



The 2020 Scottish
Family Business
Top 100

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“Family businesses are the engine room of the Scottish economy. We know how tough it has been over the past year, we need to continue to support and promote this vital sector.”

Mark Christie
Carbon Financial Partners

Thanks

We would like to extend our thanks and appreciation to our sponsors of this report, Carbon Financial, and partners in terms of bringing the data together, Professor Claire Seaman of Queen Margaret University, Paul Bready of Craig Corporate Limited, Lyn Calder of Anderson Anderson & Brown LLP.

Foreword

Carbon is delighted to continue our support of this extensive piece of research, which again highlights the valuable contribution the family business sector is making to the Scottish economy. The top 100 family businesses in Scotland employ 111,215 people and contribute significantly to our economy. Now, more than ever they need support to get through these tough times so that they can thrive and grow for many years to come.

With our family business clients, our aim is to understand what each generation is looking to achieve personally and in the business then to put in place a comprehensive plan to give them the best chance of achieving their individual goals. Our planning-led approach can help ensure the personal wishes of each family member are taken care of so that they can focus on growing and developing the business.



Mark Christie

Corporate Director

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Introduction



Family businesses drive economies across countries, cultures and geopolitical divides and Scotland is no exception.

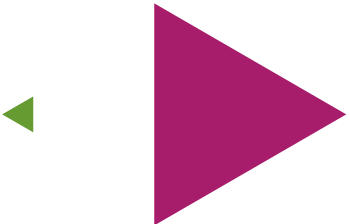
Family firms are the engine room of the Scottish economy and continue to contribute significantly to employment, economic output and the creation of wealth, as well as making a real impact on the communities in which they are located. This report, the fourth of its kind published by Family Business United, sets out to identify the contribution made by the largest family firms in Scotland and seeks to quantify the contribution of family businesses in order to give Scottish family firms a voice and to help them gain the recognition they deserve.

This report looks at businesses with a turnover in excess of £20 million per annum and provides quantification of the most profitable businesses within this highly successful group, based on the last accounts filed at Companies House. Many of these will have been filed prior to the onset of the global pandemic. The 100 large businesses that are the focus of our report highlight the considerable economic benefit that family businesses bring to Scotland and clearly

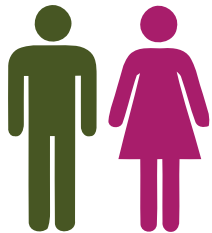
demonstrate their importance. It also shows their importance across the country which will undoubtedly be a key factor in the recovery of the country after the pandemic.

The past year has not been an easy one for many businesses yet family firms have shown great resilience and determination to overcome the many challenges that they have faced, and will continue to address in the coming months and years. Family businesses by their very nature take a long term approach with many owners clearly acting as 'custodians of the business for future generations' and resilience, innovation and this determination to be sustainable in the longer term will of course be of benefit to the economic recovery too.

In fact, the results confirm that the Top 100 Scottish family firms were in a strong position before the onset of the pandemic and should be well placed to help the nation recover too.

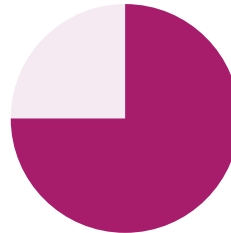


Key statistics



111,215

people are employed
by the Top 100 Scottish
family firms



£22.6 billion
turnover generated
annually by the Top 100
Scottish family firms

Lanarkshire is home to



of the Top 100 Scottish family firms

**Motor Retail is the
most important
revenue generating
sector amongst the
Top 100 Scottish
family firms**

**Food and drink businesses generate
the largest share of PBT from the
Top 100 Scottish family firms**

Top 100 Scottish Family firms generate
£1.4 billion PBT

Executive Summary

Family firms make a significant contribution to the Scottish economy and this research proves that family firms are major employers, revenue generators and contributors.

111,215 people are employed in the leading family firms in Scotland which means that many people are going to work in businesses that are owned and/or run by families in business, with family values at their core and, in many cases, that have been around for generations. Not only do the leading family firms in Scotland provide a large number of jobs, they are investing in their staff and over the four years that we have been compiling this research, the total employed by the Top 100 Scottish family firms has increased by 22,820 (25.8%).

As would be expected, there are significant clusters of family firms around the major cities but it is encouraging to see that there is a broad spread of leading firms across the country. 44% of all those employed in the Top 100 Scottish family firms are employed in Lanarkshire, with Glasgow the main focus point for employment, significantly more than Edinburgh and the whole of Midlothian (9.7%), but it is also great to see significant family business employment in Stirlingshire (16.5%). Family business employment can be found across the whole of Scotland.



