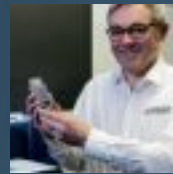




**Exporting after  
Britain's EU exit**  
Charting a path  
through complexity



**Reimagining  
Scotland**  
Could a basic income  
boost entrepreneurship?



**Catching the  
technology wave**  
The new science  
impacting business

insider.co.uk  
**business insider**

**TAKING THE  
ROAD MORE  
TRAVELLED**

Jacqueline Dobson's  
leading Barrhead  
Travel's growth journey



**REGIONAL  
REPORT:**  
CULTURE DRIVING  
REGENERATION  
IN RENFREWSHIRE

Vol 36 No.1 Mar/Apr 2019 £4.00  
9 770952 148020 02

**PLUS** FORTH VALLEY PROMOTING ITSELF AS A PLACE TO LIVE, WORK AND SET UP BUSINESS



“Despite many wonderful venues and locations, never have I had so many wonderful thank you’s from my guests as I did this year. I cannot thank nor recommend the spectacular resort that is Trump Turnberry and their committed and passionate team enough.

The dedicated and efficient event organisers not only took the time; which we simply didn’t have, to pick up and implement every tiny detail, but they also went out of their way to add that little touch of Turnberry sparkle to our event. To the operational staff front of house who delivered an event beyond my expectations and more importantly, one that my guests thoroughly enjoyed; so much so have requested the event stays at Trump Turnberry from now on.

Thank you to the many people behind the scenes as well as those front of house who would have done well to arrange and deliver an event like mine on any normal day but to pull it off with such spectacular style and success in such a short time frame is nothing short of spectacular.”

Liz Smith  
Staben

---

The IFX Rose & Thistle Trophy

---

## CONFERENCES WITH A DIFFERENCE AT TRUMP TURNBERRY

MEETINGS | EVENTS | DINNERS | TEAMING BUILDING | EXCLUSIVE USE

---

CONTACT OUR TEAM

Call: 01655 333 996    Email: [events@trumpturnberry.com](mailto:events@trumpturnberry.com)

[WWW.TRUMPHOTELS.COM/TURNBERRY](http://WWW.TRUMPHOTELS.COM/TURNBERRY)



## AMIDST THE CHAOS THERE ARE STILL OPPORTUNITIES TO BE SEIZED

Ken Symon's regular view on business



**A**S I WRITE there is still no more clarity on Brexit than there has been in the past months. All the options of Prime Minister Theresa May's deal, or some kind of version of it, crashing out with a No Deal Brexit, or a second referendum are still on the table. And UK national politics is in ferment with breakaways from not one but the two major parties.

While that goes on businesses are having to make the best of it with some being in the incredible position of having ordered shipments from the other side of the world without knowing what duty they will pay on them when they arrive because the date will fall after 29 March.

In regards to Brexit in this issue we focus on the what it means for exporters in particular (page 45) and we report on our Top500 Business Breakfast which sought to give businesses the best guidance possible to help them steer through the unique challenges that this whole situation presents (page 104).

**Brexit, political uncertainty and disruptive technology affecting more and more types of business makes for a pretty heady environment in which to operate**

On page 49 we have a list of websites that are being continually updated with the latest developments and how they affect particular sectors. Businesses should keep up to date with the latest guidance from government and public bodies on how businesses will be affected.

We also report on the wave of new science and technology breakthroughs and how they are impacting more and more on particular sectors, markets and the way we do business (page 27).

We also have the second in our series on Reimagining Scotland, a contribution from Jamie Cooke of the Royal Society of the Arts on the idea of a basic income. Could it be a source of new entrepreneurship and innovation?

Brexit, political uncertainty in the UK and on the

Continent and disruptive technology affecting more and more types of business makes for a pretty heady environment in which to operate; but in it all there will be opportunities for Scottish businesses to seize. Doing so will require a strong blend of resilience and agility.

It will require setting a good strategy and having the ability to bounce back when you hit setbacks.

In one of two Regional Reviews in this issue I look at Renfrewshire which seems to have both, bouncing back from its failure for Paisley to win the UK City of Culture crown by driving on with moves to culture and leisure at the heart of its strategy to boost visitor numbers and the economy.

It is an admirable programme to reinvigorate Paisley which has suffered in the past from neglect and some strange master planning decisions. But while there is much to admire there the area has suffered an economic blow with a Scottish Government decision not to go ahead with a Glasgow Airport Rail Link.

An express rail link is a key facet of major airports around the world – a means of ground transport that takes travellers fast from airport to city centre and back again. Glasgow Airport is the largest UK airport that isn't served by rail.

But despite this the Scottish Government has again rejected plans for a rail link in favour of yet another business case being done for a Personal Rapid Transport link.

It is the second time that such a plan has been knocked back with the first such decision coming in 2009. The decision by Transport Secretary Michael Mathieson this time that it should be looked at again is the fourth review of a project that has been in development for more than 12 years.

The clumsily named Glasgow City Region City Deal held out hope of major infrastructure works to provide new building blocks for a step change in the economy of that area of Scotland. A Glasgow Airport Rail Link was a key part of that but it looks now that that opportunity will be wasted with the rejection of an option supported by all the opposition parties including the Scottish Greens but not by the ruling party in Holyrood. ■

# contents



## COMMENT

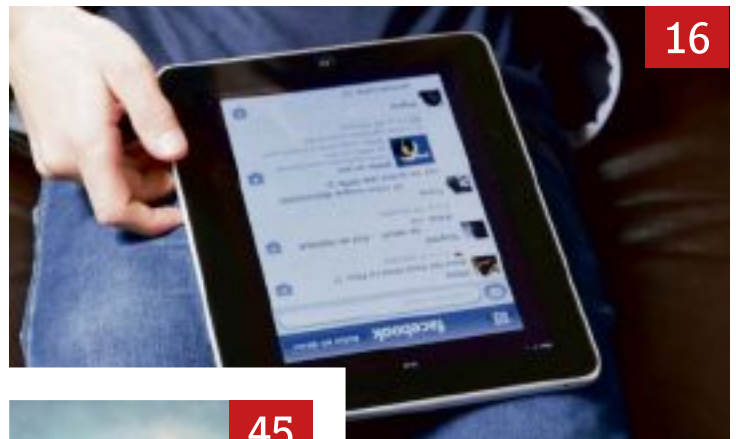
- 3 **Agenda:** Ken Symon on seizing opportunities amidst chaos
- 51 **Ian Ritchie:** The Scottish island that is leading the way in renewable power

## REPORTS

- 20 **Big Profile:** Jacqueline Dobson, Barrhead Travel
- 24 **Letter To My Younger Self:** Tom O'Hara
- 27 **Science and Technology Review:** The wave of new technologies impacting Scottish business
- 33 **The hidden growth story that is Business Stream**
- 35 **Reimagining Scotland:** Could a basic income really work and would it boost entrepreneurship?
- 41 **Intellectual Property:** Charting the tricky waters of IP after Brexit
- 45 **Exporting after Brexit:** Tricky questions faced by international traders
- 53 **Construction Review:** Seeking advances in a tough market **57** Tables
- 59 **Conferences and Events:** Glasgow's standout success in business tourism market
- 63 **Further Education Review:** Preparing for a post-Brexit landscape
- 67 **Q4 Deals:** Significant deals illuminate subdued end to 2018 **71** Analysis **73** Tables
- 79 **Regional Report:** Forth Valley – Resilient area advancing on many fronts
- 87 **Regional Report:** Renfrewshire – Using Culture to drive regeneration



8



16



45



28



27



## REGULARS

- 8 **Briefing:** News and business book review
- 12 **Quoted Companies:** Brighter market despite losing two businesses
- 14 **Vital Statistics:** The numbers that count for the Scottish economy
- 16 **Insider Creative:** The Review aiming to give the news business a bright future
- 18 **Burning Question:** Are 'challenger banks' proving a genuine challenge to traditional lenders?
- 92 **IT Matters:** Unleashing the power of Gen Z
- 95 **China-Britain Scottish Business Awards:** Celebrating the triumphs of trade with China
- 96 **International:** How patience pays in tackling the Japanese market
- 99 **Property Feature:** The complicated art of regeneration
- 101 **Property News:** Updates on a giant former education site, hotels and restaurants
- 108 **Wealth:** Finance options for silver savers
- 110 **Appointments:** Who's moving and shaking?
- 111 **Personnel:** The future for employees from EU member countries
- 112 **Slainte:** People, events and parties
- 114 **Ten Minute Interview:** Chris Harte, managing partner of Morton Fraser

## EVENTS

- 103 **Made in Scotland Awards:** What winning last year meant for one manufacturer
- 104 **Top500 Business Breakfast:** Top speakers advise on traversing the Brexit maze
- 106 **Scottish Accountancy and Financial Technology Awards:** Celebration of fintech added to the profession's other winning ways
- 107 **Deals and Dealmakers Awards:** The search begins for Scotland's top dealmakers



## Construction - Carousel Carnage?



Greg McNally

*Greg McNally is a VAT partner in the Glasgow office of Campbell Dallas, and specialises in construction, property and land.*

Widespread VAT fraud in the construction sector – often referred to as carousel fraud – costs the government and the economy hundreds of millions of pounds every year.

Legislation is now planned that will tackle the issue head on.

However, the new laws could also cripple many healthy and legitimate businesses.

In its simplest form, carousel fraud involves a fabricated supply chain. VAT is reclaimed from HMRC, and then the business disappears, along with the money. HMRC has a good track record of finding and prosecuting offenders but this is a hugely costly exercise.

The new legislation intends to remove VAT from the supply chain, and hence eliminate the problem.

This mechanism has been used successfully to quash fraud in other sectors, including mobile phone supplies, gas and electricity commodity trading. HMRC introduced a “reverse charge” to tackle this problem, and this will be extended to the construction sector.

From 1 October 2019, many businesses in the construction sector will no longer be able to charge VAT on their supplies, and the accounting for VAT will fall onto their customers, often the contracting party.

There will be changes to

invoicing, accounting, and most importantly a 20% reduction in cash flow!

A subcontractor charging £1,000 plus VAT will only charge the net £1,000 from 1 October 2019.

On a positive note, the VAT changes will remove the temptation of fraud.

However, there will be a dramatic reduction in cash flow for businesses who have relied on this cash as working capital. And cash flow is crucial in the construction sector, which is notorious for long payment periods.

At Campbell Dallas, we are very concerned about the lack of awareness of the new rules across Scotland’s construction sector.

It is important that businesses likely to be affected start to plan now for the major changes. Cash management will be critical in the first 6 months, and most businesses will need time to settle into a new routine.

Those who are unprepared may need additional facilities, and if these are not offered, may turn to the lead contractors for quicker payment terms, or even money in advance. Only those with the strongest foundations – cash – will cruise through the change.

The old adage – ‘Cash is King’ – remains as true as ever.

**Campbell Dallas**  
a Cogital company

greg.mcnally@campbelldallas.co.uk  
www.campbelldallas.co.uk

# businessinsider

## SCOTTISH BUSINESS INSIDER

One Central Quay,  
Glasgow G3 8DA  
Switchboard: 0141 309 3000  
ISSN: 0952-1488

### Editorial

Editor

**Ken Symon**

Tel: 0141 309 3339/  
07769 164698

E-mail: editor@insider.co.uk/  
k.symon@insider.co.uk

### Researcher

**Steven Wilson**

Tel: 0141 309 3338

E-mail: s.wilson@insider.co.uk

### Deputy Editor

insider.co.uk

**Hamish Burns**

Tel: 0141 309 3068

E-mail: hamish.burns@reachplc.com

### Design & production

**Ewan Lauder**

Tel: 0141 309 3673

E-mail: e.lauder@insider.co.uk

### Advertising

Group head - advertising

**Eleanor Hunt**

Tel: 07788 168 576

E-mail: ehunt@insider.co.uk

### Field sales executive

**Steve Georgiou**

Tel: 07825 853232

E-mail: s.georgiou@insider.co.uk

### Events

Events operations

manager

**Lisa Lynas**

Tel: 0141 309 3095

E-mail: l.lynas@insider.co.uk

### Key account

manager - Events

**Aileen Turnbull**

Tel: 0141 309 4909

E-mail: aileen.turnbull@insider.co.uk

**Total Circulation 11,394** Average net circulation: 7,394 (July 1, 2016-June 30, 2017)  
Plus other bulk distribution: 3000 copies to selected UK first class rail lounges. 1000 copies to selected UK airport lounges. 3200 downloads of the Insider App product (Android and Apple stores).

Enquiries on subscriptions/back issues Tel: 0800 141 3347

E-mail: customerservices@insider.co.uk

Enquiries on Top500 and SME300 databases Tel: 07788 168576

E-mail: sme300@insider.co.uk/top500@insider.co.uk

© Insider Publications Ltd. No reproduction is permitted in whole or part without the express consent of Insider Publications Ltd.



# SUBSCRIBE

## TO SCOTLAND'S LEADING BUSINESS MAGAZINE

Since 1984, *Insider* has been publishing in depth business information. To keep yourself up to date with the latest business intelligence for only £24.00 per year. Contact us on 0800 141 3347 or email subscriptions@insider.co.uk or alternatively visit [www.insider.co.uk/subscribe](http://www.insider.co.uk/subscribe).

**businessinsider**





**Piggery Smokery  
know everything  
about curing bacon.**

**But what  
they didn't  
know was...**

**...that our advice on  
funding was the missing  
piece to take them into  
the finest restaurants.**

**Connect with us at  
[bgateway.com](http://bgateway.com)**

News and quotes compiled by Ken Symon

## EnerMech to create up to 100 jobs in Bristol

ABERDEEN-based EnerMech is to create up to 100 jobs in the Bristol area over the next three years as it targets expansion into onshore energy and industry in the South West of England.

The mechanical and electrical services specialist will drive expansion into the nuclear, industrial processing, refining, petrochemical, aviation, defence, transport and infrastructure sectors as it diversifies out with its offshore energy industry roots.

The company believes its track record in the highly regulated offshore industry and experiences of working on global infrastructure projects will enable it to successfully introduce existing service lines onto new onshore sectors.

EnerMech has appointed Duncan Frame, who spent 20 years with GE in senior commercial and operational roles in a number of sectors, as general manager South West, and he will spearhead expansion



EnerMech general manager South West Duncan Frame (left) with regional director Europe, Ross McHardy

of the EnerMech brand. Frame said: “The disciplines and methodologies which have been fine tuned in the North Sea and global oil and gas hubs are transferrable to an onshore environment and I see this as a terrific opportunity to build on the EnerMech success story which is strongly founded on evolution and diversification.”

The company’s business lines

including hydraulics, cranes and lifting, integrity and inspection and process and pipelines will appeal to a large number of businesses located in the southern half of the UK.

It is also looking at providing integrated services, including electrical and instrumentation and testing and certification to a number of nuclear, naval and marine projects.

## BGF breaks £250m in total investments

BGF has invested more than £250m in Scottish businesses to date including 30 new investments as well as follow-on investments for its portfolio companies since its 2011 set-up.

What is the UK’s most active investor in growing businesses has provided £42m in “patient capital” to Scottish-based businesses from its Edinburgh

and Aberdeen offices, with three new investments in 2018.

These included Cumbernauld-based Moulded Foams, the UK’s largest independent manufacturer of moulded foam products, and Parklands Group, one of Scotland’s largest independent care home providers and BGF’s first investment in the Highlands and

Moray. There was also a £2.75m of follow-on investment to Glasgow-based Walker Precision Engineering. BGF originally invested £4m into the company in December 2017 and this further investment will help the business invest in equipment at its Glasgow site and double the size of its manufacturing presence in Poland.

## Blackadders completes law firm merger

DUNDEE-headquartered law firm Blackadders is expanding by merging with Aberdeen-based solicitors Plenderleath Runcie.

The merger means that Blackadders will expand its number of partners to 28 and its staff to 230.

Partners at Plenderleath Runcie – John Plenderleath, Colin Runcie and Neil Robb – will become partners with



Johnston Clark

Blackadders under the merger which is set to be complete in April, 2019, and will see both firms trading under the

Blackadders banner.

Plenderleath Runcie has particular specialisms in corporate law, commercial property and private clients.

Blackadders, whose managing partner is Johnston Clark, employs a total of more than 200 people including 25 partners, and has offices in Dundee, Glasgow, Edinburgh, Aberdeen, Perth, Forfar and Arbroath.

## IN BRIEF

### Interface backs three new projects

INTERFACE, which matches businesses and academics for innovative research and development projects, has awarded about £30,000 to three projects aimed at boosting business-academic collaboration in key sectors. The three successful projects are:

Textiles Scotland and the University of Strathclyde are exploring the use of virtual and augmented reality to collect and analyse consumers’ biometric data and match it to garment patterns.

The University of Aberdeen will collaborate with various food supply chain partners to investigate the risk of mycotoxin – fungal toxin – in Scottish oats, which is an emerging issue in Scottish oat production.

In the third project, the University of Strathclyde will partner with Arran’s hospitality sector represented by tourism body VisitArran and environmental group Arran Eco Savvy Community.

Working alongside data and analytics business Topolytics they will aim to develop innovative and sophisticated decision support models to assess operational, environmental and economic performance of different ways of processing waste.

The project will work towards developing a circular economy for Arran and contribute to their vision to become the first Scottish sustainable island.

The funding awarded to each project will be matched by the businesses in kind or in cash.

### Scottish football broadcast deals

FANS in the US, Canada, China and Russia will be able to see action from the Scottish Professional Football League (SPFL), Betfred Cup and the Irv Bru Cup after the confirming of new overseas broadcast deals.

The deals means that the SPFL is now available to watch in 119 territories around the world.





**Digital Skills  
Support**

**Innovation  
Programmes**

**Market  
Research**

**You know your  
business.**

But what you might  
not know is we could  
be the missing  
piece that takes it  
to the next level.

Connect with us at  
[bgateway.com](http://bgateway.com)

 **business  
gateway**

**Connect with us**

## VisitScotland targets Chinese with new app

VISITSCOTLAND has launched a new app targeting millions of Chinese social media users in a major push to attract more visitors to Scotland.

The mini-app is housed under VisitScotland's account on Chinese social media platform WeChat, which has one billion monthly active users.

The development of the app forms part of a larger focus by the national tourism agency on China.

It is now seen as a priority market which has an estimated international tourism spend of \$257.7bn (£197.6bn).

Since 2011, there has been a 316 per cent increase in visitor numbers from China to Scotland with VisitBritain – the UK tourism body – predicting



Chinese visitors dine at Hutchesons City Grill in Glasgow

Chinese visitor numbers across the whole of the UK will rise by almost half over the next five years.

The mini app divides Scotland into four regions and allows users to browse an initial 200 Scottish businesses – activities, attractions,

food and drink, and shopping – which have tailored their products to engage with the Chinese visitor market, for example, by having mandarin translations or mandarin speaking staff.

The app will allow for additional businesses to be added.

## IN BRIEF

### Pacific becomes employee-owned

A FAST-GROWING construction and fit-out business has started the New Year in employee ownership.

The deal saw 55 workers at Glasgow-based Pacific Building Ltd become joint owners of the business.

Majority shareholder and managing director Brian Gallacher said he wanted to lay the foundations of a prosperous future at the company whose clients include fast-food giants McDonald's, restaurant and bar operators Mitchells & Butlers, Tesco, Scotmid and Aberdeen, Edinburgh and Glasgow International Airports.

An employee ownership trust will hold 100 per cent of the shares in Pacific – which is headquartered in Hillington Park on the outskirts of Glasgow – on behalf of the staff.

All the workers will share equally in the company's success every year via a bonus scheme, as long as it continues to operate profitably, and they will have a say in the day-to-day running of the business.

### Mercia backs tech with £3.5m

TECH BACKER Mercia Technologies led investments worth £3.5m in Scottish businesses in 2018 – up from £1.5m the previous year.

It also increased investment in its team in Scotland and its relationships with its university partners.

The Aim-listed company said that this underlined its role as one of the UK's most active regional investors.

Mercia made six investments in Scottish companies over the year including a new one in Dundee-based software firm Kumulos which provides a mobile app management platform.

It also made a new investment in University of Edinburgh spin-out Invizius which is pioneering a treatment to help dialysis patients live longer.

## Hebridean Seaweed invests in factory

AN AWARD-winning seaweed processing business in the Outer Hebrides is investing in a new factory which will boost international sales and increase its jobs.

The Hebridean Seaweed Company, which is based at Arnish Point near Stornoway on the Isle of Lewis, is making the investment following Highlands and Islands Enterprise awarding it funding of £659,000.

The company has begun building a new facility as part of a £7m expansion project and once completed it is expected to double the number of the firm's employees to 26.

The business already supplies markets around the world and new jobs will be created to support the growing international demand for its products.



Joanna Peteranna of Highlands and Islands Enterprise with Hebridean Seaweed's Martin Macleod

### QUOTE UNQUOTE

"We want to celebrate everything that is great about Scotland and whisky"

David Cutter, chairman of Diageo in Scotland on the plan for the Johnnie Walker visitor centre

### Book Review

**Title:** *Broken Business*  
**Writer:** Jose R. Hernandez  
**Publisher:** Wiley  
**Price:** £18.99

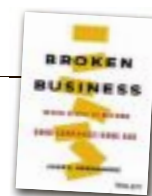
If you want to know what to do when scandal strikes or rather how to avoid it in the first place you would do well to read this book.

It is based on the premise that "misconduct is inevitable – scandal is not." The writer advises corporate clients who "despite their sophistication and

proud histories have been caught up in some of the largest fraud, bribery and money laundering cases on record."

From that experience he sets out seven steps to reform good companies gone bad and how to institutionalise good conduct in business.

Worth a read – before you need to.



Rating out of five: ★★★★★



What makes a great timepiece? Reputation, construction, durability, reliability, accuracy, cost? At Clyde Travel Management we believe all of these elements are important. It takes time to create something that lasts, and we have been shaping our business for decades and today proudly support some of the UK's most trusted brands in the marine, offshore and corporate sectors. We have gained this position through our innovative solutions and continuing evolution, but also through our hard-working and dedicated staff who make themselves a seamless part of your organisation, working like clockwork.



**Clyde Travel**  
Management

[www.clydetravel.com](http://www.clydetravel.com)



**ACCURACY  
IS AT THE  
HEART OF  
EVERYTHING  
WE DO.**

Gayle Gordon  
Sales Manager

# A return to positive territory but two companies depart

Ken Symon's regular digest of Scottish stock performance

**S**COTTISH quoted companies returned to positive territory with risers outnumbering fallers for the first time for a few months.

There were 23 companies in all that showed an increase in their share price with 11 of these coming from the main market and 12 from AIM. There were 17 companies whose shares fell back five on the main exchange and 12 in the secondary market with two seeing their prices unchanged over the period.

But the major change to the composition of our quoted companies listings is the departure of two companies – **Johnston Press** from the main market and **Faroe Petroleum** from the Alternative Investment Market.

Edinburgh-headquartered Johnston Press left the market following its entry into administration and its subsequent takeover by its bondholders using a corporate vehicle called JPI Media. Prior to the suspension of its shares, the publisher of The Scotsman and sister titles, the 'T' newspaper and Yorkshire Press had seen its share price slump from 800p five years ago to 3p in the last price we recorded in our listings.

While it left the market with a resulting loss to shareholders and members of its pension fund, the deal did preserve the jobs and its creditors agreed to inject £35m of new investment into the business and reduce its debt level by £135m.

The departure from the AIM market of Faroe Petroleum, the Aberdeen-headquartered exploration and production company, followed an increasingly tense bid battle resulting in a successful takeover by DNO, the Norwegian oil and gas business.

After an at times febrile war of words over the valuation and prospects of the Scottish business DNO announced on 9 January that it owned or had acceptances for 52.4 per cent of the stock and the battle was won.

To do so DNO had upped its bid for the company from 152p to 160p a share, valuing

## Biggest risers

NAME	% CHANGE 1 MTH
LANSDOWNE OIL & GAS PLC	30.00
CALEDONIAN TRUST PLC	25.71
NUCLEUS FINANCIAL	23.31
CAIRN ENERGY PLC	20.91
QUIZ PLC	20.51
SMART METERING SYSTEMS PLC	15.49
WEIR GROUP PLC (THE)	10.79
FRONTIER IP GROUP PLC	8.07
ROYAL BANK OF SCOTLAND GROUP PLC	6.51
ALLIANCE TRUST PLC	6.03

## Biggest fallers

NAME	% CHANGE 1 MTH
BOWLEVEN PLC	-44.62
SPACEANDPEOPLE PLC	-21.14
SCOTGOLD RESOURCES LIMITED	-15.38
MINOAN GROUP PLC	-11.38
JOHN WOOD GROUP PLC	-9.86
STV GROUP PLC	-9.79
BRAVEHEART INVESTMENT GROUP PLC	-8.00
IDE GROUP HOLDINGS PLC	-7.32
BEEKS FINANCIAL CLOUD GROUP PLC	-6.14
A.G. BARR PLC	-6.13

.....  
**Edinburgh-headquartered Johnston Press left the market following its entry into administration and its subsequent takeover by its bondholders using a corporate vehicle called JPI Media**  
 .....

the Aberdeen-based explorer at more than £641m. Its market value in our previous listing of the shares was £568.2m.

Other oil and gas company shares were both the biggest riser and largest faller over the two-month period since our last magazine report.

**Lansdowne Oil & Gas**, an independent oil and gas company focused on the exploration and development of oil and gas in the Irish Celtic Sea saw its share price rise 30 per cent over the period.

**Bowleven**, another exploration and production business saw a 44 per cent plus fall in its shares with the move following the company's announcement in January that it had approved the disbursement of a special dividend of £50m.

The company said it had agreed to distribute a significant proportion of its surplus cash resources to shareholders following the completion of its two well drilling campaigns in October 2018.

**Caledonian Trust** was the second biggest riser with a boost in its share price of nearly 26 per cent over the two-month period. The Edinburgh-based property business has a price to earnings ratio of 8.98 with the rise in shares suggesting that the market expects the business to deliver on the upside of the sector in the market.

**SpaceandPeople**, the Aim-listed media agency saw its shares fall by more than 21 per cent after the company warned in January that it expected to report a full-year as tough conditions for retailers increased weakness in the final quarter of 2018.

The business which rents out ad space on retail-based hoardings said that pre-tax losses for the year were expected to amount to £100,000.

