the industry group once again dominating the top 100. 25 companies make this year's list – up from 24 in 2016 – including William Grant and Sons Holdings Limited, which retains the number one position. With the support of leading industry bodies such as Scotland Food and Drink and the Scottish Food and Drink Federation, the sector has worked on a co-ordinated, collaborative basis, driving up international exports and building a solid growth strategy. Among the 25, combined turnover has increased from £3.7 billion in 2016 to £4.9 billion, while the number of people working for the top companies has risen from 19,239 to 24,552.

Scotland's Food and Drink companies have good reason to celebrate, after another incredibly impressive year of growth. Key to the success has been a genuine commitment to collaborate, enabling the widest possible range of companies – from small start-ups to long-established family-run operations, to build on each other's success and champion a single Scottish Food and Drink brand on the global marketplace. There are undoubtedly challenges ahead, particularly with Brexit, which threatens to cause significant issues for a group that relies heavily on a healthy export environment. However, the industry has placed itself in a strong position to overcome the obstacles and continue sustainably in the long term.

Total number of companies



Total number of employees



Total turnover



Top 100 companies

Food and drink (inc leisure)

William Grant and Sons Holdings Limited	1	Thomas Tunnock Limited	63
The Edrington Group Limited	3	Farne Salmon and Trout Limited	65
Farmfoods Limited	12	Brewdog PLC	67
J.R. Dalziel Limited	24	Barrhead Travel 2007 Limited	66
Walkers Shortbread Limited	27	United Wholesale (Scotland) Limited	69
J.W. Galloway Limited	29	Kettle Produce Limited	79
Lunar Fishing Company Limited	35	Macphie Limited	83
W.A. Baxter and Sons (Holdings) Limited	36	Caledonian Heritable Limited	81
Macdonald Hotels Limited	43	Enterprise Foods Ltd.	84
Ian Macleod Distillers Limited	48	HMS (485) Limited	90
Apex Hotels Limited	52	W.N. Lindsay Limited	98
Glenrath Farms Ltd.	61	DI Maggio's Group Limited	100
The Harbro Group Ltd.	62		



James Withers

Chief Executive, Scotland Food and Drink

This report emphasises the impact Food and Drink is having on Scotland's economy, with the industry representing a quarter of the top 100.

Back in 2007, when Scotland Food and Drink was born, industry growth was static. Today, thanks to collaborative working between SF&D and its partner organisations across industry and government, our industry is worth £14 billion.

The growth of Scottish brands in the UK has seen unprecedented success and with whisky and salmon remaining the top UK Food and Drink exports, we now have a growing global identity for world class produce.

It is because of this strong platform that we have reset our goals for 2030 and we have outlined a bold ambition of doubling the size of the industry to £30 billion.

Achieving this won't be easy. There are a number of uncertainties facing the industry, not least the implications of Brexit and access to labour. But we have all the ingredients to grasp opportunities and secure success in a rapidly changing world.



Five minutes with...

Mike Younger

Finance Director, Ian Macleod Distillers Limited

What have market conditions been like for Ian Macleod Distillers over the last year?

Conditions over the last 12 months have been fairly positive. We've witnessed sustained growth in most areas, particularly Edinburgh Gin and our malt and private label businesses. We only purchased Edinburgh Gin in September 2016 but it's already proving to be a great acquisition for us, evidenced by the brand's increasing presence in the marketplace and the success of our fruit gins.

Has the ongoing uncertainty over Brexit played any role in new thinking or strategic direction for the business?

We haven't really felt any significant impact from Brexit and we're treating it as we would any other wider political or economic event. My experience is that over-planning can often be wasteful, as you ultimately can't plan for the unknown. What we are looking for is clarity about what lies ahead and, once there is a more detailed picture we can respond accordingly. But, right now, there's no point in second guessing the final outcome.

What would you say was the secret behind the success of your company?

Diligence and patience are both key ingredients in the success of the business. We've been able to make our headway through sheer hard work and making the right strategic calls then following through to get the results.

What does a Vibrant Economy mean to Ian Macleod Distillers?

For us, a Vibrant Economy is one where there is genuinely a good level of business growth and an understanding across all levels – from political leaders to business leaders and consumers – that successful business is good for the population at large.

How is your business preparing for the future and the changing shape of the workplace?

We currently have lots of initiatives and process improvements underway aimed at reshaping the business, particularly following our recent growth. Much of this is aimed at streamlining processes and making sure they're more reliable and working for everyone, rather than holding us back. Innovation will also play a key role in our future growth, but I take the view that real transformational success is driven by our people and our commitment to succeed, rather than technological advancements alone.