£22.6 billion turnover is generated by the top Scottish family firms which include Arnold Clark Automobiles Limited, The Scottish Leather Group, James Donaldson & Sons, William Grant & Sons, The Wemyss Development Company, Walkers Shortbread and Ian Macleod Distillers. These firms generate an undeniable contribution to the Scottish economy and with a good proportion of income derived from export business, these firms are also helping to put Scottish family business on the global map.

Despite the prevailing uncertainty at the time of many of the firms reporting their results (Brexit, the US elections and general economic uncertainty) the Top 100 have remained profitable, generating £1.4 billion which is a return of 6.2% on total turnover.

Paul Andrews

Founder, FBU Scotland

Top 100 employ 111,215 people

Top 100 generate turnover of £22.6 billion

Top 100 create £1.4 billion PBT

Family Businesses in Scotland

Scotland's largest family firms are going from strength to strength.

In our fourth report into the Top 100 Scottish family firms, based on the latest filed financial statements for the leading family firms in Scotland, the results remain impressive and continue to demonstrate the significant impact that these organisations have.

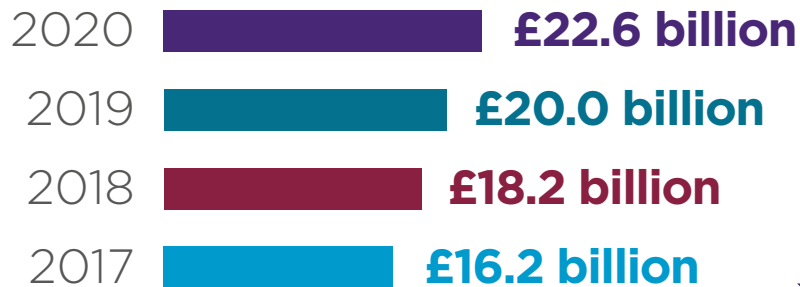
The leading family firms in Scotland generate a combined turnover of £22.6 billion compared to £16.2 billion from the same businesses back in 2017, an increase of 39.5%. Collectively they employ 111,215 people and Profits reported ('PBT') are £1.4 billion compared to £949 million in 2017, an increase of 47.5%.

Clearly, family firms make a major contribution to income generation, wealth creation and employment across the nation.



Turnover

Turnover of Top 100

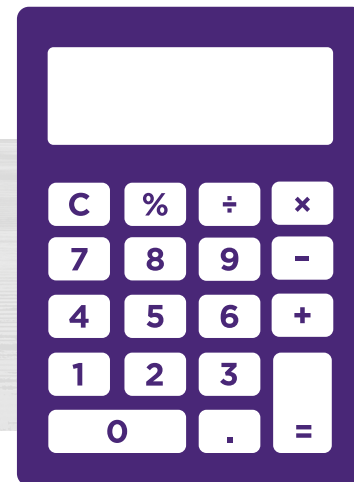


There has been a growth of 39% in turnover of the Top 100 family firms since 2017.



Profit Before Tax

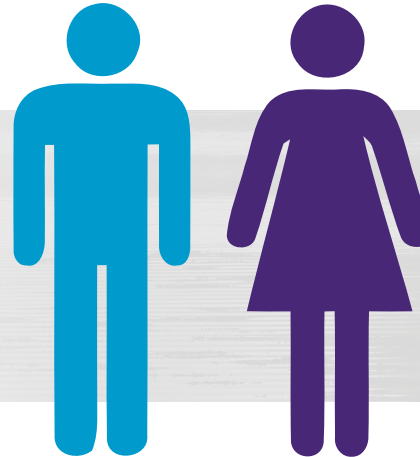
PBT of Top 100



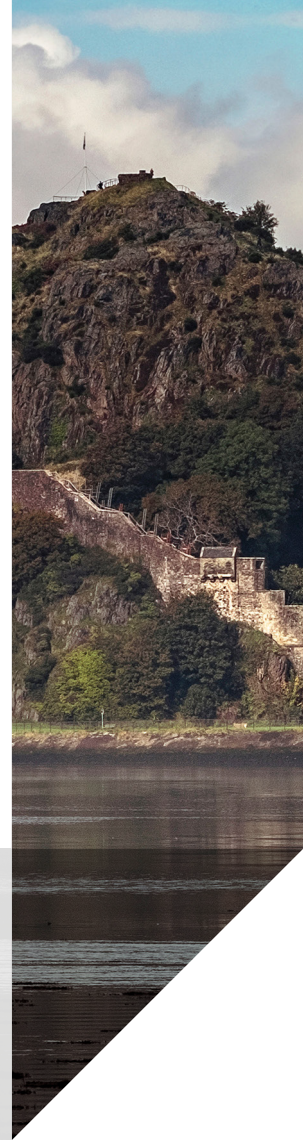
There has been a growth of 47.5% in the profits generated by the Top 100 family firms since 2017.