The company said in a statement that: "Trading during the final quarter of 2018 was not as strong as had been anticipated, with December trading being subdued in particular, in part due to well documented difficult high street trading conditions." ■



## Main Market

	LIST DATE	MARKET* VALUE (£m)	SECTOR	SHARE PRICES				
				5 YEARS AGO	1 YEAR AGO	LAST MONTH	THIS MONTH	% CHANGE
A.G. BARR PLC	2/4/1970	858.00	SOFT DRINKS	616.00	664.00	799.00	750.00	-6.13
AGGREKO PLC	29/9/1997	1823.63	BUSINESS SUPPORT SERVICES	1711.50	760.20	756.00	723.00	-4.37
ALLIANCE TRUST PLC	17/7/1947	2408.28	INVESTMENT TRUSTS	445.40	714.00	704.50	747.00	6.03
CAIRN ENERGY PLC	22/12/1988	988.59	EXPLORATION AND PROD.	192.60	183.50	176.50	213.40	20.91
CLYDESDALE BANK (CYBG)	3/2/2016	2705.70	BANKS	N/A	306.00	183.00	189.50	3.55
DEVRO PLC	30/6/1993	288.82	FOOD PRODUCTS	311.70	195.60	162.40	166.60	2.59
FIRSTGROUP PLC	16/6/1995	1050.65	TRAVEL AND TOURISM	139.10	95.55	91.30	94.00	2.96
J SMART & CO (CONTRACTORS) PLC	25/3/1973	47.57	REAL ESTATE HOLD, DEV	103.00	108.70	109.50	109.50	0.00
JOHN MENZIES PLC	3/10/1962	429.44	BUSINESS SUPPORT SERVICES	423.30	663.00	534.00	560.00	4.87
JOHN WOOD GROUP PLC	5/6/2002	4280.06	OIL EQUIP. & SERVICES	743.50	603.40	567.80	511.80	-9.86
MACFARLANE GROUP PLC	20/6/1973	118.56	BUSINESS SUPPORT SERVICES	34.50	81.90	89.00	92.45	3.88
ROYAL BANK OF SCOTLAND GROUP PLC	10/7/1968	25301.86	BANKS	342.60	275.10	227.20	242.00	6.51
SSE PLC	18/6/1991	11179.00	ELECTRICITY	1389.00	1191.00	1152.50	1198.50	3.99
STAGECOACH GROUP PLC	19/10/1998	979.08	TRAVEL AND TOURISM	369.10	132.40	149.00	156.60	5.10
STANDARD LIFE ABERDEEN PLC	10/7/2006	6000.62	LIFE INSURANCE	441.90	389.30	262.90	249.45	-5.12
STV GROUP PLC	25/3/1973	131.69	BROADCAST AND ENTERTAIN	340.00	310.00	387.00	349.10	-9.79
WEIR GROUP PLC	25/11/1946	3650.21	INDUSTRIAL MACHINERY	2233.00	2021.00	1383.30	1532.50	10.79

## Alternative Investment Market

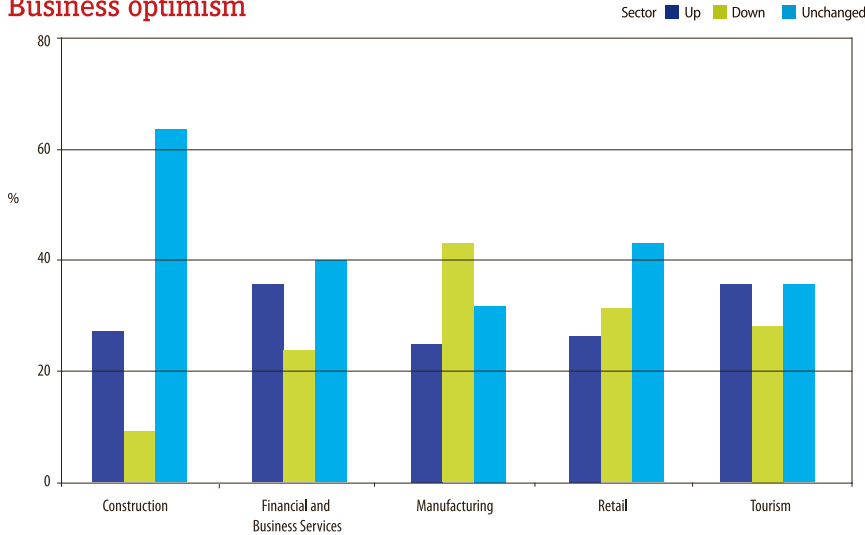
	LIST DATE	MARKET* VALUE (£m)	SECTOR	SHARE PRICES				
				5 YEARS AGO	1 YEAR AGO	LAST MONTH	THIS MONTH	% CHANGE
BEEKS FINANCIAL CLOUD GROUP PLC	27/11/2017	54.81	COMPUTER SERVICES	N/A	58.00	114.00	107.00	-6.14
BOWLEVEN PLC	7/12/2004	80.88	EXPLORATION AND PRODUCTION	33.25	29.65	31.60	17.50	-44.62
BRAVEHEART INVESTMENT GROUP PLC	30/3/2007	4.06	EQUITY INVESTMENT INSTRUMENTS	11.25	16.95	12.50	11.50	-8.00
CALEDONIAN TRUST PLC	29/9/1995	22.98	REAL ESTATE HOLD, DEV	81.50	206.00	175.00	220.00	25.71
CELTIC PLC	22/12/2005	155.40	RECREATIONAL SERVICES	74.10	133.00	168.00	168.00	0.00
CRANEWARE PLC	13/9/2007	740.90	SOFTWARE	607.50	1700.00	2685.00	2545.00	-5.21
ELAND OIL & GAS	3/9/2012	236.99	OIL AND GAS PRODUCERS	100.60	83.40	121.00	124.00	2.48
FRONTIER IP GROUP PLC	31/1/2011	30.95	SUPPORT SERVICES	26.40	81.75	80.50	87.00	8.07
GOALS SOCCER CENTRES PLC	7/12/2004	54.16	RECREATIONAL SERVICES	211.50	71.50	57.25	54.00	-5.68
IDE GROUP HOLDINGS PLC	21/1/2016	8.42	INDIVIDUAL AND FAMILY SOCIAL SERVICES	N/A	23.50	2.05	1.90	-7.32
INDIGOVISION GROUP PLC	2/8/2000	8.64	COMPUTER SERVICES	367.50	118.00	122.10	123.50	1.15
IOMART GROUP PLC	19/4/2000	357.55	INTERNET	257.80	370.00	339.00	358.50	5.75
LANSDOWNE OIL & GAS PLC	21/4/2006	10.92	EXPLORATION AND PRODUCTION	19.50	1.35	2.00	2.60	30.00
MINOAN GROUP PLC	18/10/2011	6.56	TRAVEL AND LEISURE	10.25	5.35	2.90	2.57	-11.38
MURGITROYD GROUP PLC	30/11/2001	44.15	BUSINESS SUPPORT SERVICES	662.50	527.00	458.00	485.00	5.90
NUCLEUS FINANCIAL	26/7/2018	103.24	SPECIALITY FINANCE	N/A	N/A	133.00	164.00	23.31
OMEGA DIAGNOSTICS GROUP PLC	18/3/2004	17.46	MEDICAL SUPPLIES	20.00	15.30	12.05	12.50	3.73
PARKMEAD GROUP PLC (THE)	13/3/2000	57.38	EXPLORATION AND PRODUCTION	269.00	40.20	58.10	57.75	-0.60
PLEXUS HOLDINGS PLC	9/12/2005	51.11	OIL EQUIPMENT AND SERVICES	286.50	61.90	49.10	47.70	-2.85
QUIZ PLC	28/7/2017	44.79	FAST FASHION BRAND	N/A	143.00	23.40	28.20	20.51
SCOTGOLD RESOURCES LIMITED	15/1/2008	15.52	PRECIOUS METALS AND MINERALS	50.00	20.20	39.00	33.00	-15.38
SIGMA CAPITAL GROUP PLC	27/4/2000	106.76	ASSET MANAGERS	86.00	99.00	129.00	121.60	-5.74
SMART METERING SYSTEMS PLC	8/7/2011	603.26	BUSINESS SUPPORT SERVICES	308.50	739.00	536.00	619.00	15.49
SPACEANDPEOPLE PLC	31/12/2004	4.10	MEDIA AGENCIES	147.50	34.00	17.50	13.80	-21.14
SPRINGFIELD PROPERTIES	16/10/2017	109.82	HOME CONSTRUCTION	N/A	111.00	115.00	120.00	4.35

\*Figures to close of market Thursday, February 14, 2019

# VITAL STATISTICS

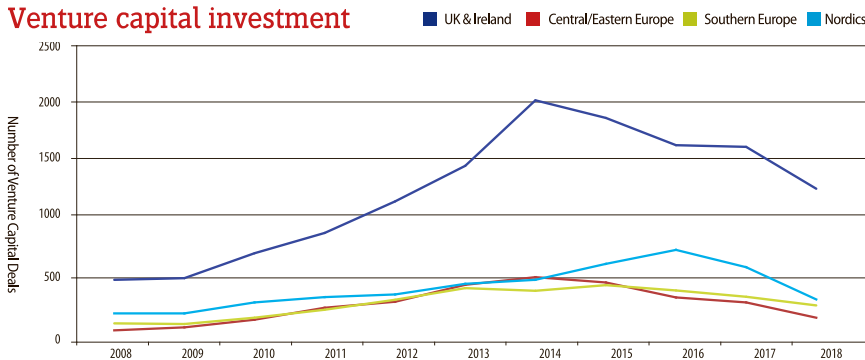
Business statistics in Scotland compiled by Steven Wilson

## Business optimism



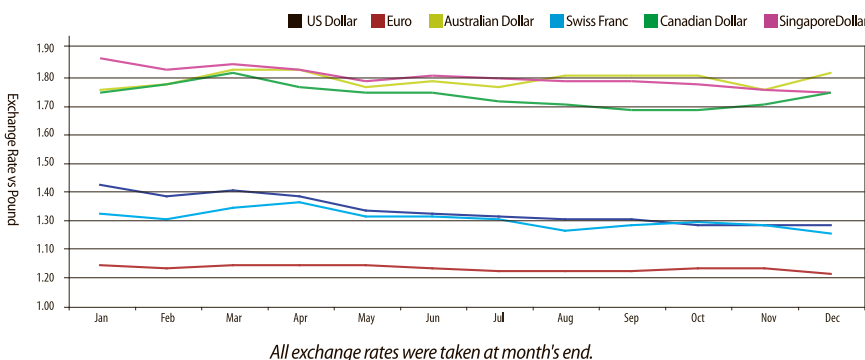
Brexit uncertainty and rising costs are taking their toll on the Scottish economy as investment slows down, according to the latest Scottish Chambers of Commerce Quarterly Economic Indicator. It shows raw material prices being cited as a leading cost pressure for construction, manufacturing, retail/wholesale and tourism while financial and business services highlight financial costs as a top concern. Construction firms have seen steady optimism across the sector, with 27% of firms anticipating improving business conditions to come. Although the net balance figure of plus 18 percentage points is a minor decrease from the previous quarter, it is a substantial increase from Q4 in 2017 as typically the sector sees a dip in business confidence in the fourth quarter. *Source: Scottish Chambers of Commerce*

## Venture capital investment



The UK tech sector saw more venture capital investment and stock market flotations in 2018 than any other European country, as the likes of Monzo and Funding Circle took centre stage. UK tech companies attracted £2.49bn in venture capital investment last year - far more than Germany in second place with £1.38bn and France in third place with £1.03bn, according to data from London & Partners and PitchBook. High profile initial public offerings (IPOs) from the likes of online fashion firm Farfetch and peer-to-peer lender Funding Circle also ensured Britain took the crown for the most tech listings, at 17 throughout 2018. Sweden was second with ten tech IPOs, followed by France with eight and Germany with six. *Source: PitchBook*

## EXCHANGE RATES VS GBP – MONTH BY MONTH 2018

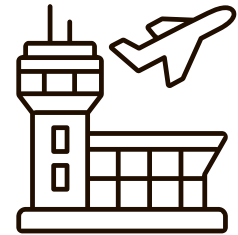


## IN FOCUS

### Top companies in FK postcode area

Ranked by total turnover

Name	T/O (£m)	Postcode
Alexander Dennis Ltd	577.01	FK5 4RU
JW Galloway Ltd	319.92	FK9 4NE
Petrolneos Manufacturing Scotland Ltd	286.67	FK3 9XH
Peoples Ltd	274.41	FK1 1SQ
Ogilvie Group Ltd	236.92	FK7 8ES
Forth Holdings Ltd	204.57	FK7 8HW
Scottish Sea Farms Ltd	200.08	FK7 9JQ
Castle View Ventures Ltd	175.66	FK9 4JX
Macrae & Dick Ltd	173.37	FK7 7RW
James Jones & Sons Ltd	163.88	FK5 4NQ



# £1.44bn

The contribution of Glasgow Airport to the Scottish economy

### Scottish Football market value

Name	Market Value	% Change 1 Month	% Change 1 Year
Celtic	£82.31m	23.00%	51.42%
Rangers	£40.68m	24.94%	84.07%
Hibernian	£12.69m	17.72%	42.11%
Hearts	£11.12m	16.81%	0.82%
Aberdeen	£9.9m	-4.81%	8.08%
Kilmarnock	£8.84m	9.41%	26.29%
Motherwell	£8.57m	49.30%	155.82%
St Johnstone	£7.16m	4.99%	14.01%
St Mirren	£5.78m	17.72%	36.00%
Hamilton	£5.67m	25.44%	9.46%
Livingston	£5.42m	11.07%	70.98%
Dundee	£4.59m	4.08%	-14.68%

The Scottish Premiership's market value rose by just under 20 per cent over the January Transfer Window with just one of the 12 clubs seeing a drop in value. That team was Aberdeen, who saw a 4.81% dip in market value over the first month of the year to £9.9m. The top performers in the league were Motherwell, whose market value came in at £8.57m at the start of February - a near 50% increase which was also 155.82% more than they recorded this time last year. The overall league's value came in at £202.73m which was an increase of 44.61% from 2018. *Source: Transfermarkt. Current Market Value as of 1 Feb 2019*



IN FOCUS

BT economic impact

Area	Output £m	GVA £m
Glasgow City	550	291
Edinburgh City	315	166
Dundee City	248	133
Scottish Borders	101	52
Aberdeen City	85	45

BT Group is responsible for generating £1 in every £110 produced in the Scottish economy, contributing £1.2 billion in value annually, according to an independent report. The Economic Impact of BT Group plc in the UK report, by consultancy firm Hatch Regeneris, claims that the communications company generated more than £1bn in gross value added (GVA) during the 2017/18 financial year. The report estimated the equivalent of 20,690 full-time jobs in Scotland are supported through BT's direct employment, its spending with contractors and suppliers and the spending of its employees. BT Group directly employs 7700 people in Scotland, with a further 681 employed as contractors. The report said this is equivalent to one in every eight employees working in the Scottish IT and communications sectors, reinforcing its position as one of the country's leading employers. The group also spent nearly £178m with suppliers based in Scotland. *Source: BT/Hatch Regeneris*



6700

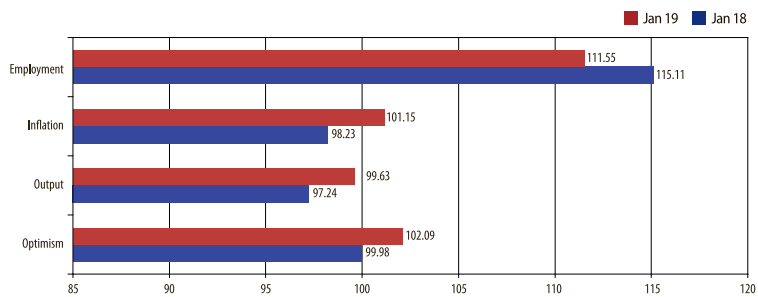
The number of jobs that will be supported by 14 new housing developments from Miller Homes

ScotRail Public Performance Measure (PPM)

Area	Jan 18	Jul 18
Express sector	79.5	80.8
Edinburgh to Queen St	87	85.5
Rural sector	89.7	87.8
East suburban sector	87.7	86.1
West suburban	80.6	81.4
peak sector		
West suburban off-peak sector	91.9	90.2

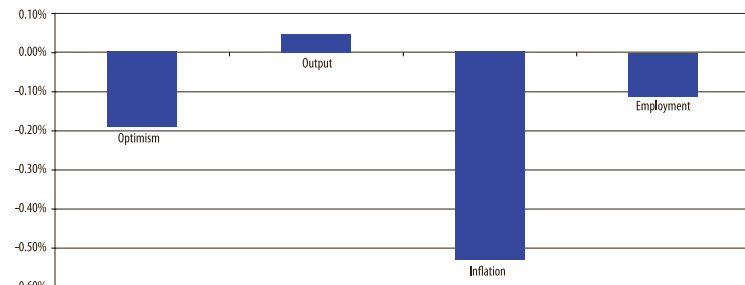
Public Performance Measure is the percentage of booked services which arrive within five minutes of their booked arrival time, having called at all booked stations on the route, for which ScotRail has a target of 92.5%. As the above figures shows. All of the above sectors have failed to reach these targets, with only West suburban off-peak achieving a PPM of greater than 90% for both the year and the period. *Source: ScotRail. Figures taken from the four-week period from 6 January 2018 - 2 February 2019.*

BUSINESS OUTPUT - JANUARY 2019

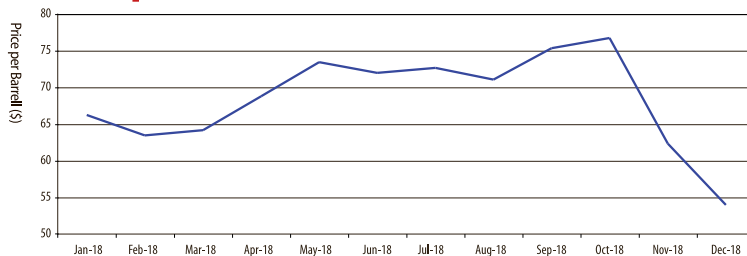


The UK economy has had a stuttering start to 2019, with output in the manufacturing sector plunging to its lowest point since October 2017, according to new research from BDO LLP. In the month that Theresa May saw her proposed EU Withdrawal Agreement crushed by MPs, UK business confidence also suffered a significant decline. BDO's Optimism Index, which tracks firms' expectations of their performance over the coming months, fell from 100.16 to 99.98 in January. This marks a decrease of 2.11 points from January 2018 and is the first time that the index has fallen below 100 since December 2016. At 97.10, output remains well below the long-term average growth rate of 100, despite witnessing a marginal improvement in January. *Source: BDO LLP*

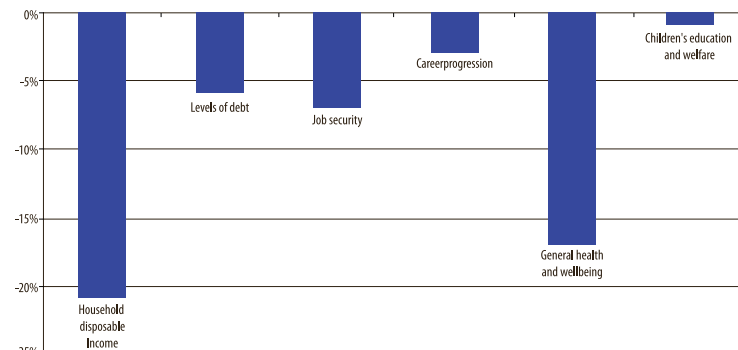
% Change in business output this month



Crude oil prices



Consumer confidence



UK consumer confidence dropped to an 18-month low in the final quarter of 2018, falling to -9% from -7% the previous quarter, according to the latest Consumer Tracker from Deloitte. The analysis found that despite a period of falling inflation, a rise in real wages and unemployment at historic lows, this was not enough to offset consumer uncertainty surrounding Brexit. Confidence was down year on year in five of the six measures used to calculate the Deloitte confidence index. *Source: Deloitte*

Insider's regular focus on Scotland's creative sector by Ken Symon

**IN BRIEF**

**Beatnik opens Edinburgh office**

BEATNIK Studio, the creative digital agency, has expanded its UK operations by opening a new office on Albany Street in Edinburgh.

The business, which has its headquarters in Newcastle-upon-Tyne, said the expansion follows a year of significant business growth for the company with client wins including The 360 Group, chef Matei Baran (who appeared on Masterchef The Professionals), and Duo Global Consulting.



**Beattie defies Brexit with £500,000 investment**

PR AND marketing business Beattie Communications is investing £500,000 in its own sales and marketing to counteract the impact of Brexit.

The London-headquartered agency, which has its roots in Lanarkshire, is launching an integrated sales and marketing campaign that will include PR, advertising, events and social media outreach.

The move comes as Beattie appoints its first director of business development Ellie Arnoldi, who joins the agency from Joe Media.

Laura Woods, chief executive of Beattie, said: "The uncertainty of Brexit is having a disastrous impact on the UK economy with consumer and business confidence at a ten-year low.

"Brands are taking longer to make investment decisions and, as usual when times are tough, marketing budgets are the first to be cut.

"We're going in the opposite direction by spending more on the promotion of the Beattie Communications and Only Marketing brands than ever before."

**Review could spark news journalism changes**

WEBSITES such as Facebook and Google that carry news should help their users identify fake news and "nudge people towards news of high quality", according to a major review into the future of journalism.

The Cairncross Review, which was chaired by Glasgow-educated Dame Frances Cairncross, takes a 'nudging' rather than 'outlawing' type approach.

The UK Government-backed review does call for a regulator to oversee the news content of websites like those of the tech giants companies.

Its report says: "Their efforts should be placed under regulatory scrutiny - this task is too important to leave entirely to the judgment of commercial entities." This proposed regulation would have a lightish touch but if that didn't work "it may be necessary to impose stricter provisions".

But there are no calls for all social media sites to be regulated nor does it say that social media sites should be treated as publishers with the resulting legal liability that other publishers (like *Insider* for example) incur for their published content.

The review was set up to look at how journalism can be given a sustainable future amid the growing challenges and cost pressures the news business faces. It does call for regulator Ofcom to assess the BBC's online news provision's impact on other news providers - this follows complaints that the breadth of the BBC's local coverage hits the business base of local newspapers.

The report also suggests the setting up of an Institute for Public Interest News, a body that could like the Arts Council channel public and private funding to "those parts of the industry that it deemed most worthy of support."

There are practical measures that call for the provision of much needed resources for media at a local level to cover areas of public interest that are too often cut back.

The report calls for an extension to the already existing Local Democracy Reporting Service - a scheme that supports the employment of local journalists to cover local councils.

There are also calls for tax relief to be applied to allow the better supporting of local journalism. It examines different models for funding news journalism including those of donations by reader, something that *The Guardian* has done at a UK level which has attracted greater financial



Dame Frances Cairncross

**The review was set up to look at how journalism can be given a sustainable future amid growing challenges**

support than many expected.

The report quotes a Reuters Institute study which says the percentage of people donating to news organisations is still only one per cent in the UK but is three per cent in the US where donations attract tax relief.

Other models are looked at in the

report. Interestingly the Scottish-based publication mentioned most often in the report's pages is *The Ferret*, which styles itself as "an award-winning investigative journalism platform for Scotland and beyond."

*The Ferret* is a cooperative run by its members and funded by a mix of subscriptions, donations, paid for stories from contributions to other media and grants. According to the Media Reform Coalition "gains its following from being democratic and having a clear public purpose."

The signs as I write on the day of the report's release, are that it will not be allowed to gather dust on a shelf. Jeremy Wright, the UK Government's Culture Secretary said that some of the reports suggestions would be acted on "immediately" while others would need "further careful consideration." ■





## CREATIVE VIEW: Debbie Byers, Speaker Buzz

## Top guest speakers inspire audiences and change lives

IN THIS era of heightened awareness of wellbeing, and dialogue around mental health especially, the appetite for hearing from inspirational speakers has never been greater.

Note the use of the word 'inspirational', rather than 'motivational'. Today's new breed of inspirational speakers adopt a creative and emotional approach that focuses on mental and physical welfare and making a positive contribution to the world.

With an emphasis on human interest and creating a behavioural change in society, these speakers differ from the out-dated 'motivational' speakers who are associated with company training days or after-dinner speeches.

The roots of this movement can partly be traced to the success of TED talks, which have been watched billions of times, as well as the significant growth in the podcast phenomenon. Each weekend, our newspapers are full of interviews and 'human interest' stories, and our screens are bursting at the seams with 'reality' television shows telling the stories of 'normal' people.

Naturally, providing motivation is still important, but today the best speakers offer add layers of inspiration too. That's where the benefits to businesses truly lie. Not only motivating members of staff to fulfil their current tasks, but also inspiring them to think outside the box, to



fan that spark of innovation, to take themselves and their companies to the next level.

Inspiration can come in all sorts of guises. For explorer Craig Mathieson – founder of The Polar Academy – inspiration came from a Polish teenager with an artificial leg and one arm who told him about completing a gruelling 60-mile ski to fulfil his dream of standing at the south pole.

For internationally acclaimed photographer David Eustace, inspiration came from the people he's met over the years, whether it was the characters around him as he grew up in the east end of Glasgow, the prisoners in Barlinnie jail where he was a warden or some of the most creative minds in the world who he met after moving to New York in 2001.

And, as we've heard on the news over the past few weeks, quadruple

amputee Cor Hutton's inspiration for becoming the first Briton to have a double hand transplant was much closer to home – she simply wanted to hold her son's hand. A humbling admission from a woman who climbed Mount Kilimanjaro last year and has completed numerous triathlons.

For me, it came from meeting inspiring individuals like these. Hearing their stories spurred me on to set up Speaker Buzz, an agency that delivers inspiration with impact. The feedback has been incredible – managers at businesses and organisations that have heard our speakers report that members of staff are more engaged with their work, are more willing to share their ideas, and are more ambitious in their plans.

That's because inspiration isn't simply about companies – it's about individuals. It's the one theme that links our diverse speakers; each one focuses on mental health and wellbeing, on how to make positive social, cultural or behavioural changes, on how to shape our world instead of accepting our fate.

The gasps of excitement and thunderous applause at the end of each speaker's story are drowning out the negativity in the workplace. That's inspiration in action – that's inspiration with impact.

*Debbie Byers is the founder of Speaker Buzz and Beeline PR.*

## ON THE MOVE

**Ross Logan** has become acting head of news at **The Evening Telegraph** in Dundee as the paper's head of news Dawn Morrison is on maternity leave.

**Media Zoo** has confirmed **Paul Crabb** as director of its Scottish operation.

**Stacy Mullen** has joined **The Sunday Post** as a news reporter. She was previously a crime reporter for The Herald and Times Group.

**The Herald** on Sunday has appointed **Hannah Rodger** as chief reporter. She joins from The Sunday Post.

Glasgow-based creative digital agency **ID** has added three new members to its management team. They are **Crawford Jolly** (head of design), **Jen Bannerman** (head of client services) and **Jamie Cook** (head of digital marketing).

**Steven McCaul** has joined **BBC's Scotland's Reporting Scotland** programme as a broadcast journalist from Kingdom FM.

**Jason Rose**, who was head of media for the Scottish Green MSPs in the Scottish Parliament for seven years, has joined the **University of Edinburgh Business School** as PR and communications manager.

**The Press and Journal** has hired **Dan O'Donoghue** as Westminster correspondent from the Press Association.

**Fraser Knight** has been appointed as a broadcast journalist working with **Heart (Scotland)**, **Smooth Radio Scotland** and **105-106 Capital FM (Scotland)**. He was formerly with Central FM.

## Tributes paid to newspaper exec Liam Kane

TRIBUTES from the media industry and business community have been paid to former Scottish newspaper industry executive Liam Kane (pictured bottom right), who died following a short illness.

Kane was the chief executive of Caledonian Newspapers and led a management buyout of the group in 1992.

As such he was publisher of the *The Herald* and *Glasgow Evening Times* from 1992 to 1996.

He was at the helm when Caledonian Newspapers was sold to the Scottish Media Group in 1996 for £120m.

He was managing director of the then Mirror Group (Scotland) – now Reach plc – publisher of

www.insider.co.uk

the *Daily Record*, *Sunday Mail* and *Scottish Business Insider*.

He went on to move to London and work in leisure businesses including being in charge of delivering the Millennium Dome, joining in April 1998 ahead of its opening on 31 December 1999.

In 2000 he moved on from the Millennium Experience to become the chief executive of Bettware Plc, taking over a business where a management buyout had not proved wholly successful.

He was chief executive of the East London Business Alliance, which delivered 14,000 business volunteers to more than 250 community organisations in east London. For this work he was

awarded an MBE for services to regeneration and the communities of east London in 2016.

In his non-executive career, he was the chairman of Gartmore Smaller Companies Investment Trust for nearly nine years, overseeing the transfer of the fund to Standard Life.

Caroline Edwards, sustainable banking lead at the Royal Bank of Scotland paid tribute to Kane on Twitter.

She wrote: "A giant of a man who left an indelible mark on everyone who worked with him, for him or who benefitted from his considerable generosity and kindness. One of a kind Liam Kane. RIP"



# The **burning question**

**Q** Are 'challenger banks' proving a genuine challenge to traditional lenders?

**MAYBE**



**Alan Fulton**  
partner  
CMS

While the landscape has dramatically changed since the financial crisis and the current regime has been favourable to new entrants, established banks are fighting back and returning to growth. The changing marketplace has seen the big four investing in technology and refocusing on SMEs. They are also looking at setting up or acquiring tech-based challenger banks themselves. The real challenge is likely to come from well-established tech companies entering the financial market, leveraging through their expansive customer bases.

**YES**



**Brian Williamson**  
chairman  
4icg

Challenger banks are genuinely competing because the lending space has become more transactional and less about relationships. However complex transactions are still within the remit of the banking world albeit the process driven low overhead challenger banks will move into that space in time. If you are not sure then watch how algorithms will challenge legal opinions and decisions through machine learning which will replace lawyers. So this does not stop at the banking world.

**YES**



**Tim Dew**  
founding partner  
GWO (Games  
Without Frontiers)

They aren't quite there yet though. The things that really cause issues for businesses are administrative. For example, many don't allow multiple access to accounts (single person only). I am sure this will be solved in the coming months. It is a great opportunity for them to get the admin streamlined like removing the terminal pain of mandates. Mobile technology puts the customer at the heart of services, which is exactly where they should be.

**NO**



**Catherine Burnet**  
head of financial  
services and senior  
partner  
KPMG Scotland

Challenger banks have thrived by attracting customers in underserved areas, like SME lending. But, when you look at market share, they haven't really dented the stronghold of the five incumbent UK banks. Challengers have thrived off the ultra-low interest rate environment and as we return to more normal markets, they may find it increasingly difficult to remain competitive. However, we can't overlook their success in setting a new benchmark for customer service and innovation.

**MAYBE**



**Claire Reid**  
head of assurance,  
Scotland  
PwC

There is a generational issue at play within the banking sector. The older generation want physical interaction, to visit a bank, whereas younger generations are more comfortable transacting online, which is where a lot of the challengers position themselves. Smaller banks dedicated to a digital operation with less footprint could become genuine challengers, particularly with the emergence of open banking, which allows people to bank in one place across multiple institutions. The whole model is changing.