Looking ahead, what challenges/opportunities does your business anticipate?

We work in a fast paced, changing sector and we need to ensure we're monitoring and responding to future challenges in the marketplace. Operationally, there are a number of great opportunities ahead for us, including the redevelopment of the Rosebank Distillery and the future growth of Edinburgh Gin within Scotland, the UK and internationally.



Dundee
1
company in
Top 100



Five minutes with...

Morna Simpson

Girl Geek Scotland

Girl Geek Scotland is the skills network with a mission to rectify the gender disparity in the technology community. Programme Manager Morna Simpson describes it as a community that encourages contribution and participation in technology from all gender identities, physical abilities, neurotypical and atypical people. From career events to hackathons to a unique mentoring scheme, Girl Geek Scotland is turning the technology world into an industry where diversity definitely does compute. We caught up with Morna to talk about mentorship magic, hostility in technology and giving Scotland's organisations a headstart on international competition.

Faces of a Vibrant Economy

Describe your organisation's purpose

To help women thrive with digital technology – whatever career stage they're at. As technology has a reputation for being hostile to women, we set up Girl Geek to overturn it and to offer ways to help people start new technology careers and progress in existing ones.

I know how hostile the technology industry can be. When I was learning how to use a computer on my further education course there was a technician who would pull out the plug from the wall, on any computer being used by a female student. He thought it was funny.

How would you describe the culture at your organisation and how do you maintain it?

It's an extra-ordinary group of volunteers that keeps GGS going. They are all passionate, enthusiastic and have often come up against hostility themselves. Many of the volunteers run their own businesses so I'm amazed by the time they volunteer to help others learn and grow.

I think the culture is a product of the recruitment process. When I recruit volunteers, I ask three important questions: How do you see your skills benefitting Girl Geek? What's your ambition for Girl Geek? And, how do you see yourself adding to Girl Geek?

How does your organisation prepare for the future world of work?

There are three particular areas we're focusing on right now: data analysis; Blockchain and legal tech. The interest in Blockchain is because it's such a powerful tool, yet it still hasn't quite taken off and done all it can do. Data touches on everything we do so it's immensely interesting and unavoidable. As for legal tech and smart contracts, it's proof that technology continues to move into areas that have been traditionally resistant. We want to help Scotland and its entrepreneurs get more involved with all three areas. Otherwise, organisations from overseas will dominate the market before local businesses have the chance.

In your experience, what is the best way to build diverse teams?

There are issues around image that need to change. The role models that people see as superstars in technology need to be a more well-rounded, diverse bunch. That will raise awareness about how varied roles in the technology industry can be.

What would you say represents the biggest opportunity for your organisation in the next five years?

If we can crack mentoring, we can crack a lot of issues affecting the technology scene, women in enterprise and so much more. Right now we're looking at how to make the perfect match between mentor and mentee.

There are lots of organisations trying to do what we do, but we continue to set the precedent because we have superior commitment and knowledge. Take our events, for example, we continue to focus on quality over quantity. We know why we're doing this: we won't just promote any technology training scheme.

What does a Vibrant Economy mean to you?

It's not about the short-term; it's about anticipating the long-term. We need an economy that has more people, of all backgrounds with technology skills. You don't have to be a developer – there are a whole load of other things you can do in the technology space. If we don't diversify, we could see our economy really suffer in the next decade.

The Scottish government has invested in big data and women in tech and it's doing lots of good things elsewhere. But the effects of Brexit remain to be felt. I'm still an optimist because I've seen a mindset change: a psyche shaped by big, recent political events. A change in mindset that I think will see Scotland and its entrepreneurs more ambitious, empowered and clued-up.



Edinburgh

12

companies in
Top 100



Edinburgh Airport

Gordon Dewar
Chief Executive

Edinburgh Airport recorded its busiest ever year, and the busiest ever year for a Scottish airport, in 2017, catering for 13.4 million passengers – a fantastic return for Scotland’s busiest airport and highlighting the tremendous growth we have experienced over the last few years.

We’re the fastest growing for international passengers in the UK and that is primarily down to the list of destinations we connect to which now stands at 146. We continue to deliver choice to our passengers but we also benefit from Scotland’s appeal to people from abroad – the country’s brand is far reaching which is why the aviation and tourism industries are so important to the economy.