Employees

Employed by Top 100



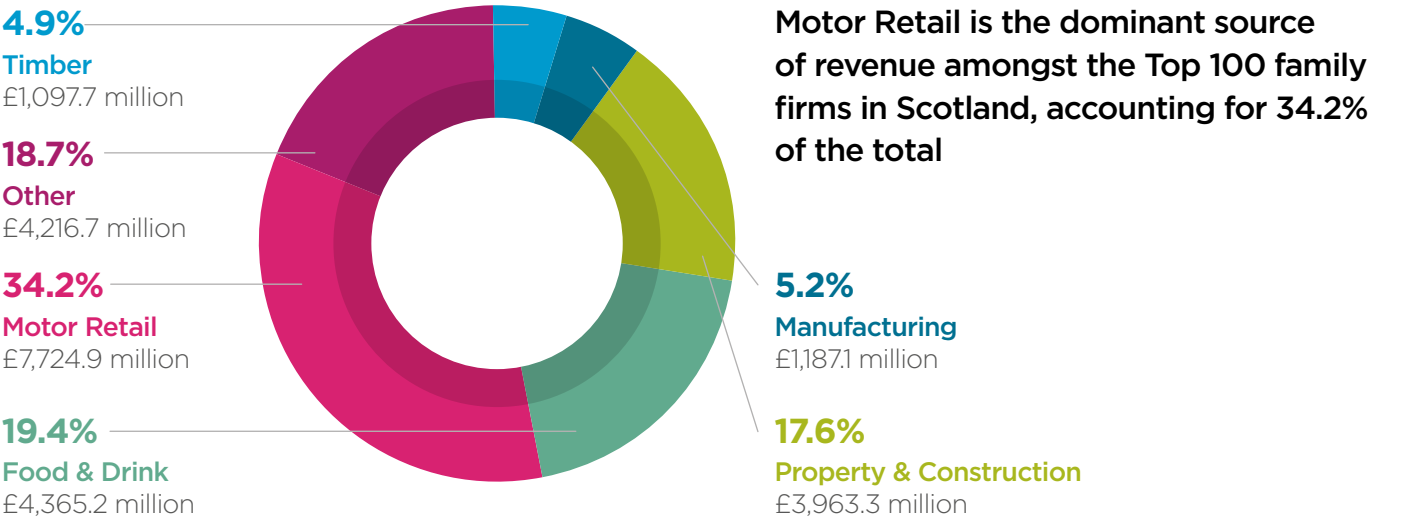
There has been a growth of 25.8% in the number of people employed by the Top 100 family firms since 2017.