**YES**



**Graeme Hartop**  
CEO  
Hampden & Co

Challenger banks are proving that they can create services that clients love, but need to prove that they can do this at scale. To use lending as an example, we pride ourselves on looking at every request on its individual merits, and considering the unique circumstances of the client – and many successful individuals frequently have complex circumstances, such as income from multiple sources. Traditional banks typically have codified credit models, which frequently generate the 'computer says no' situation.



If you would like to contribute to the Burning Question or suggest topics please email [editor@insider.co.uk](mailto:editor@insider.co.uk)





# Meeting of Minds

**Who says you can't mix business with pleasure?** At Macdonald Hotels & Resorts they do it every single day at over 40 locations across the UK. Each hotel has a unique style and character as well as a host of services and facilities for meetings, conferences and team building - from quality corporate dining to free WiFi coverage throughout the hotel and meetings spaces.

Home to the UK's largest mountainscape, the Cairngorms National Park covers some 1500 square miles and a staggering 50 Munros (that's mountains over 3,000 feet, should you need to know). If you need to clear a busy mind, this is the perfect place to be. The Scottish Highlands are as dramatic as they are of scale, somehow reminding us that we are mere specs in this vast universe. It makes for an inspiring incentives destination. Macdonald Aviemore Resort is situated in the heart, a great base for awe-inspiring views, adventurous escapes, championship golf courses and sensory trails of the many whisky distilleries nearby.

The Resort itself means business as well as pleasure. World-class facilities can accommodate conferences with over 1,000 delegates and flexible event spaces and meeting rooms are available for gatherings big and small.



A true "Highland fling" could be enjoyed in the hexagonal Peregrine suite, a stunning room with panoramic views of the mountains, and the 650-seat auditorium can swing from conference venue to cinema with a switch. All this with 375 four-star bedrooms onsite to accommodate delegates.

**“The sheer scale of the Highlands is breathtaking, it feels like a true escape. Stepping off the train is like transporting into another world”**

Down the coast in North Berwick, Macdonald Marine Hotel & Spa sits majestically overlooking the Firth of Forth. It boasts extensive conference and meeting facilities not to mention award-winning dining, luxurious spa complex, plus an extensive list of local attractions. Swing through over-water assault courses at Foxlake Adventures, take a boat trip out to the island of Bass Rock, or indulge



in masterclasses with locally distilled NB Gin. This is a place to make memories before retiring to luxury bedrooms featuring marine hued tweeds and breathtaking views. This hotel is a feast for all of the senses.

## SPOTLIGHT ON MEETINGS AT MACDONALD HOTELS & RESORTS

- 43 unique hotels to choose from for meetings, incentives, conferences and events – from the Scottish Highlands to the south coast of England.
- 14 hotels less than 30 minutes from an airport
- 19 hotels less than 10 minutes from a train station. All hotels offer secure parking for those travelling by road.
- £13m invested in hotels in 2017 further enhancing meeting rooms, bedrooms and public areas.

Find out more at: [www.macdonaldhotels.co.uk/meetings](http://www.macdonaldhotels.co.uk/meetings)

Find out more at: [www.macdonaldhotels.co.uk/meetings](http://www.macdonaldhotels.co.uk/meetings)



**MACDONALD**  
HOTELS & RESORTS



**THE BIG PROFILE: JACQUELINE DOBSON, BARRHEAD TRAVEL**





# WORLD CLASS CUSTOMER SERVICE KEEPS HOLIDAYMAKERS RETURNING

By KEN SYMON

**I**t would be a nice start to anyone's tenure as company chief to mark it with the best single week of sales in the company's history. That was exactly what Jacqueline Dobson experienced as she took over the top role at Barrhead Travel – and that despite being in an uncertain market.

Of course January is a travel agency's busiest month. She says: "It's one of the best times to book if you're looking for a summer break or even a 2020 break because you'll get availability, a good choice of accommodation and obviously the flights that you want are generally available."

Dobson started in the top job – titled president because of Barrhead's American parent company – with a laser-like focus on "making sure we've got the right deals and everything in place for our customers."

Negotiating those deals is something she has been majoring on since February 2018. Following the takeover by Travel Leaders Group Dobson took on a UK-wide role in charge of supplier relationships in which she was responsible for negotiating all the commercial deals for the groups' seven UK businesses in addition to her then Barrhead Travel managing director role.

For while she is new to the most senior job in the company – having taken over in January following the departure of previous company head Sharon Munro, who ran the company with her founder father Bill Munro – she is hardly a stranger to

management in the business.

"I've been with the business for 18 years, I know the business inside out, I live and breathe the business. I know our customers, I know what works, I know what doesn't work. I have a real passion for this business; I've grown with it.

"I've seen the growth and it's been really exciting being part of that.

"This is a new era and I think it's just a really exciting time to be part of Barrhead Travel. There are going to be a lot of opportunities moving forward for everybody within the business.

"Travel Leaders has been extremely supportive, they've provided the

**I've been with the business for 18 years, I know the business inside out, I live and breathe the business. I know our customers, I know what works**

expertise and investment. I have worked in most areas of the business or created most areas of the business along with other directors."

This is not an overstatement because she has had key growth roles since joining Barrhead Travel as a luxury travel sales consultant in 2000. She established a standalone VIP division and led a new sales department as the business started to grow. Then, as Barrhead Travel continued to expand, Dobson was the opening manager of its Glasgow superstore. The colossal space in the city centre's Oswald Street is, at 22,000 square feet in area, the largest travel store in Europe.

In 2003, she became director in charge of cruises and long-haul and her focus turned to developing commercial relationships with worldwide tour operators and tourist boards to continue to expand the business.

In 2007, Dobson was part of a management buyout team, a move that led her to her previous role of managing director.

It was to get the firepower to continue the company's growth that was behind the Munros decision to sell the business to Travel Leaders. And growing is very much what the company is doing.

Barrhead Travel is bucking the trend of High Street closures by continuing to open new stores, with its southernmost in Southampton, opening in June last year. That adds to the existing furth of Scotland outlets: its Cumbria call centre, opened in 2012 and stores in Newcastle, Leicester and Belfast.

The company in February opened a new store in Fort Kinnaird Retail Park on the outskirts of Edinburgh, which will see a £3.5m investment over five years.

Dobson explains: "We still see a future in retail travel agencies – 69 per cent of customers want a personalised experience and 59 per cent of millennials will pay more for a tailor-made holiday. We've seen a lot more people coming back into traditional travel agencies.

"It's a lot to do with financial security, protection and the expertise and advice that we can give. If you book directly online you're not going to get that same experience.

"You save up all year to go on

## THE BIG PROFILE: JACQUELINE DOBSON, BARRHEAD TRAVEL

► holiday and the last thing you need is for it to be ruined because you've booked online and not really known what you're doing."

Dobson says that if a holidaymaker books flights online with an airline and accommodation from another source, they are at financial risk if something goes wrong.

"If something was to happen to that flight or something was to happen to the accommodation, you wouldn't get the money back on the other components.

"But with Barrhead Travel if we book you a flight and we book accommodation we insure you against any circumstance – if the flight wasn't to go for any reason or if it was something to do with weather, the snow for instance last year when you had the Beast from the East."

She says that Barrhead got all their customers on to their planned destination or if that wasn't possible gave them a refund.

Another key element in the Barrhead offering is the experience of booking in store. The company's superstore in Oswald Street in Glasgow city centre is divided into very different looking areas, each designed to give a flavour of the type of holiday you are considering booking. So the popular Canadian booking area aims to give prospective holidaymakers a flavour of that country.

This specialisation is another key element of the Barrhead business model. "We have cruise specialists, we have USA specialists, we have Canadian specialists, we have Thailand specialists and they are trained in that generation or product."

The key is giving the sales staff a real experience of the holiday market they are working on. "We send them out to the resort to experience it."

She goes on: "Historically when you went on an education trip you would see the hotels but a hotel room's the same, when you've seen ten you forget.

"What we do is to get them to experience what it's like to experience the destination and live in the destination, to experience the local culture, experience the restaurants so that they can relive that experience with our customers."

But while in-store booking is key to the majority of Barrhead's turnover, Dobson stresses that its online presence is also very



Jacqueline Dobson (right)  
with her predecessor  
Sharon Munro

### Globespan carried over 900,000 passengers out of Scotland – we were wondering what we were going to sell

important. "We are making some investments online. It's not necessarily to increase our online bookings; it's more to give customers a 360-customer experience. Over 80 per cent of our customers start their journey online to research. So we are recruiting for ahead of e-commerce.

"We want to make our websites more image and video-based with a lot of content. We currently do have all that but it's to enhance the user experience which will again drive more footfall into our stores and thorough to our call centres."

Dobson says that training of staff is key. "We do give them in-depth training." The company has made a £250,000 investment into its training academy.

"Before a staff member is realised into a call centre or a branch, a live environment, they are with a trainer," Dobson says. "The trainer is with them answering the phones and dealing with enquiries. They're trained for four weeks and then they go into a live environment for a week sometimes two.

Barrhead has also introduced live chat. Dobson explains: "If you're in a really busy branch the manager could be with customers, so there are consultants available online who can chat and answer a question. There is a manager or a training manager behind the chat so there is always someone there to give them help if there is something that they can't answer."

Dobson says: "I don't know of any other travel company that gives that kind of support or training."

The company is also investing in

a talent management programme. There are 50 members of our staff who are studying for a management qualification in 2019.

She says: "That's quite a big investment for the company and we're also going to have a refocusing modern apprenticeship scheme. Again that's a really successful avenue for us to attract talent. We need to bring over 50 apprentices in this year – all over the business, not just sales but marketing, finance and admin."

"I think it's really good to promote from within. However at certain times we have to bring expertise in from other industries to keep evolving, which I think is really important."

I put to her Richard Branson's quote: "If you look after your staff, they'll look after your customers. It's that simple." Dobson's response to that is unequivocal. "Absolutely! I would agree with that 100 per cent. If you've got a happy staff you've got happy customers."

While Barrhead Travel is very much a growth story it does not mean that the business has not been hit by problems. "We've had our challenges absolutely. We had the ash cloud, which was one of the biggest challenges we've ever faced when we had to down tools for what, three to four weeks. That was a really challenging time."

She has also experienced the turbulence in the sector caused by the failure of other travel businesses such as the collapse of Monarch Airlines in October 2017. But the bigger collapse that threatened Barrhead Travel was when Edinburgh-based Flyglobespan ceased operations in December 2009.

"Globespan carried over 900,000 passengers out of Scotland and for that to go – we were wondering what we were going to sell."

She went on: "That was when we started chartering our own aircraft so that we would have product that we could sell to our customers."

The business also faces the problems of freak adverse weather conditions and terrorism. She says: "It's a challenge but people are very resilient and we've got a great disaster recovery programme in place so anything like this, we just deploy staff. We get into action to help and assist our customers."

Dobson stresses that it is crucial to the continuing good reputation of the Barrhead Travel business that no holidaymakers are left stranded.



“If anything like that does happen it’s vital that we can get our customers back”

There was a major challenge in March 2016 when Brussels was hit by three coordinated suicide bombings with Brussels Airport suffering two nail bombings. A Barrhead-booked school group was due to fly out of the airport, which was closed as a result of the attack.

Dobson says: “We reacted really quickly: we got a coach to pick them up and took them to Amsterdam. We flew somebody out from Barrhead to meet them and escort them back to Ireland. There were other people stuck there for days, whereas we reacted straight away.”

She goes on: “In the ash cloud I remember there were planes, trains and automobiles to get customers back from different places.

“The most recent one was when the Beast from the East was here, we had a woman who couldn’t get out of her drive and our Falkirk office went and dug her out, actually went and cleared her drive and her street to get her out to the airport.”

The month-long cold wave in February-March 2018 popularly known as the Beast of the East, or officially Anticyclone Hartmut, was, says Dobson, the first time that Barrhead Travel had to close its Glasgow superstore.

“Most stores were closed apart from our South stores. We had a team that went into our Barrhead store. Some people walked in that could walk in and Sharon [Munro the then chief executive] at the time had a four-by-four and picked some of us up and got us in to help our customers.”

Barrhead Travel also has home workers who they can ‘switch on’ at any time to answer calls and deal with issues that arise.

She says that Barrhead Travel was not that badly affected by the drone incident that shut down London’s Gatwick Airport for the best part of three days in December and disrupted more than 1,000 flights and 140,000 customers. “I think it was the time of year. We do have huge amounts of customers going through London but we weren’t overly affected.” She says there were some customers going out to join a cruise that were redirected via Amsterdam “Had it been a week later – because it was just before Christmas – it would have been a different story.”

Delivering for the customer and the holidaymaker to their destination is key for Barrhead Travel, she says. “That’s going to be the focus going forward that we make sure we’re offering world class customer service and then people will come back time and time again.”

Dobson keeps up with all the latest market intelligence so she knows the changing trends and tastes in holidays. “What destinations? Is it seven or ten or 14 nights, is it cities? We’ve got all that kind of historical information that we can pull at the click of a button.

“Over 80 per cent of holiday makers start their journey online so we can follow their search path. Anybody coming on to Barrhead Travel websites we know what they’re searching for so that’s how we keep on top of the trends. We’re also in constant communication with our suppliers finding out from them what’s booking, what people are asking for, any new route, any new product on the market.”

So are there any holiday trends that have surprised Jacqueline Dobson given her experience of the industry? “One of the things that really surprised me was river cruising for 35 year olds,” she laughs. “That seems to be pretty popular.” She points

.....  
**When the Beast from the East was here, we had a woman who couldn’t get out of her drive and our Falkirk office went and dug her out**



to cruise operator Uniworld’s U by Uniworld programme, which offers river cruises for those in the 21 to 45 age range.

The programme has two 116 passenger ships, the River Baroness and River Ambassador, reconfigured to cope for a younger market complete with a brand new “culinary programme” and the ship kitted out with a new décor.

Dobson says this allows these holidaymakers to visit a number of cities. “You can get off the boat, you can go for dinner or go to a nightclub and just experience what you would if you were doing a city break but you’re seeing more places on one holiday.

“There are a lot of people who are hopping from city to city, maybe doing three cities in one holiday.

“People are doing three city breaks, maybe three nights in the first city, three nights in the second and two nights in the third, which can be achieved in one week off work.”

Cities like Prague, Bratislava, and Budapest are becoming more popular with with more airlines flying to these cities. She says that Turkey has come back again this year and Cyprus is also seeing growth from a Barrhead perspective. Montenegro and Croatia are also popular.

American destinations such as Florida, New York and Las Vegas show continuing popularity but fly-drive holidays are also becoming very popular with people driving the famous Route 66.

Touring is another up and coming area for Barrhead Travel which has just launched a new touring section on its website. Guide escorted touring is especially popular with countries like Japan and China.

Dobson says that these out of the way destinations are more accessible now and people want more “authentic” travel, experiencing more of what local people do rather than just “ticking off the tourist attractions”.

Barrhead Travel has a partnership with Wendy Wu Tours which features guided tours to China and Japan. Dobson says that China is a very popular destination and that some people are combining a cruise to Japan with taking in some matches in the Rugby World Cup, being held there from September to November.

“It is a lot more affordable now, you can go much further afield for just as much as you can in Europe,” Dobson says. And that can only be good news for a business like Barrhead Travel. ■

# Letter to my Younger Self



## Tom O'Hara

*Tom O'Hara is a Scottish information technology veteran. He is the CEO of Kick ICT Group, which he is building into an increasingly important player in the sector through a string of acquisitions including buying Talon Business Solutions, Bonnyrigg-based Roxxap and Vorezo of Glenrothes. He previously set up the ISI Group which was sold to Penta Capital in 2000 and acquired the Pegasus business which was then sold to Technology Services Group with him going on to run TSG. Here, he writes a letter to his younger self.*

*Hi Tom*

YOU'VE just won the Scottish Schools Under 16 Football Cup with Lourdes and you'll win another at Under 18 with Hillwood and you will go on to play Junior with Greenock but as you've already worked out that you'll never be as good at fitba as you are with numbers.

You've got your unconditionals and are well on the way to starting university at 16. Too young! You turn down Glasgow (they told you that you were too young and advised you to wait a year) and Edinburgh and rock off to Heriot Watt to study Accountancy and Finance. I'm aware of your trouble with being told what to do but you need to work on your decision-making criteria!

You will struggle emotionally with the first six months of uni life. Despite coming home every weekend to play football you'll be homesick. The uni at 16 decision is not working out as you had hoped. Your test results will also suffer and for the first time you will struggle academically.

Thankfully your resilience and determination will allow you to adapt and cope and after your 40/40 "what a transformation" test result you won't look back. Andy, Davie and Stuart will be good friends and you'll end up in a happy space with an honours degree.

The exciting world of accountancy is now looming. You will apply to what is now EY, PWC, and KPMG and get three job offers. Your chat has always been good. You will choose EY and head to their new building in George Square. You'll train the new recruits, travel to London, organise the annual outing, play for the football team, and have a good time. You'll pass the CA exams first time but never quite fall in love with audit so a year after qualifying you'll be looking for the next adventure.

You'll have three interviews and get two job offers. Your "why would you presume that I would want to work for you" comment to the large corporate will not be well received however it will have the upside of ensuring

that three-man interview panels will never be a part of anything you build in the future.

You meet Jim Mather of ComputerLand and like his "it's the future" pitch so one year before Microsoft's IPO (with a market cap of US\$61m – and btw buy some shares) it's the end of audit and off to the new world of IT.

You'll do everything finance-related in ComputerLand and it will be a fantastic place to learn. You'll win Young Scottish Business Accountant of the Year in 1988 and the £2.5k prize will pay for a five-star family holiday in the Algarve. At this time your eldest son Scott will be a baby and Andrew will follow shortly. You'll also see the rise of every major technology business and the sector will continue to excite and be "the future". You'll play your part in building the business until it's sold to an FTSE-listed business. You'll be rewarded with a bonus of £1500 and your delight will prompt the decision that in future you will never be an employee again.

You'll get a phone call from an ex-colleague asking if you fancy building a business in "California and Europe". You'll have the doubts of the cautious accountant however thankfully your wife Sue will sort you out with her "Go for it!" and you'll be finance director and part owner of a tech company.

You'll stroll down West Santa Clara avenue with your \$10k to open your account with Comerica and with your office in Pleasanton CA you'll have your own little part of Silicon Valley. The business will go well, and you'll be approached by a private equity house to sell one of the businesses within the group. You will sell via an MBO which will be headed by the current CEO who will return a year later to buy another business within the group. You will do alright from the initial sales however the MBO will not go well and your rollover shares will be worthless! That will prompt your next decision that whatever you do next "you will be the boss".

You'll get the opportunity to buy an accounting software business for £1 which



will be the first of three business building projects you embark on as a leader. You will have confidence in your business model and the team will do great and the business will go well. You will attract the attention of a “consolidator” business funded by one of the founders of Sage. You and the team will go through the sell/no sell dilemma however you’ll ultimately accept the offer.

Initially you will be given the freedom and autonomy to crack on and bolt six companies together to create one of Scotland’s leading IT services business. Ultimately it won’t work and you will be told that it is time to go and the big consolidation dream will be over. If it’s any consolation you will get a dog for your 50th!

You’ll visit Enable where Theresa will tell you that she’s not bothered about you leaving and she wants you to work with her at Enable. You like the people and the organisation, stay for 15 months and thoroughly enjoy your time there. Theresa still has you fundraising now.

You were always going to do it again and build another IT company. You wanted to “Kick” apps in the Cloud. Kick will invest in Talon and you’ll work with David Chazan and a super bright team of application consultants. After six months of business re-engineering

[www.insider.co.uk](http://www.insider.co.uk)



you’ll be joined by friend and long time co-director Alan Turnbull and continue to drive the building of the largest IT services business headquartered in Scotland.

You’ll be supported by great customers and joined by a number of old colleagues and working together you’ll make three further acquisitions taking the turnover to over £12.5m in four years. You’ll have outstanding backing from HSBC and there will be more acquisitions to come. This time round you are building a legacy and not an exit. Note that your youngest Ben will be joining you for his

gap year – he gets that uni at 16 is too young. Oh, and on the subject of kids, Ben has an older sister and your only daughter Mollie – get saving!

As a last piece of advice your future wife Sue has expensive tastes (especially in handbags!) however please thank her every day for agreeing to share her life with you.

Good luck on your journey – it will have tears, but it will have great friends and great times – take the time to enjoy them.

Tom

PS: one day they’ll call you a tech veteran!





# THE IMPORTANCE OF CONNECTIVITY

**One major factor, critical to Scotland's future, is investing in and improving our digital infrastructure.**

As identified in a report we commissioned from the Fraser of Allander Institute, looking at how Scotland can realise its global potential by 2050, a major challenge facing Scotland's economy is weak productivity, particularly in comparison to the top performing Organisation for Economic Co-operation and Development (OECD) countries.

Improving digital infrastructure will be key to addressing this and some of the other challenges we face.

The Scottish Government has acknowledged that improving access to networks and enhanced connectivity "will support future innovation in the digital economy and ensure Scotland's business base can grow and remain competitive in the global digital environment".

However, research from the Federation of Small Businesses (FSB) in Scotland found "a lack of digital infrastructure [has been] holding back development in rural Scotland, despite its population growing at a faster rate than in urban areas".

The FSB research found the number of enterprises in Scotland's rural areas increased by 8% between 2010 and 2017, compared with a 16% increase in urban areas over the same period. Rural businesses now generate approximately £15 billion a year in turnover and sustain "more than two thirds of rural private sector jobs".

It is widely recognised that collective engagement between policy-makers, industry participants and other stakeholders will be required to promote the long-term growth of the digital economy, break down barriers to the



Gordon Moir

expansion of digital infrastructure, and encourage new investment and innovation.

Engagement from public authorities, particularly planning departments, is also crucial in delivering large-scale projects, and planners will likely play a critical role in the expansion of digital infrastructure, so must be adequately resourced to enable them to formulate local policy (if necessary), and deal with their regulatory duties in determining applications for consent or permission relating to such projects.

Telecoms are a matter reserved to the UK Government, therefore policy decisions in this area are made in London. Notwithstanding this, the UK Government has pledged that all residential and business premises will have a legal right to high-speed broadband by 2020. This will clearly require engagement from private sector organisations to help deliver the infrastructure required to facilitate this goal.

The development of 5G mobile telecoms is essential to support new technologies and to cope

with growing demand for faster internet speeds. However, one of the main barriers to 5G at present is the extent of coverage via the radio frequencies allocated to the mobile industry, and it cannot be forgotten that 5G requires an even more robust fixed backhaul network to get data from one point to another through the distribution network.

According to the UK Government's 5G strategy, and statements from network operators, UK-wide roll out of 5G is not set to launch until late 2019 or 2020 (with widespread network availability open from 2022).

Once 5G is here, it is predicted it will bring about a significant increase in speeds – for example it will take between four and 40 seconds (at speeds of 1-10Gbps) to download a full HD film using a 5G network in comparison to more than seven minutes using a 4G network (at a speed of up to 100Mbps). This is likely to have a marked positive impact on productivity and will hopefully encourage growth across the Scottish economy. The wider use case for 5G (v4G) is however not entirely clear to date.

Overall, engagement is required from many parties, both in the public and private sector, to drive economic growth through the development of our digital infrastructure. Competition is also extremely important to encourage innovation, and it is largely due to competition in the markets that we have seen such development in this area to date.

Scotland's economy is well placed to adapt to the global challenges it faces, but given its unique geographical diversity and areas of industry, it is essential that the more rural parts of the country are not left behind as the infrastructure in urban areas is further developed and expanded.

**Gordon Moir, Partner and Head of the Telecommunications, Technology and Media Regulatory team at Shepherd and Wedderburn LLP**  
For more information T: +44 (0)20 7429 4988  
E: [gordon.moir@shepwedd.com](mailto:gordon.moir@shepwedd.com) W: [shepwedd.com](http://shepwedd.com)



SHEPHERD+ WEDDERBURN

# A WAVE OF NEW TECHNOLOGIES SET TO MATURE IN 2019



By KEN SYMON

**A** WAVE of new technologies is washing across Scotland's business community causing major changes, creating new opportunities and disrupting established business models and working practices.

While there has been increasing discussion in boardrooms, offices and factories about the new technologies and the effect they will have over recent years there are signs that the changes now are beginning to be put into effect and in some cases beginning to bite.

Gary Chapman, a partner at commercial law firm **Burness Paull**, says: "Equity investment in start-up companies in Scotland has seen a lot of activity in the last 12 months and investors continue to show a strong level of support for such companies, across a wide range of sectors, including technology and fintech. "In particular, consistent with

the growth in Scotland's tech sector, we have seen an appetite to invest in those companies who can demonstrate disruptive or innovative technologies and a clear route to market."

Stephen Milne, business

**New networks mean that companies can really start to look at developing and trialling applications and new services, through to scaling nationally**

Stephen Milne, CENSIS (below)

development manager at **CENSIS**, the Glasgow-based centre of excellence for Sensor and Imaging Systems technologies, gives his take on what lies ahead: "This could well be the year of the Internet of Things for Scottish businesses. While there's been a lot of talk about Low Power Wide Area Networks (LPWAN) – a

Above: Andy Simpson with a test piece made using the game-changing Markforged Metal-X 3D printer

in association with



wireless communications network that is the ideal enabler for Internet of Things (IoT) devices – 2019 will be the year the technology starts to mature.

"Commercial networks for LoRaWAN will start to provide coverage and we should see the first Narrowband-IoT networks delivered by cellular operators. These rollouts will mean that companies can really start to look at developing and trialling applications and new services, through to scaling nationally and beyond."

The new technology revolution is also changing how we will relate to the physical spaces we occupy. Milne says: "We'll also start to see smarter buildings and places. Early iterations of this technology involved being reactive to changes in a building –



Designing your future with artificial and emotional intelligence.





► for example, noticing more people were in a room and then turning on the air conditioning – but the next phase will involve tracking and predicting how spaces are used to optimise comfort and embrace ‘wellness’. This could take the form of monitoring usage patterns to deduce that a room will be busy at a certain time and then adjusting the heating accordingly, before people even arrive.”

As there is greater adoption of the latest wave of technologies, the demands of businesses to adapt will become greater too. Vicky Glynn, a product manager at **Brightsolid**, the Aberdeen-based data centre, says: “The rate of change is exponentially increasing as a result of new technologies such as robotics, IoT, machine learning and blockchain. This means that organisations are having to fundamentally change the way that they operate to become much more dynamic, agile and responsive.

“One thing that is great is that technical teams are already in front of this curve as conversations about agility and leaner ways of working have been maturing in these teams for years. Hybrid infrastructures that allow for flexibility in business are now becoming the norm. So not only is technology driving change, but those in technology already have the skills and tools needed to enable positive change in business.”

One of those changes – whether viewed positively or otherwise – is changing the structure of organisations, making them less hierarchical and driving decision making down more to the ‘grassroots’. Milne at CENSIS says: “The growing use of edge computing – which moves data and computing power away from central points in a network – will enable more decisions to be made at a device level, which can reduce latency, avoid costs, and lessen the security risks of streaming data back to a server.

“This trend will enable machine learning and AI applications to move into low-cost hardware, which opens up a huge number of exciting new IoT use cases for businesses to exploit. We’re already



An engineer and robot inspects car in robotics research facility

### The rate of change is exponentially increasing as a result of new technologies such as robotics, IoT, machine learning and blockchain

Vicky Glynn, Brightsolid (below)

can accurately count the number of people in a space at any time.”

All of this, Milne, says, also drives a need for more security. “We also expect awareness of cyber security to continue to increase, as it has done over the last few years. At CENSIS, we focus much of our cyber security efforts on ensuring security is designed in to a device, rather than considered an afterthought and tacked on at the end.

“This is important not just for technology developers, but also for companies considering implementing IoT solutions. For the first time, the UK Government’s flagship cyber security conference,



Cyber UK, with more than 2,000 delegates in strategy and leadership, will come to Scotland in April, underlining its growing importance.”

The effects of new technology on particular sectors will be increasingly seen as artificial intelligence and radically different ways of using data become more widespread.

Carina Healy, a partner on the technology team at law firm **CMS**, says that AI and digital technology more generally are having major effects on the life sciences sector in which she specialises. “For example there’s a focus on using AI to better streamline your clinical trials – looking at all the data from the clinical trials in the past you would be able to pull out the right target population for a particular drug.

“It can analyse and highlight the population that is likely to respond your drug and then optimising your trials to make them more efficient and hopefully produce more successful results and shorten the development process.”

Whether your business creates, sells or is enabled by technology, as a digitally native legal firm, we give thoughtful and precisely informed advice.

 Burness Paull



Another key area of development is AI-assisted diagnosis. “Using AI you can potentially diagnose diseases better and quicker and provide better plans because the AI technology can scan all the available data that you’ve got for your patient and other similar patients where data is available and work out the best treatment plan.”

Healy says there is also a lot of work going on into using AI to “drive forward precision medicine, the great tailoring of medicines to individual patients.” This would mean giving the right medicine at the right time in the right way to exactly suit the individual patient. This would, she says, reduce side effects and reduce costs because you are no longer giving medicines that are ineffective.