A study done in 2015 showed that Edinburgh Airport delivers £1bn pa in GVA to our economy and supports 23,000 jobs in Scotland. That equates to £100m GVA and 2,500 jobs for every 1 million passengers, and we’ve grown by 3 million passengers since this study was completed so our contribution is likely to be even higher.

The promised cut to Air Departure Tax would further enhance that economic benefit and we hope that prolonged delay is resolved soon, while the issue of Brexit is something we are watching closely as a business and an industry.

2018 will offer Edinburgh Airport opportunities and we are preparing ourselves for those, but we must ensure the whole country is ready to grasp and capitalise on those opportunities as well.



Property and Construction

Lorraine Macphail

Head of Property and Construction, Scotland, Grant Thornton

Scotland's Property and Construction sector is often overlooked, despite playing a key role in driving economic growth in the country. The industry is also a strong indicator of wider macro-economic conditions. Vibrant, expanding private and public sectors are crucial to its success. The 2009 global downturn hit the industry hard, but it has slowly regained lost ground, driven by booming demand for housing and commercial developments, and an increase in publicly-funded infrastructure projects.

Scotland Ltd 2017 highlights an industry that continues to play its part in the success of the Scottish economy, but one that faces its own unique challenges, which could inhibit future growth. 21 Property and Construction firms make this year's list – a rise of 1 from 2016. Meanwhile, the number of employees has risen from 14,571 in 2016 to 16,693. However, combined turnover has declined from £3.3 billion to £3.1 billion, suggesting that future employment and investment growth could slow in the year ahead.

The Property and Construction sector has worked hard to learn lessons from the global downturn and that's evident in its continued success – from housebuilding to major construction projects. But, it's a resource and skills-intensive sector and relies on wider economic growth to ensure its long term stability. The Brexit result has damaged confidence, with increased fears over access to skilled labour and international funding for speculative projects. The sector will be looking closely to see what political progress can be made to ensure it continues to make up the ground it lost in 2009.

Total number of
companies

21

20 in 2016

Total number
of employees

16,693

14,571 in
2016

Total
turnover

£3.1bn

£3.3bn in
2016



Top 100 companies

Miller Homes Limited	5	Leiths (Scotland) Limited	44
Robertson Group (Holdings) Limited	9	Mactaggart and Mickel Group Limited	49
GAP Holdings Limited	19	I. and H. Brown Limited	53
R.J. Mcleod (Contractors) Limited	20	E.G. Thomson (Holdings) Limited	68
Cruden Holdings Limited	21	Tulloch Homes Group Limited	75
James Jones and Sons Limited	22	Walker Holdings (Scotland) Limited	78
James Walker (Leith) Limited	26	Bear Scotland Limited	82
Forth Holdings Limited	30	Emtec Group Limited	94
Advance Construction Group Limited	34	Wemyss Development Company Ltd. The	95
James Donaldson and Sons Limited	37	C C G (Holdings) Limited	97
Ogilvie Group Limited	42		



Five minutes with...

Kevin Reid

Managing Director, Cruden Investments

What have market conditions been like for Cruden over the last year?

The Group has witnessed 18 years of profitable trading with targeted sustainable growth across all tenures, including social rent, mid-market rent, private rental sector (PRS), and the private residential sector. We've continued to strengthen the Group's balance sheet, and post financial crisis, have maintained significant cash balances as well as open credit lines to create a solid platform for future growth, but also to ensure job security for our workforce. Over the last year, our core construction market has been positive due to the political support given to increasing the supply of affordable housing, and demand in the private housing market has proven to be resilient.

Has the ongoing uncertainty over Brexit played any role in new thinking or strategic direction for the business?

Brexit hasn't been a key factor for us and we haven't had to make any dramatic changes to our strategic direction. However, the devaluation of sterling has resulted in material cost increases and in the medium term Brexit could impact on labour supply. A future shortage of skilled workforce is a major concern for the Property & Construction sector in general, but we've taken steps to prevent significant disruption to the Group, operations. We currently have around 650 employees, with 500 site-based. Our focus in the months and years ahead will be on continuing to invest in our existing workforce and an expanding apprenticeship programme to grow our labour base from the ground up - this will take us to around 65 trade apprentices in 2018.

What would you say was the secret behind the success of your company?

I believe it's our focus on people. We have a very stable management structure built on a very stable financial base and that has resulted in low staff turnover – especially in comparison with other businesses in our sector. Our people like and value the culture we've created and we work hard to support all employees through the good and the bad times. Investment in people ultimately creates stability and trust, which in turn translates to good performance.