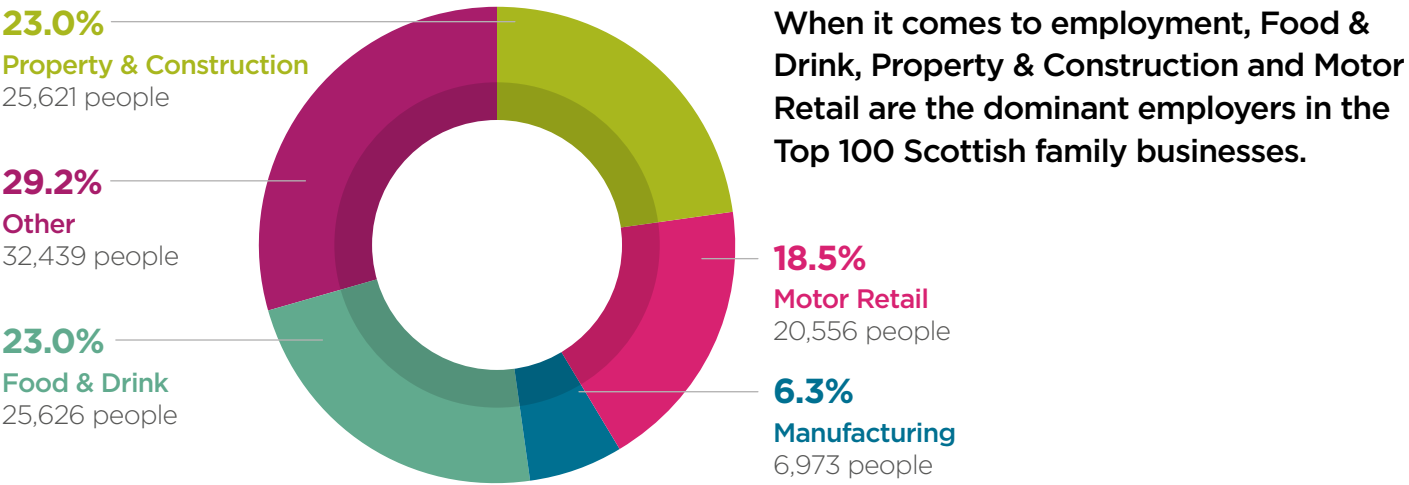
The Top 100 by Economic Sector

Sector	No. of Businesses	Turnover 2020 £m	Profit Before Tax 2020 £m	Employees 2020
Wholesale Activities	3	£474.3	£12.7	2,234
Transportation	3	£500.0	£21.7	4,836
Timber	5	£1,097.7	£49.1	4,394
Property & Construction	20	£3,963.3	£207.4	25,621
Plant & Tool Hire	2	£388.9	£22.4	2,098
Motor Retail	7	£7,724.9	£163.1	20,556
Mining & Quarrying	3	£169.6	£17.7	559
Manufacturing	14	£1,187.1	£98.8	6,973
Hospitality & Leisure	6	£384.5	£76.7	4,113
Health & Welfare	2	£100.0	£13.1	3,070
Food & Drink	15	£4,365.2	£525.8	25,626
Finance & Professional Services	5	£832.9	£39.8	5,682
Energy	3	£293.6	£43.0	335
Agriculture, Farming & Fishing	4	£324.8	£74.8	777
Other Sectors	8	£748.1	£35.4	4,341
Total	100	£22,554.9	£1,401.5	111,215

Turnover by Sector

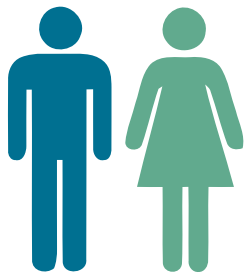


Employees by Sector

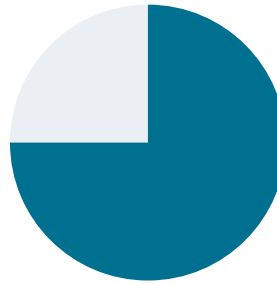


Manufacturing

Key statistics



6,973
employed in
the sector
by Top 100
Scottish
Family Firms




Manufacturing
family firms
contribute
£1.2 billion
turnover annually

**Manufacturing
firms annually
generate**
£99 million PBT



firms represent the
sector in the Top 100

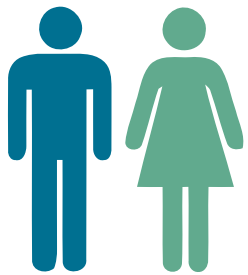
A man with a beard and short hair, wearing a grey suit jacket over a red sweater, is sitting on a wooden workbench in a workshop. He is smiling and looking towards the camera. A patterned shawl is draped over his lap. In the background, there is a large wooden structure, possibly a loom or a frame, with some material inside. The lighting is dramatic, with strong highlights and deep shadows.

“It is no coincidence that Johnstons of Elgin is a family business and that it has survived for 223 years. Our family ownership has enabled us to operate with a long-term, multi-generational approach that has meant that we can take the kind of decisions which enable longer-term success. The family has also helped define and give real long-term focus over the years to our values of community, trust, innovation and craftsmanship which genuinely run through everything we do.”

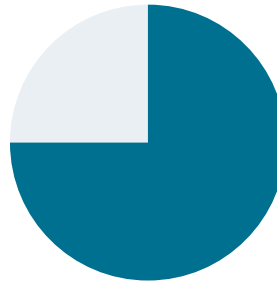
Simon Cotton
CEO, Johnstons of Elgin

Property & Construction

Key statistics



25,621
employed in
the sector
by Top 100
Scottish
Family Firms




Property &
Construction
family firms
contribute
£4.0 billion
turnover annually

**Property &
Construction
firms annually
generate
£207 million PBT**



firms represent the
sector in the Top 100

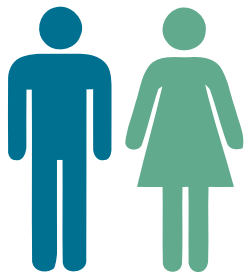
A portrait of William Wemyss, a man with light brown, wavy hair and blue eyes, wearing a light blue dress shirt and a patterned tie. He is seated and looking directly at the camera with a neutral expression. The background is a plain, light-colored wall.