At a precision medicine summit in September Nicola Sturgeon, the First Minister expressed the hope that Scotland could be a “world leader” in the field. All the medical universities and four Scottish Health Boards are partners in the SMS-IC, the Stratified Medicine Scotland Innovation Centre.

The centre, which is based at the Queen Elizabeth University Hospital in Glasgow, includes two industrial partners, Aridhia, the informatics company and ThermoFisher Scientific, the genetics business.

Another key development with AI and health in Scotland was the announcement in November of the creation of a £15.8m artificial intelligence health research centre.

The Industrial Centre for Artificial Intelligence Research in Digital Diagnostics, to be known as iCAIRD,

will bring together a pan-Scotland collaboration of 15 partners from across academia, the NHS, and industry.

Greg Clark, the UK Business Secretary announced funding of £10m for the centre as part of the Industrial Challenge Strategy Fund. Partner companies in the University of Glasgow-led pan Scotland consortium, Canon Medical Research Europe Ltd and Philips, along with six SMEs, are providing more than £5m of additional funding to support iCAIRD.

Joanna Boag-Thomson, head of the life sciences and pharma team at **Shepherd and Wedderburn**, says: “While the impact on the life sciences industry of robotics and wearable technology are self-evident, other technological innovations such as blockchain can provide benefits that are less obvious.

“Collaboration is a key part of the healthcare and life sciences industry with data being shared, stored and used by numerous players. Blockchain allows them to join a chain or create their own chains, and the distributed ledger will keep track of all the events that are of importance for a particular task. It can also authenticate provenance through the supply chain as well as facilitating track and trace for product recalls.”

Another technology with the potential for major disruption, and opportunity, for Scottish business is 3D printing and the effect that it is already having on manufacturing.

Andy Simpson, managing director of Brechin-based **Angus 3D Solutions**, says: “It’s no exaggeration to say that the Atomic Diffusion Additive Manufacturing (ADAM) technology

delivery and change management business with the majority being digital technology posts including data architects, enterprise architects, business analysts and project managers.

The firm said that the moves strengthen its commitment to technology in Scotland where it already an alliance with tech incubator CodeBase and which had seen it launch a Data Science Graduate Apprenticeship with the universities of Edinburgh and St Andrews. PwC is also growing tech risk and cyber security teams and across the UK there are now divisions focused on innovation in areas such as artificial intelligence, virtual reality and drones. Lindsay Gardner, chairman of PwC Scotland said the recruitment drive was the biggest ever undertaken in Scotland and was “a drive which underlines our ambitions to grow the business in step with the digital transformation which is underway across corporate Scotland”.

## CASE STUDY: PwC Scotland

The rise of new technologies particularly AI will radically affect the jobs market in Scotland, changing roles in most areas including the professions.

One of the businesses that has made a major change to its recruitment is Big Four accountant PwC, which announced in January that it was take on up to 120 staff over six months in a move that would boost its headcount in Scotland by 15 per cent.

The professional services firm, which prior to the recruitment drive had about 900 staff across its offices in Edinburgh, Glasgow and Aberdeen, said that it was aiming to make the most of developments in technology.

The firm says that it want to be able to fully harness technologies being developed in house in areas including artificial intelligence, data analytics, virtual realty and drones.

The roles will sit in Operate, PwC’s operational



### Callum Sinclair

Head of Technology,  
Burness Paull  
T: 0141 273 6882  
E: callum.sinclair@burnesspaull.com  
W: burnesspaull.com

## Holding tech regulation up to the mirror

I am a huge Black Mirror fan. If you haven’t seen the Charlie Brooker masterpiece, it is a series of dystopian tales of technology-related woe – cerebral, funny and disturbing in equal measure.

Tough viewing for an ardent technophile and near pathological optimist such as myself! But there is another path.

I regularly present on technology and the law, and at the risk of sounding like a stuck record (or rather a buffering stream), our species is at a crossroads. Technology is progressing at a runaway rate, outpacing not only our capability as humans, but our ability to regulate it.

All of this causes public confusion and undermines trust in the very technologies that will underpin economic growth.

We now live in a trust economy. Those businesses and institutions which can genuinely build and foster trust will win the day. What organisations do we have faith in to do the right thing, even if we don’t fully understand the technology they are delivering?

Ethics, responsible design, and appropriate regulation and governance of technology become key. This requires considered critical thinking, and this is where lawyers come in (you were wondering when I would get to that right?)

Regulation and governance of new technologies needs to be appropriate, both in scope and in timing. It needs to provide a solid platform for growth and instil trust, but without stifling innovation. We need to avoid legislating too early and risk holding back progress or getting it wrong; but too late, and trust has been under-mined. These are not straightforward issues and we will need smart policymakers, lawyers and judiciary to walk the tightrope successfully.

However, find the right balance and there’s hope the future of technology in our society and businesses will be more white and shiny and much less like Black Mirror.

burnesspaull.com





▶ at the heart of the Markforged Metal-X 3D printer I've been using since January is a game-changer for additive manufacturing and, potentially, Scotland's manufacturing industry and economy.

"With ADAM, the metal powders which are laid down layer-by-layer are encased in plastic binders which are then melted off to leave just the metal. This allows the Metal-X to realise designs previously impossible to manufacture and with unprecedented levels of detail, making it ideal for parts in industries such as aerospace, medical, oil and gas and general manufacturing needing innovative designs to advance."

Simpson says this gives huge advantages in streamlining and speeding up processes. "Components can be designed and produced in metals such as stainless steel, Inconel, titanium, tool steels, aluminium and copper in 4-5 days, rather than six weeks using traditional methods, and all on the one machine. This allows companies to put their latest design into production quicker, accelerating innovation."

He says that the process can reduce the weight of the parts produced while maintaining their strength and performance by producing them with unique designs as using what is called "closed cell honeycomb infill."

## While the impact on the life sciences industry of robotics and wearable technology are self-evident, other technological innovations such as blockchain can provide benefits that are less obvious

Joanna Boag-Thomson, Shepherd and Wedderburn (below)

He says: "The cost savings are being welcomed too – parts printed with the ADAM-based Metal-X are up to 10 times less expensive than alternative metal-additive technologies and up to 100 times less than traditional fabrication technologies like machining or



### EXSCLENTIA

Exscientia, which has been hailed as the world's leading AI-driven drug discovery company, in January secured \$26.6m – more than £20m – in a series B financing round in a bid to scale up the business.

The funding round included participation from new investors Celgene Corporation and specialist healthcare investor GT Healthcare Capital Partners, as well as existing investor Evotec AG.

The company is led by CEO Professor Andrew Hopkins, who is chair of Medicinal Informatics at the University of Dundee, while Dr Richard Bickerton, its CIO, is a senior research associate at the university's College of Life Sciences.

casting. Materials costs are typically reduced by 98 per cent.

"The innovation, speed, weight, safety and cost benefits the ADAM technology in the Metal-X brings will help maintain and further develop Scotland's manufacturing industry. The materials savings will also aid the development of our circular economy, with the economic benefits that promises."

Chapman at Burness Paull says that there is a healthy infrastructure for developing and nurturing start-up companies in science and technology.

"Scottish universities continue to develop talent and promote spin-out companies, while Scottish Enterprise, EIE, and the business incubators established in the major Scottish cities have done a great job in promoting and nurturing entrepreneurial start-up companies, connecting them with investors and providing a supportive start-up ecosystem.

"The recent initiatives by OGTC, TechX and ONE Codebase in Aberdeen are also intended to encourage technology and digital start-ups in the North East, both to promote innovation in the oil and gas sector and as part of the drive to diversify the North East economy so that it is less reliant on the oil and gas industry. It is expected that these initiatives will see an increase in start-up companies setting up in the North East, who will require access to investment funds."

All of these new technologies are creating new opportunities but they are also casting up challenges for businesses. Milne at CENSIS says: "As vision and imaging technologies develop, individuals will become more aware of the value of their data and start to use it as an asset.

"Systems are being developed and tested that allow individuals to control their health, financial, social, wearables and entertainment data effectively.

"It is then their choice whether they want to share that data with a third party. While further regulations are likely to follow in this area, companies still need to think carefully about how they deal with privacy and data to build trust with their users." ■

**For further information contact:**

Callum Sinclair - HEAD OF TECHNOLOGY +44 (0)141 273 6882 | callum.sinclair@burnesspaull.com

**Burness Paull**









## office furniture & interior professionals

combining comfort and function to create inspirational workspaces

Tel 0141 225 5170

[www.alphascotland.com](http://www.alphascotland.com)

e [hello@alphascotland.com](mailto:hello@alphascotland.com)

Alpha Scotland is part of the Alpha Group

 @AlphaGrpOffice  The Alpha Group



## COMMENT

### Business certainty lacking in so many shades of grey



John Smart

*John Smart is a Partner at Wright, Johnston & Mackenzie LLP in Inverness.*

*He can be contacted on [jds@wjm.co.uk](mailto:jds@wjm.co.uk)*

BUSINESS dislikes uncertainty. That much has been said on a number of occasions by business lobby groups during the Brexit debate.

The law should provide the business world with the certainty it needs, but there is often despair when what should be a black and white legal answer turns out to be so many shades of grey, or when the law throws up an answer which seems counter intuitive.

Commercial leasing is an area where such issues exist, particularly in relation to the termination date of a lease.

One would think that if a lease states clearly that it ends on, say, the 29th March 2019, that it would end on 29th March 2019.

Unfortunately this is an instance where the legal contract does not “do what it says on the tin”. The Lease will only terminate on the 29th March 2019 if either the Landlord or the Tenant has notified the other well in advance of that date that they intend that the Lease will terminate. If no such notification is given the lease

will automatically continue for a further year. This often comes as an unwelcome surprise, especially to unsuspecting tenants who may end up having to pay a further year’s rent and rates when they thought that these liabilities had terminated.

Fortunately this legal doctrine of “silent renewal” may be reformed soon, following the Scottish Law Commission’s publication of a paper last year in response to business concerns on the very issue.

The rule may be abolished completely, or alternatively a clear set of statutory rules could be put in place to govern what is to happen when a Lease reaches its termination date.

So perhaps a tenant with a lease exit date of 29th March 2019 will be able to rely on that being the date when the rent and rates liabilities end, unless there is a very good reason for the lease not terminating then.

In reality the law is unlikely to be changed by that date. I do also wonder if will have a clearer picture of the UK’s Brexit journey by then?



Wright, Johnston & Mackenzie LLP is a full-service, independent Scottish law firm, with a history stretching back 165 years, operating from offices in Glasgow, Edinburgh, Inverness, Dunblane and Dunfermline. Further information on WJM can be found at [wjm.co.uk](http://wjm.co.uk).

*Wright, Johnston & Mackenzie LLP is authorised and regulated by the Financial Conduct Authority. FCA reference number 231170.*

**I**T IS A STORY of the growth of a Scottish business that has largely slipped in under the radar.

We are talking about a business headquartered in Edinburgh that now has a turnover of around £600m, which takes it into the list of the top 40 businesses in Scotland ranked on turnover.

And they have done deals that now take the business to being one of the top players in the UK market in its sector.

Perhaps the reason that they have not gained the expected attention is because they are actually part of another business.

We are talking about Business Stream which is of course part of Scottish Water, a statutory organisation which is accountable to the public through the Scottish Government. The fact that Business Stream is part of a wider public company rather than, say, an independent listed business is another reason why it is a story that is not more publicly discussed.

Jo Dow, chief executive of Business Stream, says: "We have undergone a massive growth trajectory over the last two years with the opening of a new market in England and two acquisitions which have firmly established us as one of the top three players in the UK."

The company announced those two acquisitions at the end of January. It said it had acquired the customer base of competitors Yorkshire Water Business Services and Three-Sixty, meaning it has taken on about 140,000 customers in Yorkshire.

Assuming that the deals clear all their regulatory hurdles it will mean Scotland's largest non-domestic water supplier doubling its market share.

Business Stream was established in 2008 as an arms-length company of Scottish Water after non-domestic water services were deregulated by the Scottish government.

But its latest growth drive really followed the decision in April 2017 to open the English non-domestic

www.insider.co.uk



Jo Dow with her recently acquired National Business Awards trophies

# UNSUNG BUSINESS STREAM KEEPS ON GROWING

By KEN SYMON

**The acquisition of Yorkshire Water Business Services and Three-Sixty, means the company has taken on about 140,000 customers in Yorkshire**

market to competition, meaning that 1.2 million business customers were up for grabs.

Dow says that that market opening created huge opportunities for Business Stream.

It allows the opportunity for Business Stream to develop a

business of greater and greater scale which will in turn allow it to offer a more competitive service for its customers across the UK.

Business Stream is using the experience won through its earlier acquisition Southern Water to try and ensure a seamless transition for the customers and offer services that aim to reduce costs, risks and add environmental benefits.

Liz Barber, Yorkshire Water's director of Finance, Regulation and Markets said at the time of the deal: "Business Stream has a strong track record of delivering excellent customer service and are very experienced in the market.

"We are confident that they will continue to provide customers with the same high level of service they have had from Yorkshire Water Business Services."

Given the scale of the growth programme she has driven, it is little wonder that Jo Dow gained UK-wide recognition when she was crowned as the UK's Best Business Woman at the National Business Awards at Wembley Stadium in December.

The awards aim to cover everything from sole traders to major corporates and Dow was awarded the Business Woman of the Year – Large Business category before being announced as the overall winner.

She said at the time: "I was absolutely thrilled to win two awards at the National Business Women's Awards and to be chosen as the overall winner, which was entirely unexpected! It was a real honour to be recognised at such a prestigious event – and when up against such great finalists."

As I write the company is advertising for a director of business transformation to help lead the next stage of Business Stream's development.

It is clear that Jo Dow is determined that the company's growth will continue as a Scottish business takes a greater and greater share of an English market. ■

JAGUAR F-PACE

# STRAY FROM THE PACK.



The multi award-winning F-PACE. Dramatic flowing lines drawn from our sporting heritage. Performance-tuned chassis for responsive handling. Intelligent Driveline Dynamics on AWD models. A dynamism you don't see in an ordinary SUV. Not all cars follow the same pattern.

To find out more, contact your local Jaguar Retailer.

**Pentland Jaguar Edinburgh**

**Taggarts Jaguar Glasgow**

**Pentland Jaguar Perth**

## **A BREED APART**

Official WLTP Fuel Consumption for the F-PACE range in mpg (l/100km): Combined 22.1-44.8 (12.8-6.3). NEDCeq CO<sub>2</sub> Emissions 272 - 145 g/km. The figures provided are as a result of official manufacturer's tests in accordance with EU legislation. For comparison purposes only. Real world figures may differ. CO<sub>2</sub> and fuel economy figures may vary according to factors such as driving styles, environmental conditions, load and accessories.





# ‘BASIC INCOME’ COULD HELP CREATE AN INNOVATION NATION

By JAMIE COOKE

**T**HE NATURE of work is changing. For readers of this magazine, that won't come as a surprise, representing as it does a major shift in the way many businesses function.

The post-war idea of a job for life has largely vanished, replaced by portfolio careers where employees move between different companies, and indeed different fields. Precariousness has increased dramatically, with the growth of the gig economy, zero hour contracts and short-term positions.

And work no longer offers the best route out of poverty – indeed four million people living in poverty in the UK have jobs, but the combination of a punitive benefits system and the challenges above mean that they are caught in a poverty trap.

[www.insider.co.uk](http://www.insider.co.uk)

This trend is likely to increase, through both evolving expectations (such as a greater openness and interest in self-entrepreneurship) and through technical innovations, such as automation and Artificial Intelligence change the nature and

.....  
**We must get ahead of the curve by exploring new ideas for the country which could help us to adapt**  
 .....

distribution of jobs in the economy.

In the midst of this process, it feels we have two options – either wait and hope that we can adapt in responses to changes without leaving too many of our people or businesses behind; or look to get ahead of the curve by exploring new ideas for the country which could help us to adapt. I strongly believe we need to take the

second course.

There are several concepts which are being explored, but one in particular has developed a strong degree of momentum in Scotland – basic income.

It's an old idea, floated in various forms by thinkers such as Thomas Paine, Martin Luther King and Milton Friedman over the centuries, which has found its moment in time.

At its core, a basic income is a regular, unconditional payment made universally to all citizens by the state. It isn't reduced if you move in or out of work or as your circumstances change, offering stability in the precarious environment we are living in. A basic income restores the concept of the social contract – you receive the payment as a member of society, and society shows that it trusts you to make decisions about how best to use your income for yourself and your family. This

► represents a dramatic shift from the current system of Universal Credit, which is predicated on the idea that people must be forced into 'productive' behaviours through sanctions and conditions, even though the evidence shows that this is counterproductive.

In Scotland, the last couple of years have seen a leap forward in interest and work around basic income. From being a fringe concept barely discussed in mainstream politics or media, feasibility work, supported by the Scottish Government, is now underway to explore whether a basic income experiment could be carried out in Scotland.

It mirrors developments across the world, from a project underway in Stockton, California to the recently concluded experiment in Finland. Bringing together stakeholders and residents in four parts of Scotland, the feasibility work is helping to lay the foundations for future activity and creating a space for exploring wider policy development.

What would a future Scotland with a basic income look like? We would have a firmer foundation to society. Basic income doesn't solve every problem, but it allows other policies around taxation and working life to be built upon it.

A Scotland that put its people at the heart of its systems, and embedded trust in them as the core attribute, would be one that strengthened that relationship that has frayed in recent years.

Although only preliminary results have been released from the Finnish experiment so far (and therefore should be treated with caution), an interesting early trend has been that those receiving a basic income showed a higher level of trust in their fellow citizens and the state itself.

A Scotland with a basic income would be one in which people were able to make choices about how best to develop themselves and their lives. With an income which isn't reduced or removed by moving into or between work, individuals would have greater choice over the type of activity they wanted to undertake. This would go further than paid employment, also covering voluntary work and caring responsibilities which get largely ignored in the current system.

The security that a basic income would bring would support particular groups, such as people

### IN FOCUS: UBI Finland

THE MOST advanced European pilot project providing people with an unconditional basic income took place in Finland for two years from January 2017.

Jobless people were given a monthly flat payment of 560 euros (£490) with the aim of seeing if a guaranteed safety net would help them find jobs or support them working in the 'gig economy' with no security. The pilot programme did not lead them to find work, researchers said, but participants said they felt happier and less stressed. It was run by Kela, the Finnish government's social insurance agency and involved 2,000 randomly selected unemployed people.

The Finnish experiment was different from the idea of providing everyone with a universal basic income in that it selected people who were unemployed.

Such schemes are being tested all over the world including adults in a western Kenyan village being given \$22 a month for 12 years and the Netherlands city of Utrecht is carrying out a basic income study called 'Know What Works'.

The Italian government is working on introducing a 'citizens income'.



Freelance journalist and author Tuomas Muraja benefited from the Finland experiment

## This would go further than paid employment, also covering voluntary work/caring responsibilities which get largely ignored in the current system

with disabilities, who can struggle to find employment in the current economy – the ability to access part-time work, maybe even zero hour contract employment, would be supported by the knowledge that they would still have an income at times when their condition made working difficult.

A basic income would also provide a stable foundation for more entrepreneurial behaviour amongst Scotland's population. Self-employment has increased over recent years, partly fuelled by necessity but also driven by desire.

Our work at the RSA has found that self-employed people starting their own businesses are regularly more satisfied than their employed peers, even if on average they are making less money.

However, starting a venture is a big risk during the period before money starts coming in. A basic income would not remove that risk – it is an essential and inevitable component of most business creation.

However, a basic income, ensuring that the most basic needs could be covered during the start-up period, could broaden the proportion of Scotland's population who would then be able to consider putting their ideas into action.



Economic researcher Signe Jauhiainen





Sini Martensen at the coffee shop she launched while on basic income

A basic income can become seed capital for new ventures, open to all citizens and not just those with pre-existing funds or the ability/knowledge to access bank support. Scotland currently lags behind similar sized countries in terms of innovation and business creation – a basic income could be the space for creativity that opened up Scotland’s potential.

It is essential that Scotland’s business community is a core component of any developments around basic income, yet to date it has been an under-represented constituency.

The debate in Scotland has been largely driven from a perspective of social justice and fairness, which has led to it being seen as primarily a social issue as opposed to an economic one. In contrast, the debate in the US has been strongly driven by the changing nature of work and the potential impacts of new technology – unsurprisingly this has led to interest and support from many of the major technology figures and companies, such as Elon Musk of Tesla, Mark Zuckerberg of Facebook and Pierre Omidyar of eBay.

A successful future for Scotland with basic income at the core of its system requires a greater synthesis of

these two motivations, the social and the economic – and this synthesis requires the input of Scotland’s businesses if it is to happen.

For businesses in Scotland, a basic income could potentially be seen as a challenge. More choice over where to work can increase competition for hiring, and could boost wages in certain parts of the employment landscape.

New business creation can increase the number of rivals in the marketplace, or divert resources to new ideas outside existing companies. And of course, the question of how to pay for a basic income can raise fears for businesses, whether the discussion focuses on income tax or, as is becoming more common, looks at new forms of income generation such as data taxation and/or land values.

However, fundamentally a basic income, if business contributes to its shaping, should be a boon for Scottish companies on a number of levels.

Firstly, more secure workers are happier, more successful workers. The research of thinkers such as Dan Pink has shown that (other than in pure manual labour) productivity is related to income only in so much as it provides security. Each person

has a certain degree of mental bandwidth – if this capacity is taken up with fears over precarious work or finances, then there is limited space for anything more than survival.

Once security is in place, for example through a basic income that they know will be in their bank account covering their basic needs every month, then productivity increases through employees feeling they are able to develop mastery in their roles and increase their own skills. These are the workers that can help businesses thrive – creating new ideas or solutions for companies, and bringing greater positivity into the workplace.

The flexibility that a basic income can bring to Scotland also raises the potential of creating new spaces for businesses around who they employ.

As the retirement age continues to rise, it can be difficult to balance the need for the skills and knowledge that more experienced workers bring with the need to bring younger people into the workplace.

One potential impact of basic income could be the space for greater amounts of job sharing – with basic income offering the chance to choose to work less, roles could be combined between experienced and new workers, allowing companies





► the chance to harness what both can bring. A more entrepreneurial and innovative Scotland is also one which would strengthen our business communities. Not only would competition open up new spaces for business development, it would increase Scotland's attractiveness to the rest of the world, both in terms of investment and workers moving to the country. We know that our country requires inward movement of people and money to succeed, and creating a vibrant ecosystem would ensure we were firmly on the map.

A future Scotland with a reinvigorated social contract, rooted in trust and innovation, would be an attractive destination and one which could flourish in the global marketplace.

A basic income would allow individuals to more easily access learning opportunities throughout their careers. Scotland has a well-educated workforce overall, but lifelong learning can still be a challenge to develop.

The security of a regular income could allow people to choose to develop new skills or experiences, either allowing them to move into different positions or benefiting the companies where they work through increasing the resources available.

Finally, greater choice for workers does not have to be a threat to businesses, but rather a bonus. Positive companies, offering

### A future Scotland with a reinvigorated social contract, rooted in trust and innovation, would be an attractive destination

.....

opportunities for their staff to grow and develop, would be popular with workers, increasing their pool of talent to choose from. The nature of Scotland's businesses lends itself well to that environment – our mix of companies often possessing strong connections to their local communities and to their employees.

There is no doubting that we face a number of challenges in the years ahead, as work changes; globalisation continues to place pressures on Scottish businesses; and the current unknowns of Brexit looms over all. Uncertainty can be fatal for both social and economic progression, and so the temptation to simply survive can be a powerful one. Yet, it is precisely this period of flux that is fuelling the desire for new approaches. The time is now to create a future Scotland which can be a flourishing, innovative nation.

This future Scotland, with a basic income at its core, can be a vibrant place for people and businesses. It would be a global leader in new ideas, selling those to the rest of the world. It would harness Scotland's in-built

advantage of an educated workforce combined with attracting the best the rest of the world can offer, basing economic success on happy, secure and productive workers. It would be a model for how to create new businesses, where companies can be started in any community across the country, not just those with pre-existing advantages.

It would be a country where a portfolio career became a bonus rather than a difficulty, reflected in the lifelong learning undertaken by people in all sectors and levels.

It would be a country where everyone could both participate in and benefit from an inclusive economy. And it would be a country where insecurity was reduced, where people felt confident about their futures, and where contributions to society through volunteering and caring were equally valued.

This vision seems ambitious, but the world we are in requires nothing less. It can become a reality, but only if we find a space to bring together all of Scotland's resources – our business community has to be a part of that journey. ■

*Jamie Cooke is the head of RSA Scotland, the Scottish arm of the global Royal Society for the encouragement of the Arts, Manufactures and Commerce. You can connect with him on LinkedIn, Twitter @JamieACooke or via [Jamie.cooke@rsa.org.uk](http://Jamie.cooke@rsa.org.uk)*

# Business solutions that transform how clients do business.

DLA Piper speaks the language of your business,  
your sector and your location.

Located in 40 countries worldwide, including Scotland,  
wherever you need to do business, we're with you.



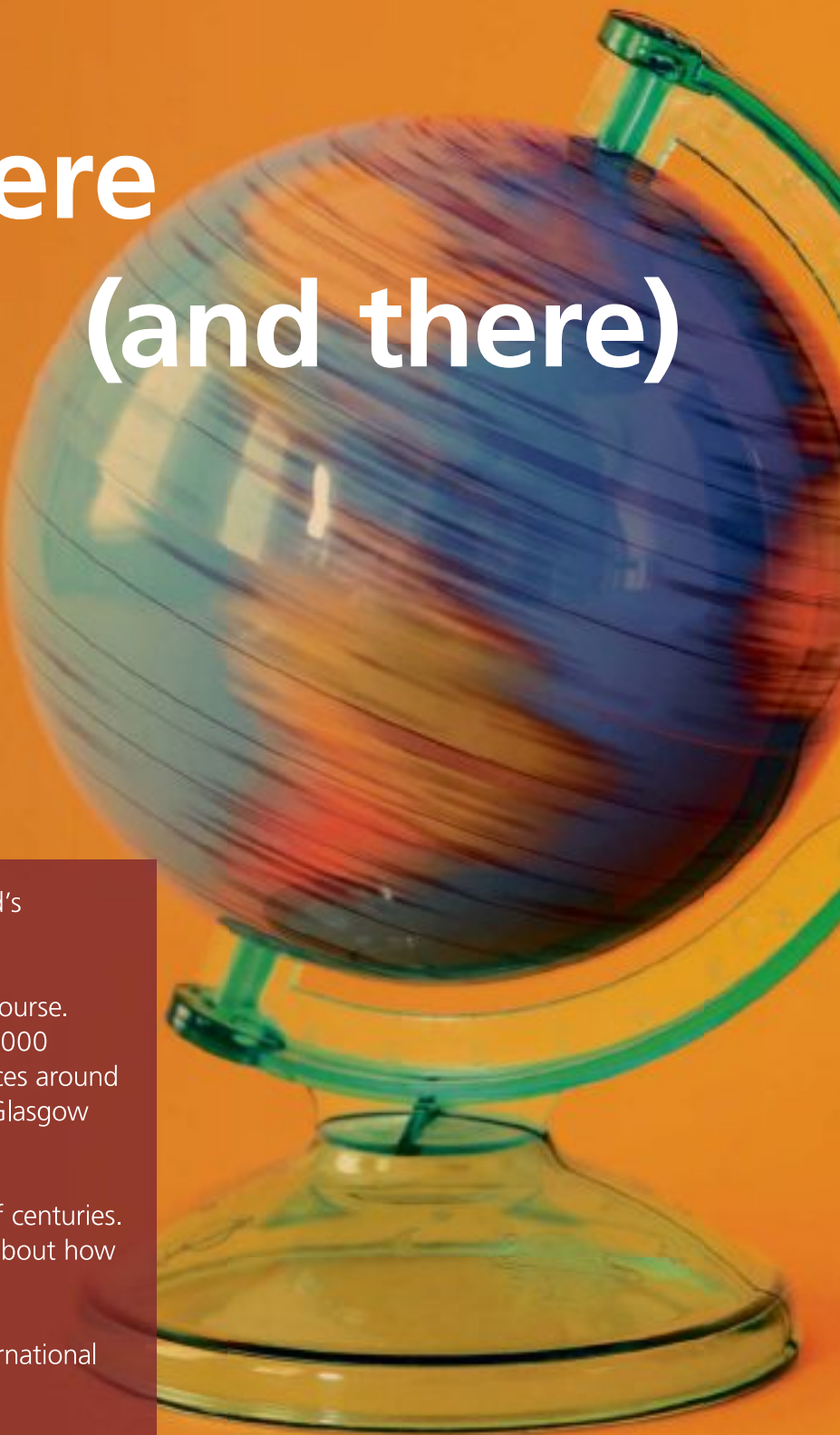
Sponsors of Business Insider Top 500

[www.dlapiper.com](http://www.dlapiper.com)

C/M/S/

Law . Tax

# We're here (and there) for you



We've been lawyering for Scotland's business leaders since 1759.