How is your business preparing for the future and the changing shape of the workplace?

We've recently moved into new offices in the east of the country, bringing our development and construction arms together so that we can collaborate more effectively and ultimately create a more dynamic business. This replicates our operation in the West of the country. Alongside our drive for greater innovation in the construction process, we offer flexible working hours and support with travel arrangements.

Looking ahead, what challenges/opportunities does Cruden Investments anticipate?

Means of increasing housing supply of all tenures is an issue that is high on the political, and public, agendas both North and South of the Border. This dynamic environment is creating opportunities for forward thinking and financially stable businesses like ours to extend into new geographies, and we would anticipate extending our reach into the North of England in the coming months. Innovation will also be key to our future success and we continue to track, source and utilise new developments in modern methods of construction and off-site construction processes.



Faces of a Vibrant Economy

Barry Mochan
CEO, Glasgow Together

Barry Mochan is calling time on high re-offending rates and the lack of opportunities that prevents people from rebuilding their lives after prison. As chief executive of Glasgow Together CIC, he leads a company with a pioneering approach to rehabilitation, regeneration and partnership. He employs ex-offenders to construct new houses and refurbish others, the project transforms lives and has proven commercially sustainable. He has delivered more than £150 million in property refurbishment and new-build projects.

Glasgow Together recently announced that it had raised £2 million through a Social Investment Bond. This fundraise will allow it to purchase and refurbish several existing properties as well as construct new homes. Over the lifetime of the five-year bond, Glasgow Together will be able to train and mentor an estimated 100-150 ex- and current offenders.

“Every day I’m motivated to help those written off by society. At Glasgow Together, we work with people who want to change and contribute to society; it’s our job to give them the tools and opportunities so that they can transform their lives.”



Inverness
2
companies in
Top 100

Cause for hope amid the gloom

Bill Jamieson

Business and Political Commentator

Is the gloom about Scotland's prospects overdone? I believe so – even though there are headwinds ahead.

The Scottish Fiscal Commission predicts annual growth of less than 0.9 per cent a year out to 2022 – half the long term historical average. Other forecasters are little better: the Fraser of Allander Institute forecasts 1.4 per cent growth both for this year and next – well below predictions for the UK.

But Scotland's economy has remained resilient, growing by 0.8 per cent since the start of 2017, with production up 1.2 per cent in Q3.

The latest Scottish Chambers of Commerce Quarterly Economic Survey shows firms continuing to display resilience, with growing optimism across manufacturing and financial and business services. And the retail sector has displayed some evidence of an encouraging fourth quarter, with sales and cash flow improving over the July-September quarter.

For the North Sea Oil and Gas sector, the sharp recovery in the oil price should further lift sentiment.

Inflation looks to be edging down, easing fears of a further hike in interest rates above a widely expected rise later this year. And the lower exchange rate should further help the two sectors that excelled in 2017 – Food and Drink businesses and Tourism.

So while there is much to worry about, there is hope, too, that performance should improve as the year progresses.



Scotland's future in a Brexit landscape

Adam Jackson

Director, Public Affairs, Policy and Insight, Grant Thornton



The UK's departure from the EU is a recurring theme in client conversations and while recent progress is welcome - uncertainty remains.

In March the EU Council will reconvene looking to incorporate the progress made in December into a formal legal agreement. Once this has been achieved the focus will turn to approving a transition period. Agreement on this should provide organisations with stability in the short to medium term, with a period of around two years - from March 2019 during which the UK will be in the EU 'in all but name'.

The final, most important, part of the puzzle is agreeing what the future UK-EU trading relationship will look like. The UK's current ambition involves leaving both the single market and customs union, agreeing in their place a 'bold and ambitious' free trade deal - a Canada+ type arrangement. With much to be agreed before discussions turn to our future relationship, and with the EU still unsure of the UK's position, it appears unlikely that we will have a clearer picture before the autumn.

Regardless of the political posturing there are actions businesses can take now that will put them in a strong position whatever the outcome. Plan for the scenario with the most change - a chaotic/hard Brexit in March 2019 - and work out what you need to do and when.

Think about cross border activities, finance and operations, and talent and labour markets. Measure your exposure to Brexit risk (and that of your supply chain) and explore potential opportunities. Build contingency plans and focus on making your organisation as 'match fit' as possible.