“As a family business we believe in the benefits of diversification, both geographic and sectorial. By the nature of business cycles, some sectors will perform better than others at certain times and diversification permits one to help counter-balance this aspect, providing of course there is a deep understanding of one’s activities.”

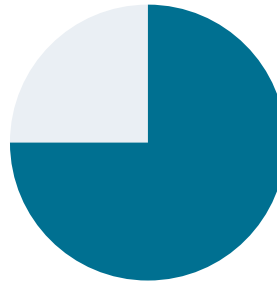
William Wemyss
The Wemyss Development Company

Food & Drink

Key statistics



25,626
employed in
the sector
by Top 100
Scottish
Family Firms

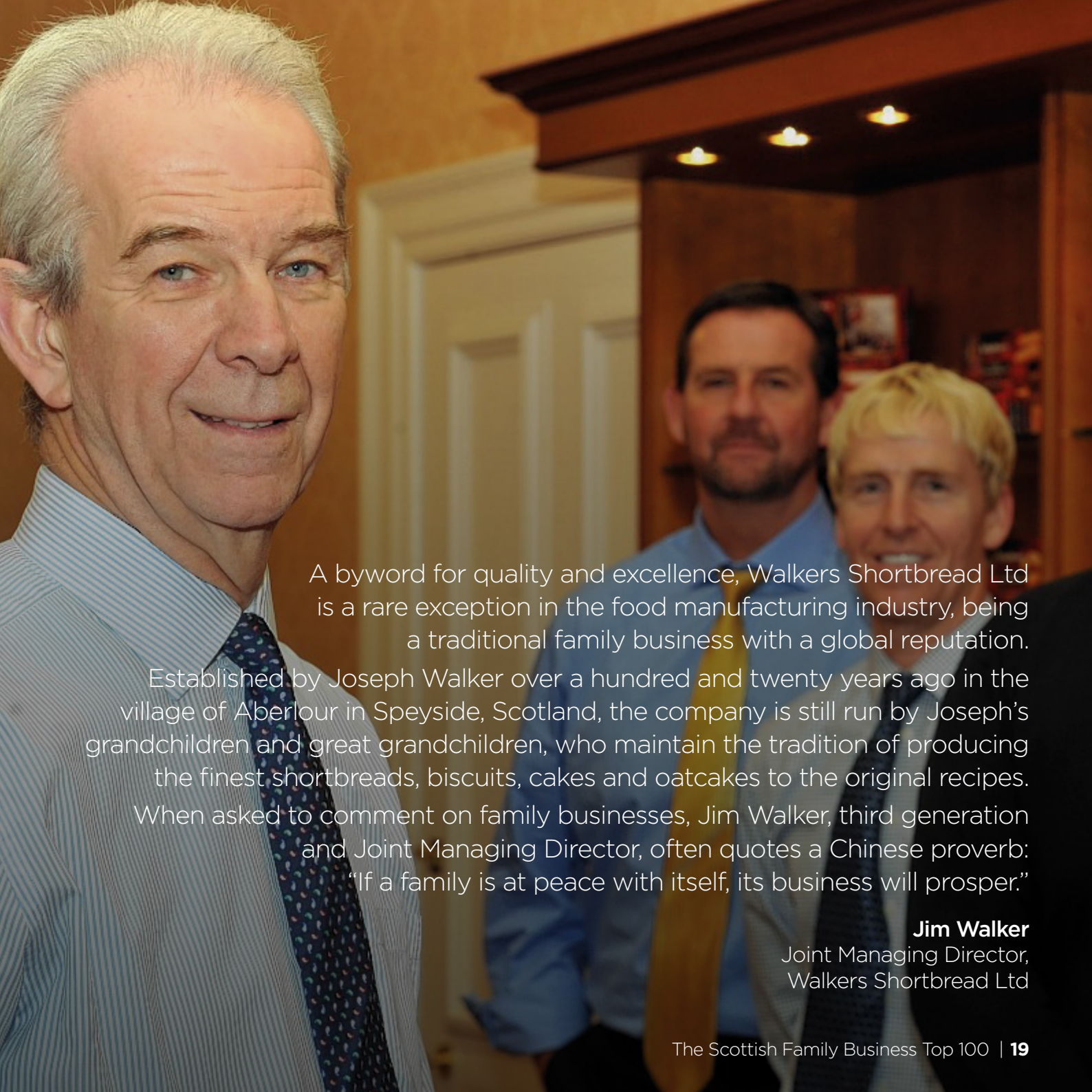


Food & Drink
family firms
contribute
£4.4 billion
turnover annually

**Food & Drink
firms annually
generate**
£526 million PBT



firms represent the
sector in the Top 100



A byword for quality and excellence, Walkers Shortbread Ltd is a rare exception in the food manufacturing industry, being a traditional family business with a global reputation.