We've grown a bit since then, of course. In fact, we now have more than 7,000 people in more than 70 other offices around the world – including Edinburgh, Glasgow and Aberdeen, naturally.

Don't wait another two-and-a-half centuries. Give us a call today and let's talk about how CMS can help you.

CMS – truly Scottish and truly international

**Your World First**  
[cms.law/scotland](http://cms.law/scotland)



in association with



# ADVICE FIRMS PREPARE TO FIND ANSWERS TO MYRIAD OF BREXIT IP ISSUES

By VICTORIA MASTERSON

**B**RITAIN'S planned exit from the European Union has raised questions for businesses with intellectual property rights – and prompted much debate amongst the lawyers advising them.

“There is some uncertainty on how Brexit is going to affect intellectual property in the short, medium and longer term,” says Stewart Cameron, director of **Cameron Intellectual Property**, a firm of patent and trade mark attorneys based in Glasgow.

Brexit won't legally affect the situation on patents, Cameron explains, as these are not governed by the European Union, but by the European Patent Convention, a multilateral treaty signed in 1973 and currently in force in 38 countries.

Trade marks and design rights, on the other hand, are affected by Brexit, since new EU trade mark and registered design rights would no longer cover the UK post-Brexit.

“Whilst this is a potential threat, it is also a potential opportunity,” Cameron suggests. “UK national trade marks

and designs – which have perhaps become less popular over recent years – will once again become more important and potentially crucial to many businesses.”

Intellectual property is a very international business and perhaps the biggest overall risk posed by Brexit is a negative perception by attorneys in other countries.

.....

## There is some uncertainty on how Brexit is going to affect intellectual property in the short, medium and longer term

Stewart Cameron, Cameron Intellectual Property (below)

.....

“They may see the UK-EU situation merely as a complication they could do without – and hence might be more inclined to send work to other firms with a presence in the EU post-Brexit,” Cameron says.

“Foreign filing strategies for intellectual property are complicated and foreign associates in countries

like the US may choose to avoid any further complication by simply by-passing any increased complication existing in the UK.”

In the case of a no deal Brexit, the action needed to continue UK coverage for EU trade marks won't be cheap, according to Donald Lawrie, founder of **Lawrie IP**, an independent firm of patent and trademark attorneys based in Glasgow.

“This could cost more than £500m, of which there would be a £50m cost for UK businesses,” Lawrie says. “This is because pending EU trademarks – of which there are almost 340,000 – won't have legal effect in the UK. Trade mark applicants will have to reapply, which is expected to cost more than £350m – including more than £35m for UK businesses.”

Existing EU trade marks - of which there are almost 1.6 million - will have legal effect in the UK with 'minimal administrative burden', he adds. “It's unclear what this will involve, but it is expected to incur at least some cost for business, possibly in the region of £160m – including £16m for UK businesses.”



In  
association  
with

**m: MURGITROYD**

Murgitroyd.com/Brexit

► Law firm **Harper Macleod** has an extensive public and private sector intellectual property and technology practice, with clients including Celtic FC, Historic Environment Scotland, The Institute of Chartered Accountants of Scotland and Isle of Skye Distillers.

On the impact of Brexit, Jamie Watt, lead partner in the firm's intellectual property team, says: "It's very difficult to say at this point in time, as we don't know what Brexit will actually mean.

"If we do leave the EU, then, yes, it presents a risk. A number of key business rights are European in nature, and whilst corresponding UK rights are likely to be provided, this still has to be confirmed. If we leave the EU, also gone are the days when a single trade mark application could be filed to cover the whole of the EU.

"Businesses are also likely to lose the benefit of some of the customs and anti-counterfeiting protections, currently afforded under joint European initiatives. Also, there has been little mention of the practical consequences for UK businesses who deal in EU personal data, and the requirements to have presence in the EU post-Brexit."

The government's approach to the whole process seems 'chaotic,' Watt says. "This has damaged an agility that seemed to be much more prevalent in the economy a few years ago, and this is very concerning," he adds.

"A situation without security of access to markets, without the presence of talent, without the ability to move quickly and take opportunities, all the time whilst being cloaked in a haze of 'wait and see', can only be negative."

While the situation in Europe remains uncertain, some firms might find themselves doing more business in China and India. "IP regimes are much more accessible than they ever have been in all of these areas, and we expect to see a continuing growth in interest in these jurisdictions over the next decade," Watt says.

America is also a land of opportunity for UK businesses with valuable intellectual property, according to **Metis Partners**. The firm specialises in valuing and selling intellectual property assets and has worked with brands including Austin Reed, Maplin and Brantano.

"Despite the Brexit gloom, I see



### If we leave the EU, gone are the days when a single trade mark application could be filed to cover the whole EU

Jamie Watt, Harper Macleod (below)

an opportunity for IP-rich UK companies to take advantage of a US market that currently has an excess supply of funding over demand," says Metis founder Stephen Robertson. "This is buoyed by the current US administration's policies designed to boost its economy.

"There is genuine interest in the UK market from US lenders – I'm sure in part because we are currently a cheaper investment – particularly in lending against retail and sports brands and patent-backed technology"

While Brexit has brought an 'indefinable degree' of uncertainty, lack of capital is also an issue.

"The paralysis in corporate UK decision-making has created a lack of appetite in many quarters to pursue growth," Robertson says. "This typically requires an element of risk-taking, committing funds and resources – and this is just not happening. This is compounded by a continued lack of growth funding that is available from UK banks and lenders to IP and intangible-rich SMEs – other than from a few committed parties

such as Clydesdale Bank, Archover and Shawbrook, to name a few."

Law firm **CMS** has more than 120 intellectual property lawyers, patent and trade mark attorneys and recently launched EquiP, a programme designed to help IP-rich start-ups maximise the return on their intellectual assets.

"Protecting intellectual property and other intangible assets is crucial for a number of reasons," explains CMS partner and IP legal specialist Duncan Turner. "Firstly, these rights enable companies to protect their investment in their business from competitors, such as by preventing others from copying brand names or making goods which infringe their inventions.

"Business can also benefit from commercialising such IP and intangible assets, whether by licensing or selling such rights for a profit. Finally, businesses are increasingly valued by way of the intangible assets that they own, so it's important they adequately protect these to ensure they contribute to the valuation of the firm."

Intangible assets can include brand value, recipes, techniques, customer lists and other essential elements of a firm's 'know how' and reputation.

With the digitisation of the economy making it easier for competitors to copy intellectual assets, companies need to be focused on protecting their IP 'in the digital age,' Turner





suggests. On Brexit, there will be an effect on intellectual property with the UK no longer forming part of the EU Trade Mark and Registered Community Design regimes.

"The UK government has, however, taken steps to ensure that holders of existing EU trade marks and/or registered community designs will be granted a corresponding UK right post Brexit to ensure they continue to have the benefit of these IP rights in the UK," he adds.

**Marks & Clerk**, the UK's largest firm of intellectual property advisors, has been preparing for a 'no-deal' Brexit to give it the best chance of being prepared, whatever the eventual outcome.

Campbell Newell, a partner at the firm's Edinburgh office, says the UK government's plans for 'cloning' existing EU trade marks to create an equivalent right covering the UK are uncertain.

He adds: "The risk remains that, in a chaotic no-deal situation, there will not now be enough time for the government to pass the necessary legislation to bring this about."

**GlenAllachie Distillers** near Aberlour in Speyside is one of Marks & Clerk's clients. The distiller is trademarking its single malt and blended brands in markets around the globe and is concerned about how the UK will exit the EU.

"Regarding trade marks, if the withdrawal agreement is agreed, that will ensure continuation of pan-EU trade mark rights," explains GlenAllachie finance director Graham Stevenson. "But if this isn't the case, then we might need to protect our IP in individual jurisdictions – which will inevitably be costly and time-consuming."

Added bureaucracy and difficulties in getting goods to market will be inevitable. If the current excise system isn't continued, the likelihood is that goods will have to clear full export/import declarations and customs before entering the EU.

"If we revert to World Trade Organisation rules, then tariffs will not be an issue when trading with the EU," Stevenson continues. "But if we exit with no deal, then we will no longer benefit from EU free trade agreements, and even with a deal, all EU free trade agreements will need to be converted to UK free trade agreements by the end of the transition period. That is a tall order and leaves us at risk of losing the tariff preferences the industry currently benefits from."

David Gourlay, a partner at law firm **MacRoberts**, highlights some potential issues with copyright law in the UK, which derives from international conventions, directly applicable EU regulations and EU directives.

"Under the current law, satellite broadcasters are entitled to broadcast works protected by copyright into any EEA member state, as long as the copyright requirements of the territory where the content was

originally broadcast are satisfied," Gourlay explains. "However, Brexit will mean that UK broadcasters will no longer be able to rely on the country of origin principle and will need to satisfy copyright requirements of every EU Member State to which they wish to broadcast. Broadcasters need to be aware of this post-Brexit."

British tourists visiting Europe after Brexit may also find restricted access to online content services like Netflix, because the EU regulation currently governing the portability of these services will no longer apply.

East Kilbride-based crystal glassware specialist **Glencairn** is one of **MacRoberts'** clients and relies on intellectual property to protect it from counterfeiting in global markets.

While **Glencairn's** UK IP rights will be unaffected by Brexit, there may be an impact on its EU trade mark registrations.

"Although these rights will continue to be enforceable in the remaining EU member states, there is a risk that these will cease to apply in respect of the UK," explains Euan Duncan, partner and chair of **MacRoberts**. "The UK government has indicated its intention to ensure that such rights are not lost, through the creation of a new UK equivalent right – and **Glencairn** will vigilantly monitor developments in this regard."

**Murgitroyd**, the Glasgow-based firm of patent and trade mark attorneys, has 260 staff and 13 offices across Europe.

Gordon Stark, the firm's chief operations officer, believes Brexit will result in change, both for **Murgitroyd** and its clients.

But he adds: "We are taking a pragmatic approach that this change will simply see us adapt and adjust, and look to identify and capitalise on the opportunities which this change will bring, to the mutual benefit of us and our clients."

Other key issues include understanding how the continued emergence of Asian markets might affect a company's intellectual property position.

"We are seeing significant growth in the number of patents being sought in Europe by Chinese companies, perhaps reflecting the creation of new innovation and ideas within China," Stark explains. "This could signal that Chinese companies will continue to play a growing role as competitors on the international stage. Historically, the questions which most companies were asking themselves centred around whether they wanted to access the Chinese market and how intellectual property could support that, but these questions are now changing."

Companies investing in their digital strategy should also consider how they might add value to that investment with intellectual property rights that are more relevant to digital platforms, such as copyright, trade secrets and branding. ■



**Ian Murgitroyd**

Founder,  
Murgitroyd

W: [murgitroyd.com](http://murgitroyd.com)

### Brexit: Business As Usual

*With a career as an intellectual property (IP) advisor and business owner spanning over 40 years, Ian Murgitroyd, founder of pan-European IP attorney firm, Murgitroyd, is not buying into the panic surrounding Brexit.*

I remember when we entered the Common Market in 1973, and the situation was much the same as now, with no-one sure what to expect.

Public opinion swayed back and forth on whether membership was right for us, with Harold Wilson even forcing a referendum in 1975, just two years after we joined.

Despite all the disruption caused by entering the Common Market, people adapted, so much so that they voted by a resounding 85 per cent to stay in.

I expect people will adapt in a similar fashion to leaving the EU – or whichever deal or no deal scenario we opt for.

As a business too, **Murgitroyd** will simply adapt. With our pan-European office network, spanning multiple locations in the UK, Ireland and mainland Europe, we are well-placed to do this.

Our message is very much business as usual, and our focus is currently on providing our clients with the most up-to-date advice on how to best be prepared for the changes to come.

We have a Brexit team at **Murgitroyd** who study the latest legal updates in the patent, trade mark, design and other IP areas, and who then inform our clients of the best course of action to take to ensure their businesses are protected.

Ultimately, I'd advise businesses to let their IP advisor take the strain as far as Brexit and their IP rights are concerned – a good IP advisor should be proactively advising you on the ins and outs of how Brexit will affect your rights, and you should be able to trust them to steer you on the right course.

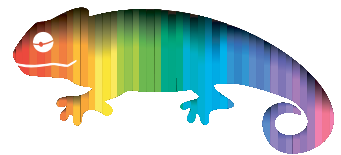
**If you're in any doubt about how Brexit will affect your IP rights, contact our team at [brexit@murgitroyd.com](mailto:brexit@murgitroyd.com) who will be pleased to conduct a review of your portfolio.**

[murgitroyd.com/brexit](http://murgitroyd.com/brexit)





“It is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself.”



With over 40 years of Intellectual Property experience and an established Pan-European network of offices, Murgitroyd are primed and ready to adapt and adjust to whatever IP challenges Brexit may present to your business.

We'll take care of any new requirements and manage the associated risks related to Brexit/IP outcomes - and the potential effects it may have on your Patent or Trade Mark portfolios.

**Contact Murgitroyd today with your Brexit/IP-related concerns.  
Simply email us at [brexit@murgitroyd.com](mailto:brexit@murgitroyd.com) and we'll take it from there.**



EUROPEAN PATENT AND TRADE MARK ATTORNEYS

[murgitroyd.com/brexit](https://murgitroyd.com/brexit)

UK | IRELAND | FRANCE | ITALY | GERMANY | FINLAND | USA

in association with

**BRODIES** LLP



# UNPRECEDENTED UNCERTAINTY RAISES COMPLEX QUESTIONS

By KEN SYMON

**B** RITAIN'S departure from the European would be "incomparably more complex" than the first moon landing Roland Alter, a professor at Heilbronn University in Germany, predicted in 2017.

Peter Courtney, the recently appointed tax director at **Johnston Carmichael**, recalls the academic's analysis and says: "Two years on and two months out, that prediction seems on the money."

Courtney says that business is facing a big challenge as a result. "We're two months out and we don't really know what that challenge is. It's an unprecedented period of uncertainty."

He says that he sees a real mix in how enterprises are responding to the prospect of Brexit. "Some businesses have carried on as though nothing's going to change, whether that's because they're sticking their heads in the sand or because they're waiting

for more certainty and for it to seem more real, I'm not sure.

"Some are very recently starting to consider the potential impact and there are others who have made more comprehensive contingency plans and are trying to identify risks

**For the food sector, concerns over export control and delays are most keenly expressed by those whose products have a short shelf life**

Scott Kerr, Harper Macleod

to their businesses, opportunities, thinking about exports as well as the imports that are necessary to make the exports happen and where possible trying to mitigate the risks that exist."

Scott Kerr, a partner in **Harper Macleod's** corporate team and head of food and drink at the law firm also sees differing approaches to the



imminent departure. He says: "Since the Brexit referendum, businesses have been split into two camps: those that are put off trying to establish new connections to the EU due to uncertainty and the others seeing it as the right time to develop connections in the EU so that the market remains 'open for business' after Brexit. The latter including those who see increased geographical markets as key to their growth."

But James Withers, chief executive of **Scotland Food and Drink** has sympathy with those who have done little in the way of preparation. He says: "If we face a No Deal crash out of the EU, the Scottish food and drink industry is not prepared and can't be. Indeed the UK as a whole isn't prepared."

"We're involved in daily meetings with Government and industry on planning for a No Deal and we are still at the point of having to ask questions of clarification. Seventy per cent of Scottish food exports go to the continent and for the last 50

**IS YOUR BUSINESS READY FOR BREXIT?**

**BRODIES** LLP  
 brodies.com



► years our business life has become gradually more entwined with the rest of the EU.

“The idea we could fall out of the those arrangements overnight, without significant disruption, is fanciful at best. If we have a deal of some form, we will have a transition period to buy everyone more time to prepare. Without it, we are heading for big trouble.”

Joanna Fulton, a partner with law firm **Burness Paull** highlights the issues that can arise for Scottish companies with a complex supply chain. She says: “Food manufacturing is a case in point. The horsemeat scandal that engulfed supermarkets and their suppliers in 2013 exposed the complicated role of the vast array of companies in different countries involved in the route from farm to fork. The ensuing crisis wiped millions off the value of companies at all levels of the supply chain, and damaged the reputation of those implicated no matter which country they were based in.

“That is why it is crucial that people and organisations within a supply chain understand their rights and obligations, and that any issues can be resolved on a mutually agreed basis, both before and after Brexit.”

While most of the public discussion and media attention has been about goods coming into the country, Courtney at Johnston Carmichael says: “There are potentially similar delays and disruption at the outwards part of the UK border and at our trading partners in Europe.”

He says that there are a number of ways to mitigate these problems. “Whether it is necessary to create a separate legal presence in the EU to safeguard the right to trade there. That is typically only in the more regulated sectors in which it is necessary. It’s something that people have been thinking about because this really is a period of uncertainty and people don’t know what’s going to happen.”

Cheeky Panda, the eco-friendly toilet tissue company set up by Scottish green entrepreneur Chris Forbes is an example of a business that has set up a legal entity in France in order to get around any delays or



James Withers, chief executive of Scotland Food and Drink sympathises with businesses who have done little to prepare for Brexit

### Exporting without AEO status will become increasingly onerous, costly and unattractive, with the risk that many of Scotland’s businesses will find exports less attractive

Allan Bird, Campbell Dallas

tariff issues in supplying their goods to mainland Europe (see panel).

Setting up a legal entity in Europe, although with its cost implications, will get round many of the issues that trading with Europe post-Brexit will involve. James Withers at Scotland Food and Drink says that his member companies have raised many different issues. “They range from the cost of export health certificates and lack of staff to issue them, to unknown questions around logistics, labelling and where our future workforce will come from. The big fear centres around a No Deal scenario. Even if we ended up in a close relationship with Europe – for example, in the Customs Union – there is a whole raft of paperwork



that will have to accompany exports to Europe that we haven’t had to worry about before.

“There are those who think ‘it will be alright on the night’ or that a deal will be secured in the minutes before we exit the EU. I really hope they are right, but it’s a gamble to assume that, and there’s a huge downside if they are not.”

Isobel d’Inverno, head of Corporate Tax & Incentives at law firm **Brodies**, says: “If the UK leaves the EU on 29 March without a deal, businesses exporting to the EU will have to follow the procedures which currently apply to exports to non-EU countries. Businesses must register for an EORI (EU Operator and Identification) number, and be prepared to submit export declarations, perhaps through a customs broker or freight forwarder or by obtaining appropriate software. Export licences may be required in some cases and the trade classification of goods should be considered.

“Businesses should also look into deferment arrangements which may be available, such as customs warehouses or inward processing. Of ►

Download our checklist for a pragmatic and...

**BRODIES** LLP  
brodies.com



## BREXIT CASE STUDY: Cheeky Panda

## Sustainable toilet roll firm staying ahead of the game

Perthshire born and raised Chris Forbes has made two significant changes to his Cheeky Panda business to cope with the planned departure of the UK from the European Union. His business has set up a European business entity and a new supply chain.

Forbes says that the fact that the sustainably made toilet roll business is still young – having only been established in 2016 – probably makes easier for a business like his to make changes rather than longer-established ones. “We don’t have long-integrated vertical processes and this is how we always do things. We’re actually quite a nimble organisation when it comes to looking for solutions.”

Despite their youth as a business Cheeky Panda, run by Forbes along with his wife and business partner Julie Chen, is selling into 15 different countries – in mainland Europe and the Middle East.

“Because our mainland European business has taken off quite dramatically we set up a French entity about six months ago. The reason was because French supermarkets will only deal with French companies, so it kind of forced our hand to do that, but from a Brexit point of view it’s quite good because it gives us a European Union entity as well as a British entity.”

Cheeky Panda’s products, which range from toilet rolls, through kitchen rolls, baby wipes, pocket tissues are manufactured in China. So it means that the products destined for mainland Europe can be shipped through Antwerp rather than Felixstowe, thus avoiding any Brexit-induced

shipping delays on the way in or out. “Our products don’t need to touch UK soil in order to be able to trade in the European marketplace. We just needed to set up a new supply chain. We’ve been working with our supply chain partners to look at European distribution hubs and looking at doing it by sea and by rail as well.”

Moving the product by rail actually benefits the business by lessening the amount of time it holds stock. “We used to have to carry about 60 days of paying for the goods before we could sell them but bringing it in by rail it’s only about 16 days. So it releases about 45 days of working capital and it means that the goods are readily available. It’s a bit more expensive but that’s offset by availability and turnaround time.”

Forbes says that the biggest problem they have experienced is servicing the Irish market, sending goods from the UK to Dublin. “If there is a No Deal, there’s a certain degree of uncertainty about how we’re going to continue to service the Irish market. They’re not at the level of spending where we would just move containers directly into Ireland and warehouse them there.

“What we’re doing in the interim to make sure we’re covered is that we’re putting three months additional buffer stock into the Irish market just in the event of a No Deal Brexit on the 29th and then we’ll see what to do after that.”

Forbes says: “We take quite a proactive and positive view on these things and it’s like it doesn’t really matter whether we’re selling goods in Spain or Italy or the UK or Bahrain or Dubai, two of our other markets. It’s how are we going

to service it, how are we going our goods to distributors and how are they going to take it from there.”

Forbes says they are thinking about shifting over assets to the French entity “so it sits under a European system rather than a UK one.”

He says that Cheeky Panda’s turnover is growing fast. He says: “We have an every day sustainable commodity. Regardless of what happens in Westminster and what the politicians do in Brussels, there’s still going to be a demand for our products.

“I thought that Brexit was an excuse for people not to do stuff, people have been waiting to see what the politicians will do. I don’t think the politicians know themselves what they’re going to do so for us it’s kind of like business as usual.”

This interview was conducted over the phone with Chris Forbes speaking from Nuremberg with Cheeky Panda looking to do “a big launch in Germany next year.”

“People are still going to need to use our products, it doesn’t matter how we book it, whether we book it through the European company and how we transfer the assets back in a different way. It’s not going to impact our trading strategy.”

He goes on: “In a lot of ways it creates a natural FX hedge as well. If the pound tanks and I’m making more money in the European market it creates a natural buffer. If the euro tanks and the pound strengthens then it kind of evens itself out. If anything Brexit has been even more of a reason to push into the European market.”



Chris Forbes with wife and business partner, Julie Chen

...informed approach to key Brexit questions

BRODIES LLP  
 @brodies @brodies @brodies @brodies @brodies  
 brodies.com

► course, the export process may take longer, and this will have an effect on supply chains, which will need to be factored into business planning.”

Courtney at Johnston Carmichael says that one area highlighted by the UK Government is an EU operator and identification number. “If businesses have previously only traded within the EU, they won’t have needed that number,” he says. “If we leave the EU on the 29th without a Deal then they won’t be able to trade without having that number.”

“There is a website where you can apply for that number. Again it’s not onerous but it’s something that even people who don’t want to plan or are waiting to see what happens need to be thinking about now.”

He says that another option to look at is authorised economic operator (AEO) certification, a scheme that involves an audit by HMRC of a group’s internal processes and systems. “If you achieve that certification then you can be granted access to a preferred regime at borders which is designed to speed up the transit of goods across those lines. It can also be the gateway to some reliefs and a reduction of some of the financial guarantees that might be needed.”

A lack of AEO accreditation across Scotland’s businesses could lead to a dramatic drop in exports to Europe a customs trade specialist has warned. Allan Bird, a Customs and Excise manager with **Campbell Dallas**, and former AEO specialist with HMRC, is urging companies trading with the EU to address the AEO issue as soon as possible, and develop a plan to ensure they can undertake ‘frictionless’ post-Brexit exporting.

He says: “AEO status endows a business with a ‘Trusted Trader’ badge, which is expected to provide a fast track customs process in a post-Brexit EU. The AEO status will help provide frictionless trade with the EU, and will be the benchmark for compliance with customs systems, controls and financial solvency. Exporting without AEO status will become increasingly onerous, costly and unattractive, with the risk that many of Scotland’s businesses will find exports less attractive.

“AEO status will confer fast-tracking of goods at border customs. It will

Brexit issues are likely to stem the growth of burgeoning Scottish export categories such as Scotch whisky



### IN FOCUS: Scotland’s export figures

THE IMPACT of Brexit on international trade from Scotland comes at a time when the numbers have been rising.

The latest Export Scotland Statistics suggest that Scotland’s exports excluding oil and gas increased by £1.9bn to £32.4bn in 2017.

Neil Francis, director of trade and investment at Scottish Development International, said: “These figures represent the highest annual growth in our international exports since 2011 and underline the fact that demand for Scottish products and services continues to grow in international markets.

“The largest single market for Scottish exports remains the US, and the majority of growth came from EU countries with a significant 11 per cent increase on the previous year.”

There are more recent figures available from HM Revenue and Customs on Scotland’s biggest export with their 2018 figures showing Scotch Whisky exports in 2018 growing in both value and volume.

In 2018, the export value of Scotch Whisky grew by 7.8 per cent by value, to a record £4.70bn. The number of 70cl bottles exported also reached record levels growing to the equivalent of 1.28 billion up by 3.6 per cent.

The US became the first billion pound export market for Scotch, growing to £1.04bn last year. The EU remains the largest region for exports, accounting for 30 per cent of global value and 36 per cent of global volume.

Blended Scotch Whisky underlined its position as the bedrock of the industry with global exports of £3.04bn. There was further growth in exports of Single Malt Scotch Whisky, growing by 11.3 per cent in 2018 to £1.30bn.

also lead to a dramatic reduction in costs and delays, with AEO accredited companies likely to enjoy priority treatment. We are concerned at the low awareness of AEO in Scotland, and that application levels for AEO status are negligible. Companies need to start the process now, as there will soon be a bottleneck of applications and delays for a process that currently can take a year to complete.”

AEO authorisation embraces customs simplifications, security and safety or a combination of both, and companies can choose which level is most suitable. Businesses must meet strict criteria set down by HMRC, who require several days on company premises to review procedures and personnel.

Bird pointed out that in Germany, in 2017 more than 6000 companies had AEO accreditation, but in the UK the figure was just 700. “We have a long way to go and Scotland’s businesses need a great deal of support from the business community to ensure they become AEO-compliant as soon as possible.”

Sectors will vary widely depending

[brodies.com/brexit-checklist](https://brodies.com/brexit-checklist)

**BRODIES** LLP  
@brodies.com





ingredient and supply base after Brexit, and at what price? Crucially, what will the UK Government's approach to tariffs on imports be in a No Deal scenario? Will there be opportunities to do more in our home market and substitute for imports, or will we face the lowering of tariffs and competition from lower standard imports? The export debate has dominated headlines, but the UK Government approach on managing imports is arguably just as critical."

Martin Johnson, regional head of international sales and key sectors and **Highlands and Islands Enterprise** stresses the contribution of exports to the Scottish economy. He says: "The value of international trade has been clearly demonstrated by the latest figures that indicated exports from Scotland grew by £4bn in 2017, up five per cent on the previous year.

"The numbers are good news and show just how important exporting is to a healthy Scottish economy.

He goes on: "If we look for silver linings in Brexit, the depreciation of sterling has made exporting more competitive, Scottish products and services have become cheaper to buyers as the value of the pound has dropped.

"However, it is not as simple as that. Our economy is no longer made up of 40 per cent manufacturing; it is now closer to 10 per cent, so there are many more factors to consider when evaluating the overall impact of currency fluctuation.

"What is clear is those who are in the best position to export, who know what is happening in their supply chain and their markets will benefit the most.

"The good work that Scottish business is doing and the support they are taking up, from the likes of HIE, Scottish Development International, and the Department of Trade and Industry is helping ensure no opportunities are missed.

"The more work you do, the more prepared you are, the better the chances your business has to flourish internationally. Preparation for Brexit is no different." ■

on how time sensitive it is getting goods to export markets. Kerr at Harper Macleod says: "For the food sector, concerns over export control and delays are most keenly expressed by those whose products have a short shelf life and where quick delivery to customer is essential.

"More widely expressed are concerns over sourcing of raw materials and the impact that import restrictions and delays may have on production schedules and costs.

"The concerns over such imports just go to emphasise the importance of international trade – every export is someone else's import and vice versa."

Withers at Scotland Food and Drink says: "Of course, the Brexit uncertainty is not just about exports, it is about imports too. Will we have access to our European



**Charles Livingstone**  
Partner  
Brodies  
+44 (0)141 248 4672  
charles.livingstone@brodies.com  
brodies.com

## Fail to plan, plan to fail

At the time of writing, the UK remains scheduled to leave the EU on 29 March 2019, but there continues to be no certainty on what will happen then. Prudent businesses should therefore be identifying their key Brexit risks, and preparing for all eventualities. This includes taking actions that may be needed, whether or not there is a deal.