Grant Thornton UK LLP

“Grant Thornton is about to make equitable history as it becomes the first major accountancy firm to launch an all employee consultation on a model for shared enterprise which will empower all 4,500 of its people to have a say and a stake in the firm.”

Accountancy Age

Clear purpose, Collaboration & Strong principles

As a challenger brand we have thought hard to define and put into practice a real point of difference to our competitors in how we recruit staff and service our clients. Our Partner to People ratio, cross-line of service focus and subject matter expertise detailed below have been recognised by many clients as a real point of difference.

Our shared enterprise business model is another differentiator, which engages all our people in the long term success of the firm through the delivery of great client work.

Our teams consist of experienced and seasoned people, with industry as well as significant professional experience. People really are our best asset. Our consultants are adaptable, agile and energetic.

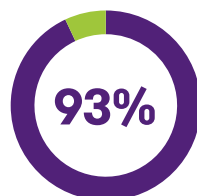
We are particularly adept at providing cross functional teams of subject matter experts who can drive real value for our clients. As a result, most clients return for advice and support, knowing they will receive insightful, unbiased and valued solutions.

Vibrant Economy

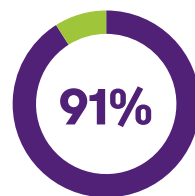
Against the backdrop of market volatility, complexity and uncertainty, we have turned our business inside out in order to align everything we do to our purpose. It is foundational to all we do. The three areas in which we believe we can make the most impact and deliver our purpose are:

- Building trust and integrity in the market
- Unlocking sustainable growth in dynamic organisations
- Creating an environment where businesses and people flourish

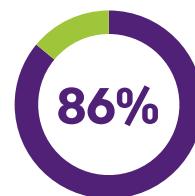
This has been a year of progress for Grant Thornton. In 2016/17 we accelerated our strategy to transform our firm into a purpose-led business at the heart of shaping a vibrant economy. It drives who we work with, what we do for them, what we speak out on and how we act as a business.



Are very satisfied with their day-to-day contact



Said that they firmly agreed that their partner has built a trusted relationship with them



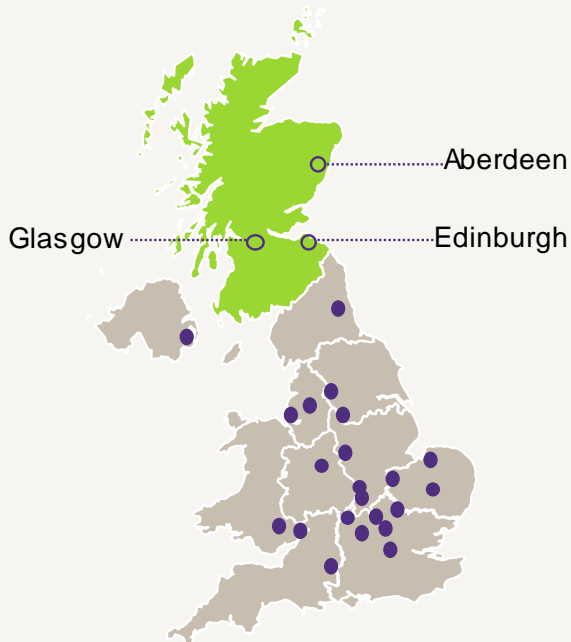
Rated their lead partner the highest scores for challenging their thinking to generate meaningful advice



Rated their partner as being highly accessible

Local expertise, global scale

Grant Thornton Scotland



195 People
3 Locations
6 Partners
full range of services

Grant Thornton International

- Fee income \$4.6 billion
- Over 42,000 people based in over 130 countries
- Fastest growing of world's six largest accounting organisations
- Global methodologies, global strategy, global brand, global values – consistent global service
- Winner of Global Firm of the Year – 2013 and 2015 (The British Accountancy Awards)

Grant Thornton UK LLP



UK turnover of **£520 million**



180 partners UK-wide



4,500 people UK-wide



56% of the FTSE **100** are non-audit clients



733 offices worldwide with **27** in the UK



Present in over **130 countries** with **40,000 people**

Awards



The FDs' Excellence Awards, Accountancy Firm of the Year (Larger Clients), 2016



The British Accountancy Awards, 2017, International Firm of the Year



Global Awards – Corporate LiveWire, 2017, Best in Corporate Valuation Services



Director of Finance Awards, 2015 and 2016 Accounting and Audit Provider of the Year



thewealthnet, 2017 Top Financial Planning Companies







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