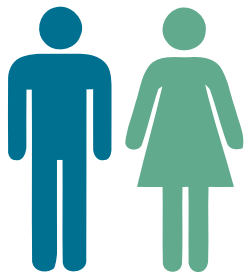
Established by Joseph Walker over a hundred and twenty years ago in the village of Aberlour in Speyside, Scotland, the company is still run by Joseph's grandchildren and great grandchildren, who maintain the tradition of producing the finest shortbreads, biscuits, cakes and oatcakes to the original recipes. When asked to comment on family businesses, Jim Walker, third generation and Joint Managing Director, often quotes a Chinese proverb: "If a family is at peace with itself, its business will prosper."

Jim Walker

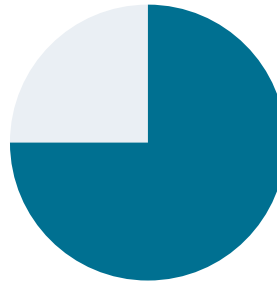
Joint Managing Director,
Walkers Shortbread Ltd

Motor Retail

Key statistics



20,556
employed in
the sector
by Top 100
Scottish
Family Firms



Motor Retail
family firms
contribute
£7.7 billion
turnover annually

**Motor Retail
firms annually
generate**
£163 million PBT



firms represent the
sector in the Top 100

The image shows the interior of a car with red leather seats and a black steering wheel. The car is parked in front of a stone wall and a green landscape. The text is overlaid on the right side of the image.

“Scottish Leather Group was formed in 1965 through the amalgamation of the Muirhead and Lang family leather manufacturing businesses and is now the largest leather company in the UK. Being a seventh generation family owned business allows us to take a longer term approach to investment in people as well as plant, technology, quality and innovation and results in a more stable and sustainable business. The pandemic has demonstrated the genuine commitment of all of our people to continue to operate during lockdown and get through the crisis as safely and securely as possible.”

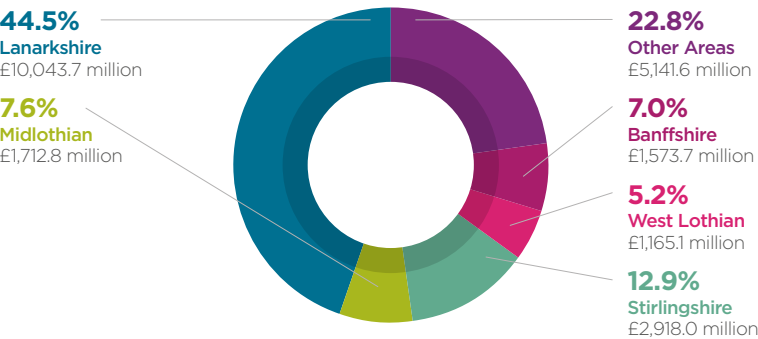
James Lang
Scottish Leather Group

The Geographical Spread of Family Firms

The statistics stand alone and clearly demonstrate that whilst there are obvious concentrations around the major urban centres, the Top 100 family firms are spread throughout Scotland and make an impact across the country in the communities in which they are based.