One of these actions is ensuring that key EU employees understand how they can stay in the UK post-Brexit. Whether or not there is a deal, EU citizens living in the UK pre-Brexit will be able to stay but will have to apply for 'settled status'. The new EU Settlement Scheme opened for a public test phase on 21 January, with full opening expected in late March. UK-resident EU citizens should be automatically entitled to settled status (or an equivalent 'pre-settled status' if they have not yet achieved five years' residence) but it will not be granted automatically. They will have to apply.

Businesses should also review existing contracts to identify potential Brexit risks, liabilities or complications, and consider how new contracts might be 'Brexit-proofed'. References to EU law, EU institutions or clauses that assume the UK will be an EU Member State may have to be amended; for example, problems may arise if the geographic scope of a contract refers to "the EU" but is intended to include the UK. Such risks are not limited to a 'no-deal' scenario – in a transition period the UK and EU can act as if the UK remains a Member State, but your contract may depend on that actually being the case.

Brodies has produced a checklist covering these and other key considerations, to help businesses assess their readiness for Brexit and in particular for a 'no-deal' outcome. Those with Brexit contingency plans can test them against our checklist, while those who think they will be unaffected can check they have considered the key issues. To download a copy, visit [Brodies.com/Brexit-Checklist](http://Brodies.com/Brexit-Checklist).

## IN FOCUS: BREXIT CONTACTS

*Useful web addresses for online help on Brexit preparations...*

### prepareforbrexit.scot

#### CBI Scotland

[cbi.org.uk/business-issues/brexit-and-eu-negotiations/](http://cbi.org.uk/business-issues/brexit-and-eu-negotiations/)

#### IOD Scotland

[iod.com/news-campaigns/brexit](http://iod.com/news-campaigns/brexit)

#### Chambers of Commerce

[britishchambers.org.uk/page/brexit/business-brexit-checklist](http://britishchambers.org.uk/page/brexit/business-brexit-checklist)

#### FSB

[fsb.org.uk/standing-up-for-you/brexit/introduction](http://fsb.org.uk/standing-up-for-you/brexit/introduction)

### Scottish Financial Services

#### Scottish Enterprise

[prepareforbrexit.scot/updates/components-folder/filtered-card-list/prepare-for-brexit-toolkit](http://prepareforbrexit.scot/updates/components-folder/filtered-card-list/prepare-for-brexit-toolkit)

#### ICAS

[icas.com/technical-resources/where-to-look-for-help-before-brexit](http://icas.com/technical-resources/where-to-look-for-help-before-brexit)

#### Law Society of Scotland

[lawscot.org.uk/research-and-policy/international-work/brexit/](http://lawscot.org.uk/research-and-policy/international-work/brexit/)

[brodies.com/Brexit-Checklist](http://brodies.com/Brexit-Checklist)

**BRODIES** LLP



# IS YOUR BUSINESS READY FOR BREXIT?

---

Download our checklist for a pragmatic and informed approach to all the key Brexit questions:  
[brodies.com/brexit-checklist](https://brodies.com/brexit-checklist)



**BRODIES**<sup>LLP</sup>  
Twitter LinkedIn Facebook YouTube Instagram [brodies.com](https://brodies.com)

# ORKNEY BECOMES FIRST IN UK TO POWER ITS ENERGY NEEDS FROM RENEWABLE SOURCES



**T**WENTY-FIVE years ago I was invited to speak at the newly-established Orkney Science Festival and I looked forward to making my first of several visits to the islands.

One of the fellow passengers on my flight to Kirkwall was Sir Michael Joughin, then chairman of Scottish Hydro-Electric, the power company responsible for the Highlands and Islands; he was a fellow speaker at the Festival.

He told me about some of the difficulties they had in ensuring a reliable power supply throughout the Orkney islands.

There was an interconnector from the mainland but if the weather was particularly cold it couldn't deliver enough to meet the islander's needs and they had to fire up locally based oil-fuelled electricity generators, at significantly higher cost.

That was then, but this is now – and the situation is quite different.

**It should be no surprise that Orkney has turned out to be an ideal location for wind farms and more than 700 wind turbines are now installed**

As most people know, Orkney has no trees, and one of the main reasons for this is that it is also a very windy place, unsuitable for the growth of young saplings. The locals quip that an umbrella is pretty useless in the rain, a riot shield being more practical.

It should be no surprise then, that Orkney has turned out to be an ideal location for wind farms and more than 700 wind turbines are now installed – they routinely generate 120 per cent of the islands' power needs.

And that's without counting the power now beginning to come online from wave and tidal powered generators. There are lots of waves crashing onto the Orkney shores, but the various channels between the islands of the archipelago also have strong, reliable, tidal flows.

The world-leading European Marine Energy

Centre (EMEC) in Orkney has been testing more than 30 different marine energy systems since it was established in 2003. A recent breakthrough there has been the Scotrenewables SR2000 tidal energy turbine which was installed in 2017 off the west coast of Eday. Unlike previous systems, it has proven to be very reliable and has generated more power in the last 12 months than all the marine energy generated by a myriad of projects over 12 previous years.

So, what to do with all this spare power? Beefing up the interconnector with the rest of Scotland so it could be exported would be one option. However, that is dependent on the rest of the UK doing something, and the Orcadians have other, more creative, ideas.

Spare power from the Eday turbine is now being used to power an electrolyser splitting water into hydrogen and oxygen, with the hydrogen created currently being used as an energy source at Kirkwall harbour. Also, Jim McColl's Port Glasgow shipyard, Ferguson Marine Engineering, announced last summer that it is going ahead to build the world's first flotilla of hydrogen-powered sea ferries, which should eventually see Orkney's nine-strong ferry fleet entirely powered by hydrogen produced by their own spare renewable energy.

There has also been a dramatic growth of electric vehicles (EV) on Orkney. The price of petrol remains pretty steep on the islands, so using lower cost electricity to power your vehicle is particularly attractive, and the 'range anxiety' that EV drivers experience elsewhere is much less troubling on an island where a 20 mile journey takes you from coast to coast.

Sir Michael Joughin, who died in 1996, would be amazed at the developments over the last 20 years, and I suspect he would never ever have predicted that of all the British Isles, it would be Orkney that would become first to power all its own needs from renewable energy. ■

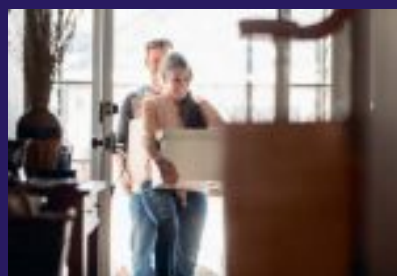
*Ian Ritchie is a leading businessman who advises start-up technology companies.*



MACTAGGART  
& MICKEL



You'll know it's perfect  
the *moment* you step inside



With over 90 years experience building exceptionally designed homes of unrivalled quality, buying with us is something to be proud of. Our knowledge and focus on innovation sees us consistently awarded with industry accolades and 98% of our customers would recommend us to a friend\*.

We're now building in Killearn, Lower Whitecraigs, Newton Mearns, Howwood, Symington, Ayr, Denny, Shawfair and Haddington.

Visit [macmic.co.uk](http://macmic.co.uk) or call us on **0845 600 1925**

\*In an independent post-purchase survey





# TIME TO SEIZE THE MOMENT AS CONSTRUCTION LEAVES IT LATE



By FRANCIS SHENNAN

**I**T'S CONSTRUCTION, Jim, but not as we know it. There was a touch of Star Trek at the Construction Scotland Innovation Centre in Hamilton last month (February). The centre teamed up with the Scottish Centre of Excellence in Satellite Applications to explore the potential for satellite data in construction.

Two weeks earlier the Scottish Parliament's Economy, Energy and Fair Work Committee began hearing evidence on how technological changes will affect an industry which employs seven per cent of the Scottish workforce at 154,000 people, including more apprentices than any other with 6,104 starting modern apprenticeships in 2017-18.

Yet an industry which contributes £21.5bn to Scotland's gross domestic product is said by consultants to have had flat-lining productivity since 1994 compared to a 30 per cent increase in the rest of the economy.

Figures last month from the UK Construction Purchasing Managers' Index show business activity growth at its weakest for 10 months and the slowest increase in employment for

www.insider.co.uk

two-and-a-half years.

Andy Sommerville, director at **Search Acumen**, points to private commercial developments struggling with quarterly output four per cent below average annual figures. "Our commercial real estate industry is the crown jewel of the UK economy," he says. "And while it may be that some investors are avoiding the sector

.....  
**While the construction industry has been operating in an uncertain climate for some time now, this hasn't had as negative an impact on infrastructure projects as initially feared**  
 .....

Alison Horner, Addleshaw Goddard (below)

.....  
 completely, we hope many more are biding their time and preparing to take advantage of the opportunities that arise post-Brexit."

A report on UK Construction 2019 authored by Shona Frame, Glasgow-based partner at **CMS**, includes views from senior decision-makers in 150 companies across the UK contractor sector. "Larger companies have

reported the success of improved use of analytical tools and improvements to enhance bid planning and reduce financial risk," she says.

"However, the majority of participants reported concerns that the market remains a tough place to resist the culture of suicide bidding. Even the largest firms report concerns about the sustainability of the wider sector. Those firms where capital strength and heritage has provided insulation against the temptations of projects with non-existent margins still worry about the health and sustainability of the whole market."

This echoes what Neil Kelly, head of construction group at **MacRoberts**, predicted in *Insider*: "Too many are still contracting to carry out construction work at very low profit margins. Bad payment practices – underpayment and late payment – exacerbate this problem. The sector cannot go on in this way. If it does, we'll have to deal with even more insolvencies of large and small contractors and suppliers."

Last month Dundee building contractor McGill & Co, which had offices in Glasgow and Edinburgh, went into administration after



▶ 38 years with the loss of 374 jobs immediately and 55 other employees being kept on to help sell the company's assets. It blamed late payments, reduced margins, contract delays and a fall in billable work during winter.

It was a major client of another Dundee building firm, Land & Building Services Limited, which collapsed as a result, taking 27 jobs with it.

There is optimism in the sector, though. "While the construction industry has been operating in an uncertain climate for some time now, this hasn't had as negative an impact on infrastructure projects as initially feared," says Alison Horner, partner in construction at **Addleshaw Goddard**. "There is continued investment in infrastructure as seen in Scotland's City Region Deals, and the residential sector remains strong, with build-to-rent (BTR) developments soaring in popularity.

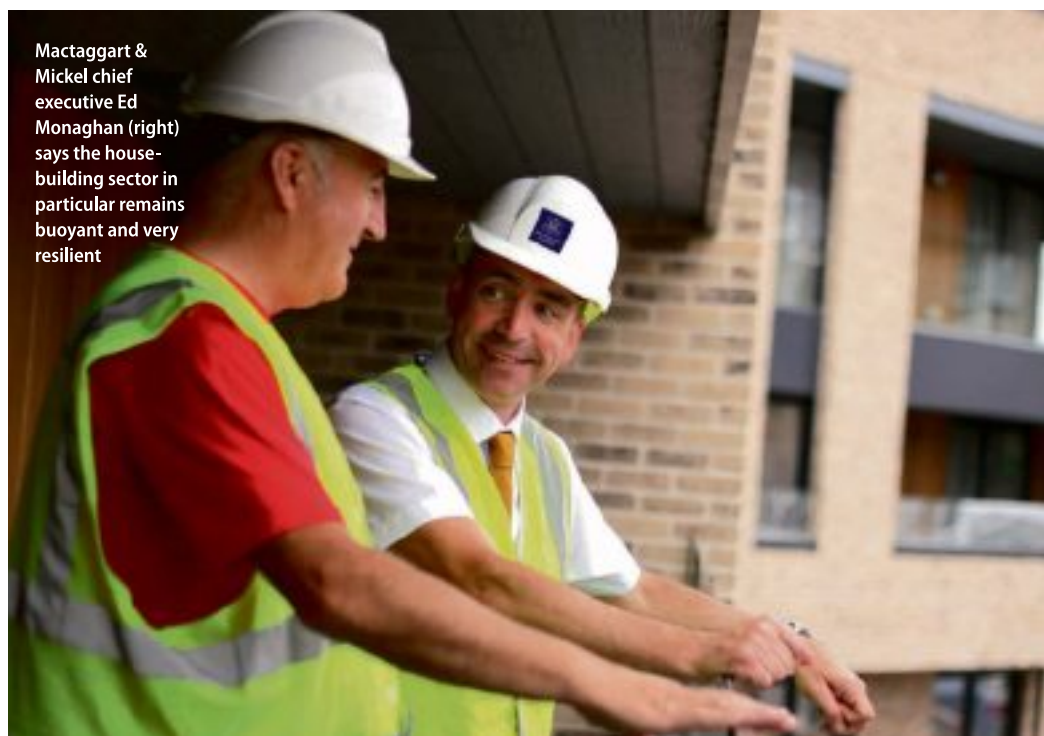
"That said, there are many unanswered questions in the face of Brexit, concerning the cost of materials, the availability of workers, as well as changes to taxes, tariffs and other charges on both EU and non-EU goods, which with the continued downward pressure on tender pricing may yet result in some casualties."

Brian Donaldson, partner at **Thomas & Adamson**, sees the BTR, also called the Private Rented Sector (PRS) as a bright spot. "Within Scotland we're seeing a real shift towards PRS, with it now accounting for more than a seventh of all homes," he says. "There is a continuing demand to have properties of all sizes to better accommodate the needs of the resident rather than the basic social housing which is on the decline."

His colleague Zander Muego adds: "On a macro level there has been a definite reduction in infrastructure spend due to Brexit uncertainty from the private sector, but on a positive note we are seeing a healthy pipeline of projects coming through from the public sector due to alternative funding models being used."

This reflected the view of Brian McQuade, managing director of **Kier Construction Scotland**, who says: "Despite the fall in public infrastructure projects across the construction industry, the outlook for the year ahead remains optimistic.

"Some of our major projects include working on delivering the



**Mactaggart & Mickel chief executive Ed Monaghan (right) says the house-building sector in particular remains buoyant and very resilient**

## Much more needs to be done to educate young people at grass roots level on the diverse range on roles available in construction

Kevin Reid, Cruden Group (below)

.....  
 ten-year £750m Clyde Commercial Framework at Faslane, building the state-of-the-art £30m Alness Academy for The Highland Council through the hub North Scotland procurement vehicle and carrying out the £66m redevelopment of the Burrell Collection in Glasgow's Pollok Park."

And **Mactaggart & Mickel** chief executive Ed Monaghan says: "The construction sector has endured some big challenges including the impact of Brexit, the rise in material costs and the fall of sterling. However, the house-building sector in particular remains buoyant and very resilient. At Mactaggart & Mickel we are in an extremely robust financial position with profits before tax and turnover up 11 per cent.

"We have expanded into the English house-building market and will shortly launch our first development in Oxfordshire. During 2019, we intend to recruit a number of new employees throughout Scotland and England."

The buoyancy of house-building is borne out by Miller Homes'

investment in 14 new developments in Dundee, Glasgow and the west, and Edinburgh and the Lothians of nearly 1,700 homes, supporting 6,700 jobs. The company has its own "Miller Homes Academy" to train and develop its workers.

The Hays UK Salary & Recruiting Trends 2019 guide reports that 89 per cent of construction employers expect their activity levels to increase or stay the same over the year ahead and 86 per cent plan to recruit staff this year, more than half of them on a permanent basis.

But 64 per cent say their top challenge will be a shortage of suitable talent, which has pushed the overall salary rise for construction and property to 2.7 per cent, compared to an overall UK increase of 1.9 per cent, prompting three-quarters of employers to plan to increase salaries again this year.

"Many employers are expecting tougher competition for talent," says Claire Sheerin, director of **Hays Construction & Property** in Scotland. "But they must also contend with the possibility that securing the right talent will become more difficult as applications for roles from EU workers slow."

Simone Young, head of construction at law firm **Davidson Chalmers**, agrees: "Perhaps the biggest challenge currently facing the industry is the worsening skills shortage with an increasing number





of workers reaching retirement age and not being sufficiently replaced with young apprentices. Many UK-based millennials are reluctant to join the industry, which could be due in part to its poor public image where many perceive it as one which involves dirty and sometimes dangerous manual labour for low levels of pay.

“UK construction is aware of the need to improve this image and has been taking steps in the right direction by engaging with schools and colleges to educate pupils about the apprenticeships on offer and the prospect of it providing a long-term career. These efforts appear to be having the desired effect with apprenticeship numbers now beginning to rise.

“In the short-term, however, the skills shortage is only likely to get worse post-Brexit unless EU nationals who are currently working in UK will be willing and able to stay on in their current roles.”

Training is only one of the requirements, though, according to Emma Marriott, managing director of independent recruitment firm **Contract Scotland**: “As well as developing their own talent and focusing on skills, both hard and soft, we’re encouraging clients to tackle mental health, diversity and the unrecorded use of drugs and alcohol in construction with their potential impact on accidents on site. Our own survey shows that 94 per cent of professionals in the engineering, property and construction industry view policies on physical and mental wellbeing as important, while 86 per cent of the same workers also feel it is important for employers to consider flexible working.”

Pay, too, is a factor, she says. “Many employers in the sector are still not getting remuneration packages right. All focus on base salary with a lack of care around bonus schemes and clarity on how they’re measured, although some sectors such as private housing are better than others. And there still often feels like a reluctance to truly invest in training, CPD and nurturing people.”

Those needs are being recognised at **Cruden Group**, which has a modern apprenticeship programme it calls the Cruden Academy. “Ironically, as housebuilding is showing real growth, it is being constrained by the lack of skilled workers coming into the sector,

coupled with an ageing population making up a high percentage of the current work force,” says managing director Kevin Reid.

“Much more needs to be done to educate young people at grass roots level on the diverse range on roles available in construction.”

The skills too are changing. Mike McGuire, director at Edinburgh-based refurbishment and M&E contractor **M-PACT**, says: “Our continuing, rapid growth has led to our installing and implementing a more robust Management Information System but not simply to ensure projects are run well.

“We need it to reach into, and give us guidance on, all aspects of our operations: better buying, more regular and more detailed budget v actual analysis, timely reporting of crucial data and pro-active management of plant and assets.”

Plant and buildings are becoming more complex. Engineering solutions company Actavo is currently partnering with digital infrastructure provider **CityFibre** to complete a two-year “fibre to the premises” project in Aberdeen to give residents ultrafast broadband of up to 1000Mbps from Vodafone.

“While skills shortages continue to be a worrisome subject for construction leaders, those firms that have invested in attracting and

retaining new talent to counter the ageing skilled workforce who are nearing retirement status are prospering,” says Mark Collins, CityFibre’s director of strategy and public affairs. “We want to work with them and offer contracts over sustained periods that enable them to invest in upskilling their workforce.”

Andrew Stephen, director of Construction, Property and Infrastructure at **Change Recruitment**, believes the future requires a more diverse workforce. “Construction businesses must be open to people with the right skills to fill those gaps from a diverse range of backgrounds,” he says. “This could be anyone from ex-offenders and individuals who have had a career break to encouraging more women into the industry.

“Currently just 1.5 per cent of modern apprentices within the construction industry are women. By better promoting the opportunities for growth for women in the construction workforce, from manual to technical roles, as well as better promotion of women already working in construction, this will in turn hopefully encourage more women into the industry.”

Lesley McLeod at the Edinburgh-based **Association for Project Safety** (APS) worries about opportunities for new recruits. “The trades in particular struggle to attract trainees and apprentices,” she says. “There are many great companies and opportunities out there but the polarisation of the industry – with the very big boys at one end and the general run of small and micro-businesses at the other – means there can be limited scope for new entrants.

“Smaller businesses may be operating pretty close to the financial wire, may not have the slack in the workforce, the jobs coming in or simply the time to take on and develop fresh starters. And no amount of government incentives and tax breaks will be able to make up for all of that.

“There are pockets of hope: more women are showing an interest in construction; younger people are looking to trades to secure life-long employment; and there is a growing sense that home-based talent is the way to go. There could be a decent future for construction. We have left it a bit late but we need to seize the moment now.” ■

## There is a sense that home-based talent is the way to go. There could be a decent future for construction

Lesley McLeod, Association for Project Safety (below)





# BREWSTER BROS OPENS UK'S LARGEST RECYCLING PLANT



**Brewster Bros, a family-run business, has opened the largest recycling plant of its kind in the UK. Scott Brewster, alongside his father Alex Brewster own the recycling business based in Livingston.**

The plant, which features a CDE Global state-of-the-art wet processing system, will provide waste management services and recycled aggregate products to builders, construction companies, concrete product producers, ground workers, civil contractors and utility contractors from its new high-tech facility in Scotland's central belt.

Investment in the £3.8m recycling centre includes a £2.1m spend on high efficiency CDE equipment, with a capacity to recycle 400,000 tonnes of construction, demolition and excavation waste per year.

This new facility supports the Scottish Government's Circular Economy Strategy 'Making Things Last', which aims to secure 70% recycling of construction and demolition waste by 2020.

The plant can process and recycle soils and rubble collected by Brewster Bros' fleet of tipper lorries from construction & demolition sites into high value sand and gravel - reducing waste disposal costs for Brewster Bros' customers while maximising waste recovery. The waste collected is not subject to landfill tax and the recycled aggregates produced are not subject to the aggregates levy which enables the business to keep its prices competitive.

The CDE wet processing system was specifically designed to process difficult construction and demolition waste materials and optimise material recovery.



Due to its Quality Management Systems, Brewster Bros is an accredited supplier of Zero Waste Scotland's Aggregate Quality Protocol Directory.

The company takes over from an established family-run recycling business, Henry Gillies (Contractors) Ltd. Thanks to increased investment, Brewster Bros forecasts an annual turnover of £3m at the plant, which will boost the local economy and provide further job opportunities on top of all 20 job roles retained from the previous owner.

All recycled materials from the plant will come with a UKAS accredited quality certification and conform to the requirements for the BREEAM Sustainability Assessment Method for Construction.

**Scott Brewster, Director at Brewster Bros:**

"It's been an exciting period for the business since we launched the UK's largest recycling facility of this type in the middle of August. Our number one aim is to treat and recycle construction and

demolition waste as a resource, ensuring zero waste to landfill.

"Through significant investment into state-of-the-art recycling techniques provided by the plant supplier CDE, we are looking forward to shaping the future of the recycling industry across Scotland and beyond. This new plant should act as a game-changer for the construction industry, by saving money for our customers and ensuring they can dispose of their construction and demolition waste in a cost-effective and sustainable way."

**Stephen Boyle, Zero Waste Scotland:**

"In Scotland the construction sector is responsible for producing nearly half of the country's waste, and recycling construction and demolition material has a key role to play in minimising that. By recycling, we can keep materials out of landfill and in high-value use for longer, reducing the need to quarry finite virgin material and helping the environment."

# REVIEW: CONSTRUCTION - TOP 50 COMPANIES

RANK 19 18	COMPANY	ACTIVITY	LOCATION	TURNOVER £M		PROFIT £M		EMPLOYEES		PROFIT PER EMP		YEAR END	
				PRESENT	PREVIOUS	PRESENT	PREVIOUS	PRESENT	PREVIOUS	PRESENT	PREVIOUS		
1	3	<b>Robertson Group (Holdings)</b>	Building contractor	Elgin	<b>752.39</b>	565.35	<b>30.81</b>	26.15	<b>2,295</b>	1943	<b>13,425</b>	13,459	Mar-18
2	1	<b>Cala Group</b>	Housebuilder; property developer	Edinburgh	<b>747.93</b>	587.09	<b>65.65</b>	50.31	<b>873</b>	769	<b>75,200</b>	65,423	Jun-17
3*	2	<b>Miller Homes</b>	Building; construction; property dev	Edinburgh	<b>660.80</b>	534.50	<b>124.90</b>	92.60	<b>830</b>	740	<b>150,482</b>	125,135	Dec-17
4	7	<b>Advance Construction Group</b>	Property devpt; civil engineering	Bellshill	<b>190.08</b>	205.18	<b>10.84</b>	3.14	<b>1,403</b>	1383	<b>7,726</b>	2,270	Mar-18
5*	5	<b>RJ McLeod (Contractors)</b>	Civil engineering; building	Glasgow	<b>134.92</b>	180.72	<b>21.84</b>	19.60	<b>437</b>	459	<b>49,977</b>	42,709	Oct-17
6	6	<b>Ogilvie Group</b>	Construction; housing developer	Stirling	<b>236.92</b>	269.40	<b>5.77</b>	5.35	<b>634</b>	551	<b>9,101</b>	9,710	Jun-18
7*	15	<b>Avant Homes</b>	Private housing developer	Stirling	<b>107.66</b>	68.71	<b>12.08</b>	2.27	<b>145</b>	110	<b>83,310</b>	20,636	Apr-18
8*	11	<b>McLaughlin &amp; Harvey Construction</b>	Construction	Bellshill	<b>198.94</b>	179.87	<b>6.94</b>	2.79	<b>357</b>	376	<b>19,440</b>	7,420	Dec-17
9	4	<b>Cruden Investments</b>	Construction; property development	Edinburgh	<b>188.61</b>	200.64	<b>8.98</b>	10.39	<b>636</b>	624	<b>14,119</b>	16,651	Mar-18
10	8	<b>CCG (Holdings)</b>	Building contractor and services	Glasgow	<b>144.21</b>	135.81	<b>9.09</b>	6.39	<b>571</b>	571	<b>15,919</b>	11,191	Mar-18
11	New	<b>Springfield Properties</b>	Housebuilder/property developer	Elgin	<b>140.72</b>	110.59	<b>9.22</b>	6.69	<b>101</b>	479	<b>91,287</b>	13,967	May-18
12	9	<b>Mactaggart &amp; Mickel Group</b>	Housebuilder and contractor	Glasgow	<b>74.27</b>	65.10	<b>12.74</b>	9.80	<b>278</b>	263	<b>45,827</b>	37,262	Apr-17
13	10	<b>Muir Group</b>	Contractor; private housing; golf club	Inverkeithing	<b>65.38</b>	74.71	<b>3.26</b>	4.01	<b>280</b>	276	<b>11,643</b>	14,529	Feb-18
14	12	<b>Tulloch Homes Group</b>	Construction; housebuilding	Inverness	<b>43.43</b>	45.02	<b>7.73</b>	6.77	<b>156</b>	154	<b>49,551</b>	43,961	Jun-17
15*	14	<b>Walker Holdings (Scotland)</b>	Building and property developer	Livingston	<b>33.53</b>	37.07	<b>10.15</b>	10.32	<b>55</b>	51	<b>184,545</b>	202,353	Sep-17
16	20	<b>Morris &amp; Spottiswood</b>	Fit out; social housing; construction	Glasgow	<b>80.81</b>	67.86	<b>2.29</b>	1.31	<b>391</b>	386	<b>5,857</b>	3,394	Dec-17
17*	21	<b>Clark Contracts</b>	Construction; refurbish/maintenance	Paisley	<b>71.96</b>	56.24	<b>1.87</b>	1.36	<b>262</b>	217	<b>7,137</b>	6,267	Oct-17
18	50	<b>Scotia Homes</b>	Construction; land development	Ellon	<b>37.18</b>	37.21	<b>3.31</b>	2.75	<b>210</b>	215	<b>15,762</b>	12,791	Apr-18
19	24	<b>Ashleigh (Scotland)</b>	Builder	Dumfries	<b>45.01</b>	41.89	<b>1.84</b>	1.32	<b>115</b>	113	<b>16,000</b>	11,681	Mar-18
20*	25	<b>NWH Group</b>	Construction; recycling; plant hire	Dalkeith	<b>32.27</b>	25.42	<b>3.08</b>	2.00	<b>258</b>	217	<b>11,938</b>	9,217	Sep-17
21	22	<b>Campion Homes</b>	Housebuilder	Dunfermline	<b>32.64</b>	30.39	<b>2.35</b>	2.33	<b>130</b>	109	<b>18,077</b>	21,376	Jun-18
22*	New	<b>Akela Group</b>	Civil engineering; building; pty dev.	Glasgow	<b>29.39</b>	25.55	<b>2.35</b>	-0.01	<b>232</b>	231	<b>10,129</b>	n/a	Aug-17
23	30	<b>Veitchi (Holdings)</b>	Construction subcontractor	Glasgow	<b>41.55</b>	38.86	<b>1.50</b>	1.24	<b>328</b>	332	<b>4,573</b>	3,735	Nov-17
24*	40	<b>Tough Civil Engineering</b>	Civil engineering	Glasgow	<b>47.79</b>	32.99	<b>1.06</b>	0.47	<b>397</b>	314	<b>2,670</b>	1,497	Jul-17
25	31	<b>Malcolm Allan Housebuilders</b>	Housebuilder	Kintore	<b>29.65</b>	19.58	<b>2.05</b>	2.47	<b>67</b>	66	<b>30,597</b>	37,424	May-17
26	26	<b>Mackenzie Construction</b>	Construction; civil engineering	Glasgow	<b>32.54</b>	30.76	<b>1.76</b>	1.54	<b>207</b>	203	<b>8,502</b>	7,586	Mar-18
27	18	<b>Luddon Construction</b>	Construction	Glasgow	<b>56.63</b>	68.92	<b>0.73</b>	1.68	<b>419</b>	413	<b>1,742</b>	4,068	Aug-17
28	48	<b>3B Construction</b>	House building projects	Newton	<b>20.10</b>	13.17	<b>2.63</b>	1.37	<b>115</b>	98	<b>22,870</b>	13,980	May-17
29	36	<b>Compass Building &amp; Construction</b>	Construction	Inverness	<b>27.01</b>	24.58	<b>1.49</b>	1.42	<b>88</b>	88	<b>16,932</b>	16,136	Sep-18
30	28	<b>Front Line Construction</b>	Civil engineering and construction	Bathgate	<b>22.44</b>	22.04	<b>1.51</b>	1.88	<b>138</b>	152	<b>10,942</b>	12,368	Jan-18
31	46	<b>Bowercross Construction</b>	Civil engineering	Hamilton	<b>24.63</b>	25.76	<b>1.45</b>	1.25	<b>112</b>	108	<b>12,946</b>	11,574	Mar-18
32	13	<b>Emtec Group</b>	Building services	Uddingston	<b>64.52</b>	57.93	<b>0.35</b>	3.15	<b>551</b>	454	<b>635</b>	6,938	May-18
33	47	<b>Global Infrastructure Scotland</b>	Building; civil engineering	Muir of Ord	<b>23.00</b>	19.70	<b>1.00</b>	0.62	<b>83</b>	84	<b>12,048</b>	7,381	Mar-18
34	29	<b>Andrew Cowie Construction</b>	Building contractor	Inverurie	<b>21.51</b>	22.85	<b>1.41</b>	1.25	<b>70</b>	77	<b>20,143</b>	16,234	Mar-18
35	19	<b>J Smart &amp; Co (Contractors)</b>	Building and civil engineering	Edinburgh	<b>10.66</b>	22.86	<b>5.25</b>	4.04	<b>207</b>	260	<b>25,362</b>	15,538	Jul-18
36*	New	<b>TSL Contractors</b>	Construction/haulage/quarry products	Isle of Mull	<b>21.94</b>	23.09	<b>0.95</b>	0.02	<b>111</b>	119	<b>8,559</b>	208	Dec-17
37	41	<b>Stewart Milne Group</b>	Construction and development	Westhill	<b>279.17</b>	240.55	<b>-3.94</b>	-13.71	<b>813</b>	794	<b>n/a</b>	n/a	Jun-18
38*	27	<b>Claymore Homes</b>	Housebuilder; timber frame kits	Peterhead	<b>16.29</b>	23.78	<b>1.67</b>	1.97	<b>79</b>	91	<b>21,139</b>	21,698	Dec-17
39	43	<b>McLeod &amp; Higgins (Roofing)</b>	General building contractors	Airdrie	<b>25.45</b>	24.67	<b>0.59</b>	0.51	<b>162</b>	163	<b>3,642</b>	3,129	Aug-17
40	34	<b>Lovie Construction</b>	Builder; steel fabrication	Fraserburgh	<b>9.82</b>	13.15	<b>2.69</b>	3.30	<b>69</b>	72	<b>38,986</b>	45,833	Apr-17
41*	38	<b>City Building (Glasgow)</b>	Construction; repair; maintenance	Glasgow	<b>223.90</b>	294.15	<b>-11.32</b>	-5.59	<b>2,176</b>	2269	<b>n/a</b>	n/a	Mar-18
42	New	<b>Algo (Blairgowrie)</b>	Commercial design and build	Perth	<b>16.85</b>	13.74	<b>1.47</b>	0.09	<b>80</b>	79	<b>18,375</b>	1,139	Jun-17
43	37	<b>Marshall Construction</b>	Builder and contractor	Alloa	<b>41.71</b>	49.51	<b>0.12</b>	0.31	<b>280</b>	289	<b>429</b>	1,073	Jul-17
44*	33	<b>M&amp;K MacLeod</b>	Housebuilder; windows; quarrying	Lochgilthead	<b>19.78</b>	20.23	<b>0.78</b>	0.73	<b>218</b>	243	<b>3,578</b>	3,004	May-18
45	35	<b>CBC Construction &amp; Property</b>	Construction; property development	Glasgow	<b>38.64</b>	43.89	<b>-0.19</b>	0.44	<b>226</b>	217	<b>n/a</b>	2,028	Sep-17
46	49	<b>McTear Contracts</b>	Electrical/plumbing/heating services	Wishaw	<b>15.10</b>	13.25	<b>1.08</b>	1.09	<b>122</b>	116	<b>8,852</b>	9,397	Mar-18
47*	New	<b>Chap (Holdings)</b>	Bldg contractor; engrg; property dev.	Westhill	<b>40.52</b>	37.10	<b>-0.28</b>	-1.52	<b>225</b>	218	<b>n/a</b>	n/a	Sep-17
48*	44	<b>Realm Construction</b>	Construction; recycling; plant hire	Lochgelly	<b>17.98</b>	18.92	<b>0.65</b>	0.95	<b>122</b>	118	<b>5,328</b>	8,051	Aug-17
49	42	<b>Hadden Construction</b>	Building contractor	Auchterarder	<b>19.40</b>	22.38	<b>0.57</b>	0.79	<b>62</b>	77	<b>9,194</b>	10,260	Mar-17
50*	New	<b>BDW North Scotland</b>	Building and contracting	Balmedie	<b>7.13</b>	8.61	<b>2.32</b>	1.74	<b>n/a</b>	n/a	<b>n/a</b>	n/a	Jun-17