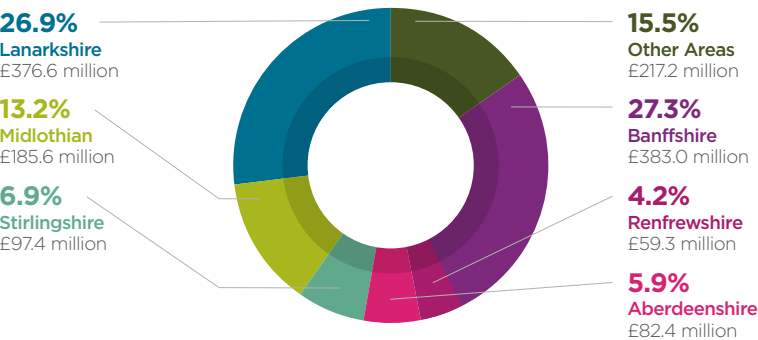
Region	No. of Businesses 2020	Turnover 2020 £m	Profit 2020 £m	No. of Employees 2020
Aberdeenshire	10	£1,522.9	£82.4	5,031
Angus	1	£73.3	£8.5	576
Ayrshire	3	£159.4	£15.2	685
Banffshire	2	£1,573.7	£383.0	4,216
Berwickshire	1	£354.8	£8.1	1,249
Dumfriesshire	2	£298.4	£17.0	2,364
Fife	8	£1,048.9	£46.7	4,142
Invernesshire	3	£447.0	£18.1	3,052
Lanarkshire	29	£10,043.7	£376.6	48,936
Midlothian	15	£1,712.8	£185.6	10,790
Morayshire	4	£308.1	£33.0	2,321
Peebleshire	1	£53.1	£4.6	212
Perthshire	1	£43.7	£5.5	1,379
Renfrewshire	5	£662.7	£59.3	5,572
Shetland	1	£169.3	£40.0	282
Stirlingshire	11	£2,918.0	£97.4	18,396
West Lothian	3	£1,165.1	£20.5	2,012
Total	100	£22,554.9	£1,401.5	111,215

Regions Generating the most Turnover



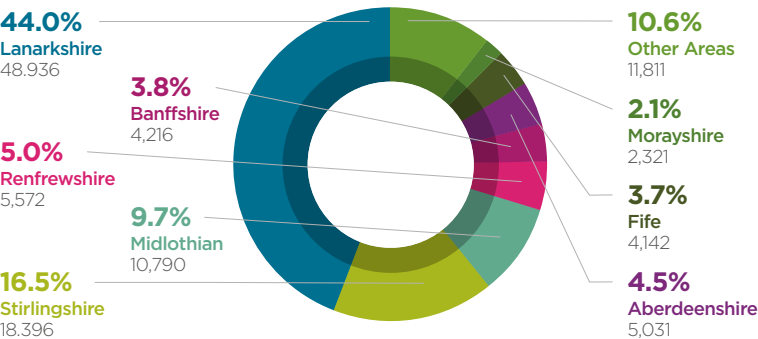
Whilst there is a spread around the country, there is a significant concentration of turnover in four regions in particular. In fact, the top five regions, Lanarkshire, Stirlingshire, West Lothian, Midlothian and Banffshire account for over 77% of the total turnover generated by the Top 100 Scottish family firms.

Regions Generating the most Profit



When it comes to generating a profitable return, three regions in particular, Lanarkshire, Midlothian and Banffshire lead the way contributing 68% of the total profits generated by the Top 100 Scottish family firms.

Regions Employing the most People



When it comes to employment across the country, family firms in Lanarkshire and Stirlingshire employ 61% of the total Top 100 workforce.


Conclusion

This fourth year of our research into the family business sector in Scotland clearly reinforces the previous findings and continues to demonstrate the contribution that family firms make to the Scottish economy simply and effectively. Research like this helps to demonstrate the importance of family firms to key decision makers and influencers, helping to dispel the myths that surround the family business space and reinforcing their importance to communities the length and breadth of Scotland, helping to quantify their importance and the financial benefits they generate.

Family firms in Scotland are significant and need to be recognised as such. Not just in terms of the employment, wealth creation and income but for the broader implications they have too. Brand and heritage are clearly important differentiators when it comes to international trade and exports benefit when there is a story to tell, a history and a heritage that can be seen in the brand, and the family ownership and involvement shines through.


Family firms help to generate revenues internationally and clearly help to put Scotland on the map. They are also crucial to the development of the economy as a whole, clearly having active roles in many of the towns and villages in which they operate and providing a role that goes way beyond a financial one. Family firms invest in their staff and the community and are often giving back to the areas that have helped them become what they are today, a key role to helping many rural and less well regarded areas to survive.

It is important that the statistics generated in this report make it into the public arena, to help people appreciate and recognise the sector for all the good it does and to help those responsible for shaping policies going forward make sure that the sector gets the support it deserves.

A man with a balding head and a friendly smile stands in a lush vineyard. He is wearing a light blue and white checkered button-down shirt. The background is filled with rows of green grapevines under a clear blue sky. The scene is bright and sunny, with shadows cast on the ground and the man's shirt.

“This research is important as it proves that family firms are truly the engine room of the Scottish economy and contribute significantly to the prosperity of the nation. There are clearly some large family businesses in Scotland that are significant employers and major contributors to the economy, locally, regionally and nationally and deserve to be recognised for their endeavours. Family businesses are integral to communities the length and breadth of Scotland and with the leading firms in a strong position before the onset of the pandemic they will undoubtedly have an important role to play in the recovery of the economy too.”

Paul Andrews
Founder and CEO
Family Business United

A portrait of Michael Donaldson, a middle-aged man with short brown hair, wearing dark-rimmed glasses and a light blue shirt. He is smiling and looking directly at the camera. The background is a plain, light-colored wall.

“We consider ourselves very lucky to have the honour of running our family business. We are delighted with how the business has traded over the last 12 months, throughout the pandemic and before, which is down to the commitment and loyalty our colleagues have shown the business during what has been one of the hardest periods in most businesses history. A new entrepreneurial mindset has leveraged our history and our values to set us on a trajectory to grow our wonderful family business for the betterment of all our colleagues into the future.”

Michael Donaldson
Executive Chairman
James Donaldson & Sons Ltd

Methodology



This report has been compiled using data that is available from Companies House and has been analysed with the help of Prof Claire Seaman, the Professor in Enterprise & Family Business at Queen Margaret University, Edinburgh. As there are no mandatory requirements for family owned businesses when it comes to financial reporting, nor internationally accepted definitions for a family business, we have devised a robust methodology for use in the compilation of this report.

First and foremost, in terms of defining what is a family business, we have based the research on the fact that “A family-owned business may be defined as any business in which two or more family members are involved and the majority of ownership or control lies within a family.”

Furthermore:

- We have based our report on the latest annual financial statements available for each company from Companies House
- We have only looked at companies who file their accounts with companies house
- We have not looked at companies who have filed accounts for a period of one year or less
- We have looked at companies who have filed their latest accounts within the past 24 months

- Turnover is greater than £20m
- The business generated a PBT
- At least one single shareholder (or shareholder group, such as a trust) holds 25% of the shares of the business
- The registered office of the business is in Scotland.

As well as fulfilling the above criteria, we have undertaken significant desktop analysis and contacted numerous family firms during the course of this research to validate their status and in doing so have compiled the Top 100 Scottish Family Businesses with the utmost of best intentions.

In compiling this research into the largest family businesses in Scotland the team at FBU Scotland have used various means to make it as comprehensive and accurate as possible. However, due to the fact that there is no legal requirement to disclose the status of underlying ownership in businesses in the UK, it is not an easy process and we cannot unequivocally say that there are not a few other great Scottish family firms out there.

In the event of any error or omission, we are more than happy to update our data and to ensure that any omissions are rectified in subsequent versions of this report.

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Research of this nature could not be possible without the support of our sponsor and partners:

Sponsor



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Partners

We would also like to extend our thanks and appreciation to the following people and organisations who have helped in the compilation of this report:

Professor Claire Seaman, Queen Margaret University

Paul Bready, Craig Corporate Limited

Paul Andrews, Family Business United and FBU Scotland

Lyn Calder, Anderson Anderson & Brown LLP

About FBU Scotland

FBU Scotland is an unparalleled rallying point and voice for the Scottish family business community and an invaluable source of insight into the sector, providing resources for family businesses across Scotland, whatever their size, sector or age.

Founded by Paul Andrews who has over 20 years experience of championing family firms across the UK and beyond. Supported by the award-winning magazine and resource centre at www.familybusinessunited.com, FBU Scotland has created an innovative community that affords family business owners, directors and employees the opportunity to meet like-minded individuals, to explore ways of dealing with specific issues, to benefit from access to the best articles and insights from around the world, and to be part of a community and representative as part of the voice for Scottish family firms too.

Education

Throughout the year FBU Scotland hosts a number of educational events on topics of relevance specifically to the family business sector, with academic partners, aimed at disseminating knowledge, sharing best practice and providing a forum to learn and address specific aspects of family and/or business governance.

Events

Recognising the value that family businesses gain from networking and meeting fellow business owners, we arrange a calendar of events to meet this need – dinners, meet the

owners, factory tours, networking receptions, virtual sessions and the flagship events of Scottish Family Business Week.

Voice

Our annual Scottish family business survey has been designed to give Scottish family firms a voice, to share their concerns and aspirations and to share the current 'pulse of the family business sector' with advisers, intermediaries and decision makers.

Engagement

Social media is here to stay and we actively embrace it to champion the sector, celebrate the success of family firms and to promote the contribution made by family firms across Scotland.

Membership

We offer a membership package that provides many benefits including a monthly ebulletin, invitations to member events, social media engagement and access to discounted member rates for our key events too.

FBU Scotland is the home of Scottish family business.

Contact Us

Paul Andrews

Founder & Managing Director

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Become a member of the innovative family business community today.

Contact us for more information



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