\*Notes: The table is ranked by a computation between turnover and pre-tax profit (ranked firstly by turnover, then by profit, the ranking combined, divided by two and weighted by turnover). **Akela Group Ltd:** Trading as Akela Construction. **Avant Homes:** Trading as Avant Homes. Previously known as Bett Homes Ltd. **BDW North Scotland Ltd:** Employees contracted from a sister company. **Chap (Holdings) Ltd:** Trading as Chap Group. Activities also include quarrying and kitchen sales. **City Building (Glasgow):** Figures are a consolidation of City Building (Glasgow) LLP and City Building (Contracts) LLP to more truly reflect the company's activities. **Clark Contracts Ltd:** Trading as Clark Contracts. **Claymore Homes Ltd:** Previous period 11 months. **M&K MacLeod Ltd:** Trading as MacLeod Construction; MacLeod (Riverside). Other activities include PVC window manufacturer; timber frame manufacturer; and filling station operator. **McLaughlin & Harvey Construction:** Previously known as Barr Holdings Ltd. **Miller Homes Limited:** Previously known as The Miller Group(UK) Limited. **NWH Group Ltd:** Trading as NWH Construction; NWH Recycling; NWH Plant Hire. **Ogilvie Group Ltd:** Other activities include vehicle contract hire, telecommunications and IT security. **Realm Construction Ltd:** Trading as Purvis Group. **RJ McLeod (Contractors) Ltd:** Previous period 11 months. **Tough Civil Engineering Ltd:** Trading as Tough Construction Ltd. **TSL Contractors Ltd:** Previous period 17 months. **Walker Holdings (Scotland) Ltd:** Trading as Walker Group.





# The Glorious Playground

An iconic country estate set beneath the beautiful Ochil Hills, The Gleneagles Hotel has been a luxury destination for nearly a century. Located just one hour from Glasgow and Edinburgh airports and with its own railway station, Gleneagles offers the perfect retreat for those looking for relaxation, fun and adventure.

Ochil House, our beautiful new space for meetings and events, was inspired by the original private members clubs, where great minds would gather. Perfect to book as an exclusive venue, guests can enjoy Ochil House in its entirety with its six unique spaces that blend country-house tradition and luxury. Exclusive use of this new wing also benefits from private access and beautiful outdoor breakout lawns. The individual rooms can be booked privately too.

## Gleneagles at a Glance

- 232 bedrooms, 27 suites
- The only restaurant in Scotland to hold two Michelin stars.
- Adult lap pool, leisure pool, outdoor hot pool
- Gym, fitness classes & personal training
- Award winning spa
- Over 50 pursuits
- Three championship golf courses
- 15 meeting spaces







# GLASGOW IS STANDOUT PERFORMER IN EVENTS BOOM

By CLAIRE MUIR

**H**OSTING an impressive 540 conferences, welcoming more than 155,000 delegates and generating a staggering £150m in economic benefit, Glasgow certainly excelled itself last year.

Not only that – 2018 saw the launch of the inspiring People Make Glasgow Welcome Initiative, which came as a result of the city welcoming three international medical conferences (the World Federation of Haemophilia World Congress, the World Down Syndrome Congress and the International Symposium on ALS/MND) where around 10 per cent of attendees were living with the conditions under discussion.

Team Glasgow (**Glasgow Convention Bureau**, Glasgow Welcomes and VisitScotland) came together to offer free educational sessions to customer facing staff to help them better understand their visiting delegates' requirements. Taxi drivers, as well as teams at transport hubs, attractions and hospitality venues, heard from experts from

www.insider.co.uk

each of the associations and local people living the conditions. And, in the process, Glasgow became the world's first conference city to develop such a bespoke educational programme for its delegates.

So, between this legacy and the record-breaking statistics that saw more corporate travellers than ever hit Glasgow, can the city top 2018?

For Aileen Crawford, head of

.....  
**The aim is to ensure the campus is in the strongest competitive position to fulfil Glasgow, Scotland and the UK's potential in the events market**  
 .....

Kathleen Warden, Scottish Events Campus (below)

conventions at Glasgow Convention Bureau, the wheels are very much already in motion: "There's strong demand for Glasgow as a conference destination with confirmed business on the books to 2024," she says. She cites a range of major international meetings, including the annual congress of the European College

Above: Royal Mile venue, The Hub, achieved a 20 per cent revenue increase last year

of Sport Science in 2021 – the three day event's first time in Scotland, expected to deliver 3,000 delegates and a hefty £5m in economic benefits – and the World Congress of Soil Science in 2023.

In addition, the National Cancer Research Institute (NCRI), which brought 1,000 delegates to the **Scottish Events Campus (SEC)** in November, returns in 2019.

NCRI brings with it a host of other prestigious medical meetings – the European Congress on Obesity, the British Association for the Study of the Liver and the European Society for Paediatric Gastroenterology, Hepatology and Nutrition, for example.

Talking of the SEC, ambitious plans are in the pipeline, with a £200m expansion plan submitted at the tail end of last year. The Glasgow site already includes the SSE Hydro but the new development – branded by the SEC as a "truly unique event campus" would include enhanced meeting areas, outdoor space and a dedicated entrance in hope of pulling in the world's top conferences and events. Kathleen Warden, director





► of conference sales at SEC, explains: “The current proposal is to create a sustainable competitive advantage by enhancing the venue to offer a world class, purpose-built, multi-conference complex with modern, flexible, compact, state-of-the-art facilities that differentiate the SEC from its competitors across the globe.

“The aim is to ensure the campus is in the strongest competitive position to fulfil Glasgow, Scotland and the UK’s potential in the business events market, and capitalise on the social and economic progress brought about by hosting conferences and exhibitions.”

In expanding a city’s event offering however hotel space can come an issue. Fittingly Travelodge has announced £100m worth of openings in ten UK locations after spotting a significant rise in demand for beds close to conference hubs – and Glasgow is on the list.

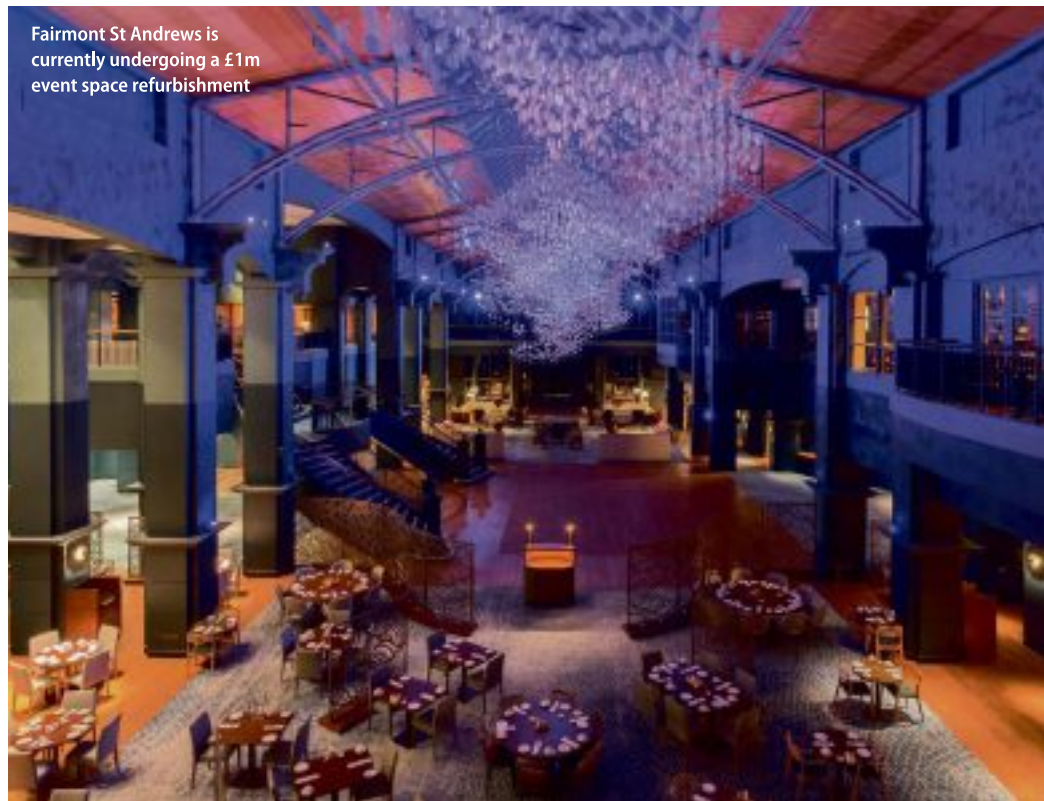
Edinburgh – the highest ranked UK conference destination outside London, according to the International Congress and Convention Association – will also be targeted by Travelodge.

This is certainly good news for busy venues in the capital: “If we lack anything as a city, it’s hotel space. Without sufficient beds we are limited in our growth,” says Fi Morley, general manager at Royal Mile venue, **The Hub**.

“Like many other venues in Edinburgh, we had a strong 2018 with two record-breaking months and a strong beginning to 2019. We find that gala dinners and large-scale conferences are drawn to the Old Town because it offers a wow-factor to international visitors.”

On that note, following the introduction of direct flights to the city from China, The Hub has introduced some delegate-friendly features including a Mandarin menu. This coincided nicely with Edinburgh’s first Chinese New Year in February; part of a city-wide push to be recognised as a ‘premiere China-friendly destination.’

Income is also on the up at the Edinburgh International Conference Centre (EICC), which has begun paving the way for careers in Scotland’s blossoming events industry through its Masters degree in business event management. The first of its kind in the country, EICC run it in partnership with Edinburgh Napier University.



Fairmont St Andrews is currently undergoing a £1m event space refurbishment

## We see a real opportunity to grow the London corporate and UK agency market over the next two years

Ralph Porciani, Trump Turnberry (below)

EICC may have hosted Michelle Obama last year but its 2019 trophy event doesn’t disappoint. Having fought off stiff global competition, it will welcome the next prestigious TEDSummit in July. Part of the **TED** network, which is devoted to identifying then spreading, relevant and potentially impactful ideas, the meet is expected to bring together up to 1,300 delegates and generate an impressive economic contribution of around £5m.

EICC predicts this will help it go “beyond tourism, positioning Edinburgh and Scotland on the world stage” as an experienced host of business events and a centre for leading thinkers and innovators – particularly as meeting the TED criteria was so tough.

“For a big multi-day TED event we need a very specific type of location,” explains Bruno Giussani, the global curator of TED and coordinator of TEDSummit.

“It isn’t sufficient to just have a beautiful and strong theatre infrastructure, which the EICC

provides. We look at the cultural atmosphere of the place, and at all the spaces that we will use – including hotels, restaurants, events and celebration venues and exhibition spaces – as creating a sort of virtual campus that our attendees will be able to experience over several days, moving from one venue to the other by foot, engaging with and immersing themselves in the city.”

Moving north, Dundee enjoyed a moment in the spotlight in September when Scotland’s first design museum opened its doors. **V&A Dundee** has already pulled in almost 400,000 visitors and begun to transform the city’s tourist appeal. But what about the landmark’s corporate offering?

“Since opening it has been the venue for dozens of events, ranging from committee meetings to announcements like the National Television Awards shortlist. In that time we’ve hosted more than 30 evening events and almost as many daytime bookings,” says event sales manager, Katy Walls.

“The Juniper Auditorium, located on the upper floor with views towards the city, is a flexible space designed for a variety of corporate events, including seminars, workshops, lectures and meetings. Businesses can also hire areas of the museum for evening events and



special occasions.”

Another city hoping its next big launch will raise its profile is Aberdeen. The highly-anticipated summer opening of The Event Complex Aberdeen (TECA) is set to “transform the business events landscape in the north east for the corporate, association and exhibition markets,” according to VisitScotland’s Rory Archibald.

Boasting a 12,500-capacity main arena, three exhibition halls, four multi-purpose conference suites, nine meeting rooms, two hotels and an energy centre, just how does the new facility compare to its predecessor, the AECC?

“The impressive stance and enormity of the new venue has attracted and secured more events with higher income. TECA has already secured triple the amount of corporate conferences in 2019 compared to AECC, resulting to a threefold increase in net income,” explains Nick Waight, managing director at SMG, the company heading up the new site. “TECA offers a far more flexible and technologically advanced space than the current AECC site, enabling it to compete nationally and internationally for new events.”

The new venue, on opening, will be the most sustainable of its kind in the UK powered entirely by the city’s household food and garden waste. “The multifunctional energy centre uses local renewable sources and advanced technologies to produce an energy eco-system,” explains Waight.

At VisitAberdeenshire, TECA is a very welcome addition to the north east event offering: “The largest ever single investment in an exhibition conference centre and arena in the UK has undoubtedly increased the level of interest from event organisers who wouldn’t have previously considered Aberdeen,” says Laurie Scott, head of VisitAberdeenshire’s convention and events bureau.

But this isn’t the only development in the Granite City. In fact, there is £8.4bn worth of investment committed to the region in the coming years, according to Scott: “The projects are wide reaching and vary, from the extension of Aberdeen Art Gallery to the expansion of Aberdeen International Airport and the completion of a new peripheral route, ensuring the north-east is now better connected to the rest of the world than ever before.”

On that note the opportunity to host the 2020 VisitScotland Expo – the country’s biggest travel trade show – recently went up for grabs and Aberdeen is tipped to be a front runner. The massive annual spectacle usually takes place in the central belt but, this time, VisitScotland are seeking bidders further north.

This means Inverness is in the running too and its venues are extremely hopeful. James Mackenzie-Blackman, chief executive of **Eden Court Theatre** in Inverness, says: “Inverness, and the wider Highland region, has the huge potential to welcome visitors from across the country and around the world, especially following continued growth and more daily flights from Inverness Airport.”

Corporate tourism isn’t just big business in Scotland’s largest cities, though. In fact, the Macdonald Aviemore Resort hosted its biggest ever event last summer, welcoming more than 750 delegates from China for a four-day immersive experience on all things Scotland.

“The resort, which boasts three four-star hotels, 18 luxury self-catering lodges and its own private 3D cinema, hosted a number of events, including an evening dinner in its Osprey Arena,” says Gill Jackson, group sales director at **Macdonald Hotels & Resorts**.

“Five tipis, several fire pits and



Laurie Scott, VisitAberdeenshire (above)

## The largest ever single investment in an exhibition conference centre and arena in the UK has undoubtedly increased the level of interest from event organisers

The falling value of the pound has helped Dundas Castle significantly increase business with clients from outside the UK  
Pic: Rankine Photography



an impressive 20,000 sq ft marquee were also erected on the resort’s 90-acre grounds, where delegates were treated to a Scottish feast, complete with a bagpipe performance.”

Elsewhere, five-star **Trump Turnberry** on Ayrshire’s coast enjoyed a strong year in 2018 boasting more than 30 per cent growth and already has a strong pipeline for 2019. In fact forecasts are double what they were this time last year, according to general manager Ralph Porciani.

For him, 2019 is about nurturing markets close to home: “We see a real opportunity to grow the London corporate and UK agency market over the next two years and are putting our efforts into gaining a greater share of this audience.”

But, for others, it is all about targeting those further afield. Louise Andrew, general manager at **Dundas Castle**, says: “We experienced a real spike in corporate and private events, with an increase of 89 per cent in the number of event days. A significant number of these bookings came from outside the UK, particularly the US, which leads us to believe that this was related to the pound being much weaker against other currencies than it has been for some time.”

Likewise **Gleneagles** saw a substantial increase its 2018 group events with a hike in incentive business from the US. And despite a slow start in the first quarter of 2019, Gleneagles’ books are showing a “strong pace for the remainder of the year,” according to commercial director Jane McGee who has secured reservations as far ahead as 2022.

Also benefiting from the weakness of the pound – and year-on-year business tourism growth – is **Fairmont St Andrews**. Stewart Elder, director of sales at the venue, which is currently undergoing a £1m event space refurbishment, explains: “For visiting North American and European clients the exchange rate is providing competitive pricing and our offering in Scotland and in St Andrews favours the guest looking for experiential travel.”

Talking of captivating experiences, VisitScotland has revealed the results of its two-year #ideasbecomelegend initiative. Offering an alternative platform – blogs and videos – for Scottish venues to showcase themselves in a competitive market, Legend brought in a staggering £2m worth of confirmed business on a budget of just £2,000. ■



# THE **businessinsider** CLASSIC CORPORATE CUP 2019



THE  
CLASSIC  
CORPORATE  
CUP  
2019

Looking to try something new  
& exciting with your colleagues?



AYR  
RACECOURSE  
Sunday  
6th October  
2019

Compete against other businesses for The **businessinsider** Classic Corporate Cup and be crowned the fastest business in Scotland.

Enter your business into THE **businessinsider** CLASSIC CORPORATE CUP and have a great day out with your work colleagues.

REGISTER YOUR ENTRY NOW AT:

[www.theclassicrunseries.co.uk](http://www.theclassicrunseries.co.uk)



# COLLEGE SECTOR PREPARES FOR POST-BREXIT LANDSCAPE

By ROSEMARY GALLAGHER

**I**N COMMON with most organisations and businesses across Scotland, the country's college sector is feeling cause for concern about the continuing uncertainties around Brexit as the scheduled leaving date draws closer.

Scotland's colleges have linked up with other educational institutions to publish a joint statement which stressed the importance of ensuring the country remains open and welcoming to European Union (EU) staff and students.

The UK's college sectors have since collaborated to try to prepare for a post-Brexit landscape. They have published a blueprint setting out the central role colleges must play in meeting the future economic and labour market challenges facing governments, employers and citizens in raising the skills of the whole working age population.

And what happens to Scotland's colleges undoubtedly affects the wider economy and society. According to an independent study by the Fraser of Allander Institute, colleges will generate additional value worth £20bn for the Scottish

www.insider.co.uk

economy in the long-term. College graduates make up a large part of the country's workforce, often in such vital sectors as manufacturing and social care.

With more than 16,000 non-UK EU nationals enrolled in Scottish colleges in 2016-17 – about seven per cent of students – there is concern this number could decline as a result

.....  
**Scottish colleges have greatly benefitted from EU funding programmes for a lengthy period of time, and it is currently unclear what would replace those**  
 .....

Shona Struthers, Colleges Scotland (below)

of Brexit.

Shona Struthers, chief executive of **Colleges Scotland**, the collective voice of the sector, says: "Brexit raises several issues of concern to the college sector, which is why we are engaging with the Scottish and UK governments to establish what the implications are for non-UK EU staff, students, and their families, as well as

Above: Glasgow Clyde College

for the extremely beneficial funding and cultural exchange programmes."

Lack of clarity over what will happen to EU funding is obviously an issue. "Scottish colleges have greatly benefitted from EU funding programmes for a lengthy period of time, and it is currently unclear what would replace those should the UK leave the EU – as it is currently scheduled to do in March 2019," she says.

"EU funding helps Scotland's colleges deliver high quality courses which are advantageous to students, colleges, Scotland's economy, and our wider society."

She gives the example of the Developing Scotland's Workforce and Youth Employment Initiative which has seen £66m of EU finance being invested in colleges over the past three years. According to Struthers this is often focused on those most distant from the workforce. She is seeking reassurances around how this investment will be replaced by the UK and Scottish Governments post-Brexit.

Scotland's individual colleges share such Brexit concerns. Jackie Galbraith, **West Lothian College** principal and chief executive,





► explains their main worry is about the future of European exchange programme Erasmus+.

Around 1,600 Scots go abroad to European countries with Erasmus+ every year and the number of students in the country taking up opportunities for outward mobility through the programme has doubled over the last seven years.

Galbraith says: “West Lothian College has been very successful in bidding for Erasmus+ funding in recent years. This year we will have more than 100 students going to countries across Europe on exchanges. For many of these students it will be their first time abroad. We host reciprocal visits from many of our partners so that our students get to meet fellow students and staff from abroad.”

She points out that the government’s commitment to underwrite Erasmus+ funding for all successful bids submitted while the UK is still in the EU means the college can still bid for new funding until 2020. But post-2020 there is no clarity about the future opportunities for students wishing to study overseas.

“It would be a great shame if our students didn’t have the opportunity to undertake these visits because we know that it makes a tangible difference to helping them achieve successful outcomes at college,” Galbraith adds.

According to Jon Vincent, principal and chief executive of **Glasgow Clyde College**, non-UK nationals from the EU play a vital role in his institution in a variety of ways and have a big impact on student life.

He explains that for the last few years, the president of Glasgow Clyde College’s student union has been a Polish woman and EU nationals have filled many other roles in the union.

“As an organisation, we really appreciate people who have made a positive decision to live in Scotland and choose to give their time to contribute to our organisation in important roles. If we were to lose that, I would be really sad,” Vincent says.

He is also keen to emphasise the role of colleges in supporting the local and national economy that could become even more important as a result of Brexit.

“Our job is to support local and national businesses and communities



Promoting education: Colleges Scotland chief executive, Shona Struthers; Minister for Further Education, Higher Education and Science, Richard Lochhead MSP; Colleges Scotland chair, Ken Milroy

## We host reciprocal visits from many of our partners so that our students get to meet fellow students and staff from abroad

Jackie Galbraith, West Lothian College (below)

and young people to ensure there are the right skills to power the Scottish economy and avoid skills gaps,” he explains. “If local businesses start to struggle as a consequence – for example if some EU nationals decide to move away and that leads to skills gaps – it is about our ability to respond positively to that.”

Vincent also refers to European money being used for partnership projects with colleges in a number of other countries. He says Glasgow Clyde College is working with colleges from Finland to Italy on European-funded projects, which explore good practice in different countries, and how that can benefit their respective students and communities.

“I wouldn’t necessarily take an overtly pessimistic view and say those

things will stop on the day we leave the EU,” he says. “But I’m concerned about how we continue to have those relationships.”

Looking at the impact of Brexit on the EU, he believes that his peers are also concerned “on a personal level” about the impact on current relationships. “There is a level of concern amongst them,” he explains.

As well as having about 1,000 non-UK EU national students, Glasgow Clyde College also has about 20 members of staff from a range of European countries, and others that have partners from overseas who might be affected.

Another challenge for colleges relates to any potential disruption to the supply of essential goods. As Vincent says: “We use all manner of different things in a college as big as ours, in engineering departments and catering facilities for example.

“We are in conversations with our suppliers to understand whether they foresee there being issues. So far, we haven’t been alerted to anything that would cause us significant concerns, but these conversations, and our Brexit checklists, are very important.”

Despite the lack of clarity around



Brexit – and the disruption caused by strike action due to a pay dispute between colleges and the EIS-FELA unions – Scotland’s further education is trying to get on with its day job. Colleges are launching new and innovative courses to meet demand and helping skill-up employees, and allow people to learn while earning by working with businesses to deliver apprenticeships.

Colleges Scotland has worked with colleges, their regional strategic bodies and other stakeholders to develop a vision for the sector in Scotland - the Statement of Ambition. This sets out the sector’s aspirations for the next five years, which are built on the three pillars of developing people and partnerships, supporting a successful economy and helping communities thrive.

Struthers says: “There is a recognition that Scotland’s economy and labour market is changing and to capitalise on the opportunities of the fourth industrial revolution individuals require education, skills and training to be more personalised and flexible.”

West Lothian College says it developing a highly skilled and enterprising workforce for the many thousands of job openings in the region forecast over the next ten years. It is supporting a successful economy, for example, in being one of two colleges awarded money from the Scottish Funding Council to increase male recruitment and retention on childcare qualifications.

Meanwhile, West Highland College UHI says it works closely with local employers and other partners to ensure it is developing a curriculum that is closely aligned to current and future sector needs. It has taken steps over the last several years to build computing capacity in local primary and secondary schools, where it has run awareness building workshops and clubs.

Scotland’s colleges clearly have an important role to play in helping close skills gaps in a number of sectors.

Cyber security, for example, is a major challenge for organisations across the globe. To tackle the skills challenge in this area, a course has been developed by the Scottish Qualifications Authority.

Glasgow Clyde College has introduced a new HND in Cyber Security and is currently recruiting students for an August start

date, with every applicant being interviewed before they are offered a place because the course is in such high demand.

Lecturer Adam Godwin says: “There is a massive need for this cyber security course. We’re launching our two-year course which is quite broad. We start with the fundamentals and then get more specialised by looking at things like ethical hacking and computer forensics, where students look for digital DNA to examine a digital crime scene.”

As part of the offering, students have the opportunity to enter WorldSkills. Glasgow Clyde College has worked with WorldSkills UK to develop a cyber security competition as part of a national skills and career event. In 2018, two of the college’s students won gold and silver at the competition and have been selected as part of the UK’s cyber squad.

The involvement of colleges in delivering apprenticeships is also significant for the economy. Skills Development Scotland has reported that each year more than

**We really appreciate people who have made a positive decision to live in Scotland and choose to give their time to contribute to our organisation in important roles. If we were to lose that, I would be really sad**

Jon Vincent, Glasgow Clyde College (below)

25,000 young people start a Modern Apprenticeship and latest figures estimate more some 7,000 are currently working as apprentices in Scotland.

Struthers says: “Colleges play a key role in delivering and enhancing Scotland’s workforce by working in partnership with schools and employers to deliver high quality apprenticeship programmes. This is a valuable route to employment for many people, creating a skills pipeline that has delivered and will continue to deliver a stronger workforce.

“One of our priorities is ensuring that students are work-ready and able to meet the challenges of the employment market. That means an ongoing commitment to enhancing engagement with employers – which

happens across the country with colleges supporting the economic needs of their regions.

Glasgow Clyde College supports many large firms, SMEs and local employers by providing more than 1,000 Modern Apprenticeships. Jim Anderson, head of external funding at the college, says: “This year, we have increased our numbers quite substantially, predominantly in engineering.”

He explains that apprenticeships are becoming more popular among employers, partly because as a lot of the funding for training is available through the Scottish Government’s MA programmes, so it can be cost effective for businesses to take part. But employers still have to pay the salary of the young person and put a mentor in place.

“At the college we send in the assessors to make sure the milestones in the framework is being followed correctly,” Anderson says “There has been an increase in interest and we’ve had an influx of companies phoning to say they want to know more about the Modern Apprenticeship.

“And I think the main attraction for individuals taking part is that they are more or less guaranteed a job for the duration of the apprenticeship. When a young person is getting trained up, they are getting specialist rather than generic skills in that particular company.

“Another good thing about the Modern Apprenticeship is that students are in contact with the college so they are learning lots of skills, from STEM to life skills.”

Meanwhile, West Highland College UHI says it has recently introduced a number of health and care subjects – including Foundation Apprenticeships - to its curriculum which provides progression choices from school through to higher education, leading to employment in areas of priority for the Scottish Government.

This year it is also be adding ‘SWAP (Scottish Wider Access Programme) Access to Nursing’ and Men into Care’ courses in order to widen access and break down gender stereotyping in these key sectors.

While Scotland’s colleges await reassurances about the potential impact of Brexit, they still have to focus on their role in equipping a wide range of students with the skills the economy is likely to require in the future. ■







# FUNDING THAT'S MORE ON YOUR WAVELENGTH

---

## The funding solution for growing SMEs

Only by fully understanding a business's ambitions can we provide a funding solution that's right for its specific needs.

It's why we've built a team of experts across the UK ready to engage with you and your clients in person. It's how we've helped fund businesses with more than £350 million so far – with a further £800m standing by.

Whether your clients are looking to fund growth, an acquisition (including Management Buy Outs or Buy Ins), capital expenditure or refinance existing loans we share the same goal: helping UK entrepreneurs realise their potential.

---

## Bespoke business loans from £250k up to £10m

Visit **thincats.com** or  
call **01530 444 061**

ThinCats is a trading name of Business Loan Network Limited (BLN).  
Registered in England & Wales No. 07248014. BLN is authorised and  
regulated by the Financial Conduct Authority (No. 724062).





# INEVITABLE FALL IN DEALS AS UNCERTAINTY TAKES GRIP

BY PERRY GOURLEY

**G**IVEN the highly uncertain political backdrop, it was perhaps inevitable that there was a rather subdued end to 2018 for many Scottish dealmakers.

Although the deals tally for the final quarter registered a sizeable fall on the same period last year, it also saw some of the year's most significant deals including the completion of CYBG's acquisition of Virgin Money and a transaction which saw Edinburgh-based financial platform FNZ bought from its private equity backers in a £1.65bn deal.

A flurry of oil and gas activity in the final months also ensured the sector continued the strong performance seen throughout 2018 amid growing signs of confidence returning to the North Sea.

However, the quarter also saw Norwegian bidder DNO succeed in its move to buy Aberdeen's Faroe Petroleum, which had been one of the few PLCs in the sector to be headquartered in Scotland.

Overall transaction numbers worked on by Scottish dealmakers in the final three months of 2018 were down 21.54 per cent on the same period last year, taking the total in

2018 to 923, down 13.82 per cent on the previous year.

Although the Brexit issue inevitably looms large for the business sector as a whole, Neal Allen, director of corporate finance at KPMG, believes Scotland's corporate deals market is "perhaps healthier than anticipated".

"Scotland's corporates remain ambitious in the face of Brexit, with a focus on long-term goals which outpace the perceived short-term effects of an EU exit," he believes.

**Industry cost cutting over the last few years has led to lower operational costs in the basin, making it more attractive for investment as commodities prices rise**

Norman Wisely, CMS (below)

"The market has also benefitted from favourable conditions, including a low organic growth rate leading some businesses to look to mergers and acquisitions to grow, diversify and bolster market position," he adds.

Above: The Priory Hotel in Beaulieu has switched to employee ownership

According to Callum Gray, corporate finance director at **Anderson Anderson & Brown** (AAB) the uncertainty around the Brexit negotiations has given rise to some "interesting dynamics" in the M&A arena.

"From recent discussions with clients, intermediaries and fellow advisors, the topic of Brexit is being openly discussed during transaction negotiations with any potential risks being raised and where possible mitigated, with a sense of 'we are in this together for the long term' approach," he says. "But we have witnessed certain industries where there is too much uncertainty, for example food and drink, which has postponed discussions as both potential and acquirer seek clarity on the impact of Brexit."

The oil and gas sector continues to show signs of increased activity with significant deals announced during the quarter including Kuwait's sovereign wealth fund agreeing to sell a 43 per cent stake in a major North Sea gas transportation and processing business in a deal worth hundreds of millions of pounds.

Institutional investors advised by JP Morgan Asset Management have agreed to acquire the holding in





► North Sea Midstream Partners (NSMP) in a deal with Wren House Infrastructure Management, an arm of the Kuwait Investment Authority.

No figure was released for the deal but it came just months after Wren acquired the business in a £1.3bn transaction.

Other deals in the sector included oil and gas engineering services business Plexus Holdings acquiring a 49 per cent stake in an Aberdeenshire business.

The Aim-quoted firm spent £735,000 to acquire the holding in Kincardine Manufacturing Services, a specialist precision engineering business.

Plexus said the deal will provide it with access to machining capability which can support R&D development projects.

Three60 Energy also acquired Aberdeen-based North Sea Construction and Commissioning (NSCC), the fourth company to be added to the fast-developing energy services group which now employs more than 320 people.

According to Norman Wisely, managing partner of CMS Aberdeen, the North Sea deals picture is looking “generally positive for the year ahead” which is a significant improvement from the past few years.

“Brexit should have little direct impact on the sector as oil and gas E&P deals are centred on current and projected oil prices,” he points out. “Industry cost cutting over the last few years has also led to lower operational costs in the basin, making it more attractive for investment as commodities prices rise.”

The heightened interest in Scottish firms by overseas buyers seen over recent years continued to be in evidence in the final quarter. A clutch of well-known Scottish firms were bought by overseas buyers and AAB’s Gray says acquirers were looking beyond the Brexit uncertainties to complete deals to meet strategic aims.

“There are strong desires from active acquirers to find workable solutions to any potential Brexit issues, mindful of the longer term benefits the transaction would bring, which are acceptable to both sides.”

Scottish technology companies in particular continue to be in strong demand with latest deals including the acquisition of body worn camera specialist Edesix by California-based Vigilant Solutions. Vigilant itself was acquired by technology giant Motorola at the beginning of this year.

In another deal announced during the quarter, France’s Visiativ acquired R&D tax credit firm **Jumpstart** in a transaction which saw BGF exit its minority investment in the Edinburgh business.

Scott Henderson, Jumpstart’s managing director, described the acquisition as a



24 staff at Chemco International have taken control of the company

**We’ve witnessed industries where there is too much uncertainty, for example food and drink, which has postponed discussions**

Callum Gray, Anderson Anderson & Brown

“huge vote of confidence” in the business.

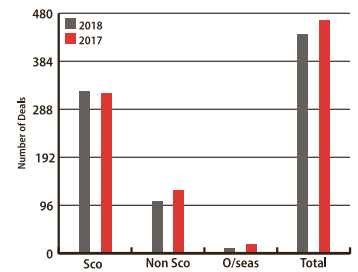
One of the largest deals of the quarter saw US-based investment giant Carlyle Group acquire Aberdeen-based EnerMech from Lime Rock Partners in a transaction believed to be worth around £450m.

Doug Duguid, co-founder and chief executive of EnerMech which provides mechanical and electrical services, says that funding provided as part of the deal would help drive further acquisitions which will strengthen EnerMech’s services portfolio and geographic presence.

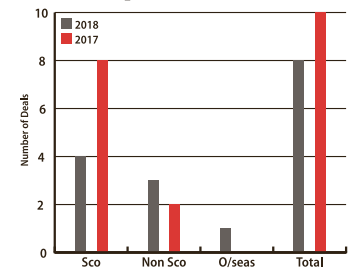
Duguid, who is remaining with the company, says the deal was “a natural progression in the life of any ambitious company” and with the backing of Carlyle Group he is looking to double the size of the business in the next five years.

In another overseas acquisition Artemis Intelligent Power, an Edinburgh-based engineering firm specialising in hydraulic technology, sold a majority stake in the business to Danish multi-national Danfoss for an undisclosed sum.

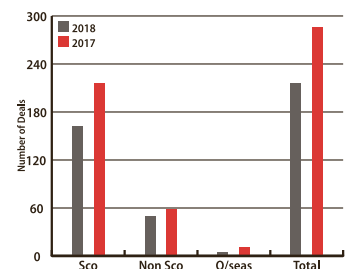
## Acquisitions/Sales



## Start-ups



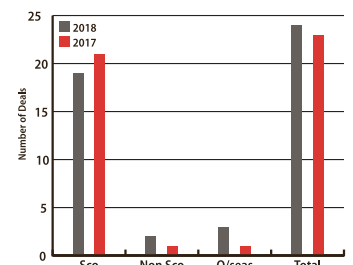
## Specialist banking



**£193.38bn**

The total value of deals declared to Insider in 2018

## Reconstructions



GCL International, a subsidiary of Italian-listed Guala Closures Group, also acquired Bridge of Allan-based United Closures and Plastics in a £19m deal with packaging group RPC. The business specialises in producing metal, security and tamper-evident closures and bottles for the wine and spirits markets.

A number of Scottish firms also made acquisitions in other markets including Stirling-based Vidatec buying a majority stake in Irish firm CareZapp, which uses technology to help people in need of additional support to help them live a more independent life. Dublin-based CareZapp has successfully launched a number of pilots of its technology, including one with Scottish social care charity Cornerstone.

Boston Networks, the Glasgow-based smart integrated solutions business, also completed the acquisition of 2020 Vision Systems in North Shields.

The deal, which brings the staff count of the overall Boston Group to 170, is the second acquisition since specialist investment fund Aliter Capital acquired a major stake in Boston Networks in January this year.

Glasgow and London-based Aliter is working with Boston to deliver organic growth and to target complementary bolt-on acquisitions. DWF advised Boston Networks and Aliter Capital.

Scottish energy services firm Glacier also acquired a Yorkshire-based engineering business in a deal aimed at boosting its offering to North Sea clients.

Aberdeen-headquartered Glacier bought Rotherham-based Whiteley Read from Stainless Metalcraft for an undisclosed sum. Whiteley Read supplies pressure vessels and other equipment to customers across European oil and gas markets.

Other domestic deals saw Mintra Group, the HR, competence and training specialist, acquire Aberdeen-headquartered learning technology services firm Atlas Knowledge which delivers digital learning solutions to safety critical industries.

An all-Scottish deal saw private equity firm Maven Capital Partners and the Scottish Investment Bank (SIB) sell their holding in digital technology firm Incremental Group to Edinburgh-based Dunedin.

The sale by Maven and SIB saw them achieve four times their original investment in the Glasgow-

www.insider.co.uk



EnerMech's co-founder and chief executive Doug Duguid will remain with the company after its sale to Carlyle Group

based business which they backed two years ago.

Incremental, led by chief executive Neil Logan, helps clients including Aggreko, Total and Scottish Leather Group benefit from technologies such as cloud computing.

The company said the investment by Dunedin will enable the business progress towards its target of £60m of revenues and a workforce of 500 by 2022.

Although the number of buyout deals registered a significant fall during 2018, the final quarter saw a number of transactions completed including the acquisition of Lanarkshire jam-making firm R&W Scott from quoted parent firm Real Good Food in a deal worth £4m.

The transaction was led by the firm's managing director John Easton.

Funding was provided by Bibby Financial Services with further equity investment primarily coming from the management team who were advised by Aberdeen Considine.

In one of the smaller buyout deals, brothers-in-law Andrew Alleyway and David Moncur took full ownership of Aberdeen-based commercial cleaning business Tidy Green Clean after completing a management buy-out with backing from Barclays.

The growing trend for business owners to opt for employee buyouts as an exit route continued during the quarter.

The 24 staff at Chemco International, a Coatbridge-based company which makes protective coatings used on cruise ships, oil tankers and lighthouses, took control of the company after founder Manny Khorasani decided to step back from the business.

The change of ownership process was set in motion after Khorasani attended an employee ownership event run by Scottish Enterprise as he had started thinking about taking a back seat in the business.

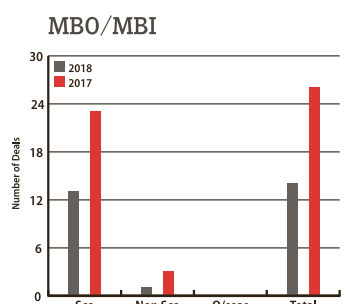
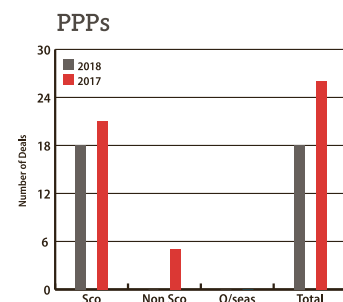
The Priory Hotel in Beaulieu, which was founded more than four decades ago by Stuart Hutton, also switched to employee ownership.

Donald Munro at law firm **Harper Maceod** says the current interest in employee ownership comes at a time when many owner-managed or family-owned businesses are looking to sell.

"This is probably down to a combination of the potential uncertainty of the future allied to the attractive regime for entrepreneurs' ▶

## There is an expectation within some quarters of the sector that we'll see some substantial North Sea infrastructure marketed in 2019

Donald Munro, Harper Maceod





# Corporate, commercial, capable.



## Highlights in 2018:

- Corporate Team of the Year 2018 at The Law Awards of Scotland 2018
- Completion of over 45 deals in 2018 with a combined value of over £70m
- Milestone transactions in key industry sectors including whisky, engineering, financial services and technology
- One of top four corporate law firms in Scotland in terms of number of MBOs completed in 2017/18
- Shortlisted as Legal Advisor of the Year at the Business Insider Deal & Dealmakers Awards 2018
- Ranked by Legal 500 2018 – MH “delivers ‘practical, to-the-point advice without burdening the client with the legal minutiae. The firm’s first-rate reputation enables it to attract high-profile deals.”
- Recommendations by Legal 500 for key team members  
David Beveridge (“quickly ascertains the key issues to address”) and Fraser Morrison (“exceptional”)



Corporate Team of the Year – Law Awards of Scotland 2018  
Legal 500 Recommended Lawyer 2019  
Legal 500 Leading Firm 2019



► tax relief," he says.

Investment deals held up relatively well during 2018, with figures released recently by KPMG's Venture Pulse report showing that Scottish companies raised £100m in venture capital funding in 2018, with almost half (£47m) raised by healthcare companies. Although the total was around 10 per cent lower than in 2017, that year had been a record for investment.

Significant deals during the final quarter included a £1.3m investment by Edinburgh-based venture capital firm Par Equity into Censo Biotechnologies, a Scottish stem-cell research company that is helping pharmaceutical giants to develop new treatments for diseases including Parkinson's and Alzheimer's.

The investment into Censo, part of which came from the Scottish Investment Bank, will allow the company to expand its marketing and sales efforts.

Although making any predictions about what the months ahead hold for dealmakers is particularly difficult, CMS's Wisely is confident that the oil and gas sector will provide significant levels of work regardless of the political upheaval.

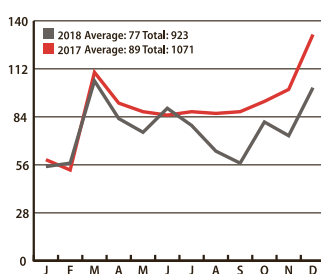
"It is well known that there are ongoing processes involving significant assets for ConocoPhillips, Chevron and Total. We would expect those to sign in 2019 which should help stimulate more deal-related activity across the sector," he points out.

"There is also an expectation within some quarters of the sector that we'll see some substantial North Sea infrastructure marketed in 2019. The trend of majors seeking to divest non-core mature and smaller assets is also set to continue over the year ahead."

Harper Macleod's Munro also believes consolidation pressure across a number of sectors will also provide support for deal activity.

"From our perspective healthcare – such as care homes, vet practices and dental practices – really stand out. There is so much going on in that sector, perhaps because it is to some extent futureproof and demand for these services is only going to increase regardless of the wider economic landscape." ■

ALL DEALS



# TOP PERFORMERS

among Scotland's Investors/Advisors January 2018 to December 2018

INVESTORS	No. of deals	Value
Scottish Enterprise*	70	>£810.33m
Par Equity	24	>£410.34m
Equity Gap	12	>£7.47m
Old College Capital	11	>£7.95m
Royal Bank of Scotland	9	>£293.2m
Archangel Investors Ltd	8	>£17.05m
Maven Capital Partners	8	>£15.79m
Kelvin Capital	8	>£7.64m
Bank of Scotland	6	>£84.9m
Business Growth Fund (Scotland)	6	>£11.75m
University of Strathclyde**	5	>£6.25m
Gabriel Investment Syndicate	5	>£3.6m
Barclays Bank	4	>£3.11bn
Scottish Futures Trust Investments	4	>£151.7m
Mercia Technologies	4	>£2.75m
Hub Community Foundation	3	>£123m
Epidarex	3	>£7.11m
EOS Syndicate Management Ltd	3	>£1.98m
Barwell Plc	3	>£1.4m
Clydesdale Bank	3	N/D
Lonsdale Capital Partners	3	N/D
HCF Investments Limited	2	>£83.7m
Coralinn LLP	2	>£32.15m
Inverleith Capital	2	>£9.01m
Investing Women Angels	2	>£3.58m
Velotek (IP) Limited	2	N/D
Strathclyde Entrepreneur's Fund	2	N/D
EV Private Equity	2	N/D
HSBC (Scotland)	2	N/D

\*incl Scottish Investment Bank 24@ >£29.34m \*\*incl Strathclyde Entrepreneur's Fund 2@ N/D. All others were non-Scottish or participated in one deal only.

LAWYERS	No. of deals	Value
Burness Paull	263	>£30.193bn
Brodies	142	>£3.37bn
Shepherd & Wedderburn	113	>£16.17bn
CMS	108	>£64.41bn
Pinsent Masons	77	>£31.95bn
Harper Macleod	74	>£712.85m
Macdonald Henderson	43	>£60.58m
MBM Commercial	36	>£419.2m
MacRoberts	35	>£8.88m
Dentons (Scotland)	33	>£624.52m
Addleshaw Goddard	32	>£163.57m
Lindsay's	21	>£3m
Blackadders	20	>£1.77m
Thorntons	19	>£8.34m
Wright Johnston Mackenzie	17	>£36.65m
Bellwether Green	17	>£0.71m
Morton Fraser	16	>£8.6m
DWF	15	>£243.31m
Stronachs	14	>£0.65m
Ledingham Chalmers	11	>£30m
Vialex	8	N/D
Kergan Stewart	7	>£7.2m
Blackwood Partners	6	>£17m
Morison's	6	>£2.8m
Aberdein Considine	6	>£0.45m
Turcan Connell	5	>£19.23m
Rooney Nimmo	5	>£7.4m
DLA Piper (Scotland)	5	>£5.9m
Anderson Strathern	5	>£1.7m
Shoosmiths	4	>£36.5m
Ennova Law	4	N/D

BTO	3	>£2.3m
Gillespie Macandrew	3	>£1.75m
Davidson Chalmers	3	N/D
Holmes McKillop	3	N/D
Peterkins Robertson Paul	2	>£0.94m
Burnett Reid	2	N/D
Energy Law Unlimited LLP	2	N/D
Watters Steven	2	N/D
Raeburn Christie Clark & Wallace	2	N/D
Grant Smith Law Practice	2	N/D
Dallas McMillan	2	N/D
Miller Samuel Hill Brown	2	N/D
Black Hay	2	N/D

All others were non-Scottish or participated in one deal only.

ACCOUNTANTS	No. of deals	Value
Anderson Anderson & Brown	42	>£15.7m
BDO	20	>£9.55m
DC Consulting	18	>£5.54m
Johnston Carmichael	17	>£96.56m
Consilium	17	>£26.75m
Campbell Dallas	15	>£35m
PwC	11	>£1.16bn
KPMG	11	>£730.85m
RSM	8	>£181.8m
French Duncan	7	>£50.25m
Mazars	7	>£4.64m
EY	6	>£197m
Craig Corporate	6	>£128.39m
Robertson Craig & Co	5	>£114.5m
Chiene & Tait	5	>£32.2m
Hall Morrice	5	N/D
Robb Ferguson	4	N/D
Henderson Loggie	4	N/D
Deloitte	4	N/D
Grant Thornton	4	N/D
Scott-Moncrieff	3	N/D
Caledonian Economics	2	>£87m
Hutcheon Mearns Limited	2	>£1.7m
Simmons & Co International	2	N/D
Martin Aitken	2	N/D

All others were non-Scottish or participated in one deal only.

SECTOR BREAKDOWN	No. of deals
Banking & Finance	91
Construction	20
Distribution & Wholesale	16
Drinks (+soft)	25
Electronics	48
Engineering	27
Food & Farming	31
Hotels & Leisure	95
Industrial & Manufacturing	106
Marketing & Media	27
Motor	12
Offshore	66
Paper & Packaging	1
Property Dev & Investment	82
Retail	35
Services*	314
Textiles	1
Transport	8

\*Note: Services includes - Utilities 85, Healthcare 74. Some deals fall into more than one sector.



<sup>2</sup>  
A+B<sup>®</sup>

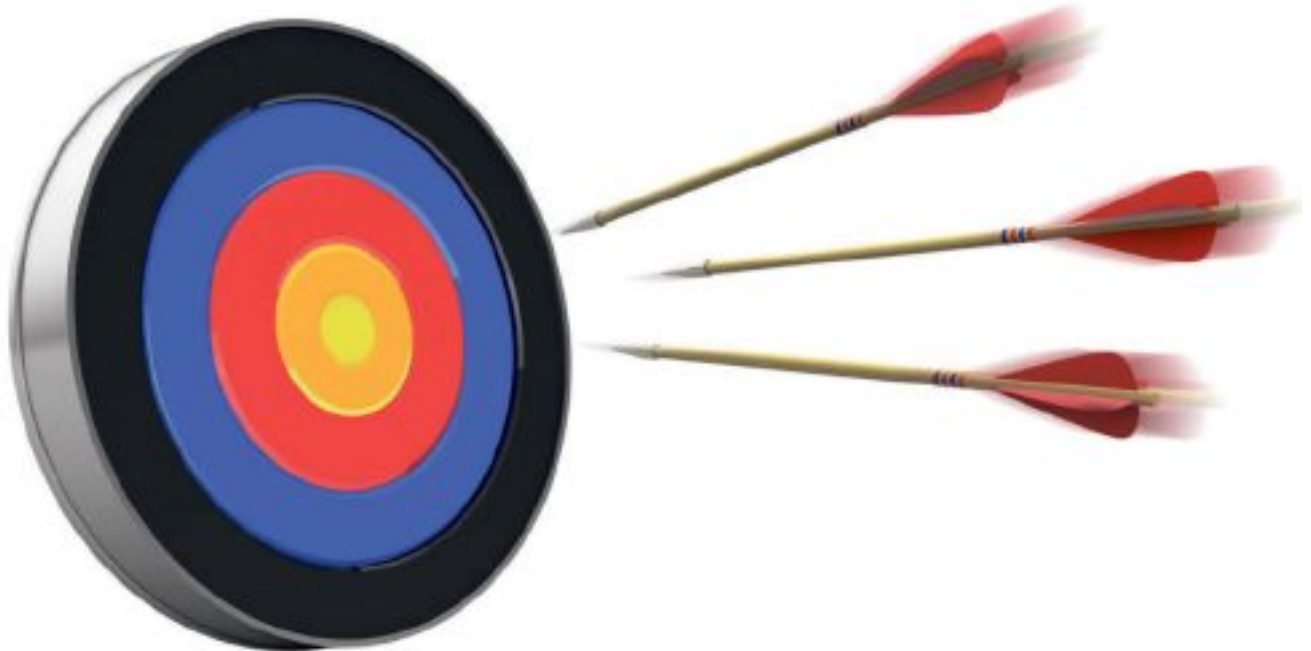
C

CORPORATE  
FINANCE  
DIVISION

## MASTERS AT TARGETING DEAL OPPORTUNITIES\*

We are leading players in the corporate finance market having been recognised as the top dealmakers in Scotland\* every year since 2005 and having completed more than 600 transactions with a combined deal value of over £5bn.

\* Based on us being the accounting firm top of the Scottish Business Insider deal tables each year from 2005-2018 (latest available figures to end of Q3 for 2018).



M&A ADVISORY • FUNDRAISING • VALUATIONS  
TRANSACTION SUPPORT • TAX • RESTRUCTURING

ANDERSON ANDERSON & BROWN LLP  
CHARTERED ACCOUNTANTS + BUSINESS ADVISORS

corp.fin@aab.uk www.aab.uk

ABERDEEN • EDINBURGH • LONDON

GO FOR GOLD BY TAKING AIM WITH US!

Note: The advisors column should be read as being the parties to the deal (abbreviated) followed by the advisor who acted for that party. Common abbreviations used are as follows: **DI** = Deal Initiator; **V** = Vendor; **P** = Purchaser; **I** = Investor; **Co** = Company. Initials or shortened names are used to define other parties to the deal, the full name being in the column detailing the deal. Please note, transactions previously had to be valued at £0.5m or more to be included in the tables. We no longer have this criteria; deals with an undisclosed value are now shown as N/D and advisors involved in these deals have a zero value attributed in our analysis.

Principal & Location	Details of Deals	Deal Value	Deal initiators and advisors involved	Date
<b>2Pure Limited</b> <i>Edinburgh</i>	<b>Investment</b> in this bikes and outdoor equipment distributor by Coralinn LLP.	<b>£1.15m Equity</b>	<b>Co: MBM Commercial</b> <b>I: Addleshaw Goddard</b>	12.18
<b>Air Control Entech Limited</b> <i>Aberdeen</i>	<b>Fund</b> raising by this unmanned aerial vehicle producer in the raising of growth capital from private investors.	<b>N/D Equity</b>	<b>Co: Aberdein Considine/Anderson Anderson &amp; Brown</b>	11.18
<b>Alliance Trust Plc</b> <i>Dundee</i>	<b>Provision</b> of multi-currency revolving credit facilities to this investment trust by RBS.	<b>£100m Loan</b>	<b>DI: Alliance Trust</b> <b>RBS: Burness Paull</b> <b>Co: Dickson Minto</b>	12.18
<b>Amaris Hospitality</b> <i>Glasgow</i>	<b>Sale</b> of shares in the Maple Hotels Group by Oaktree Capital to this hotel and leisure company.	<b>N/D</b>	<b>P: CMS</b>	10.18
<b>Amicus Resolution Limited</b> <i>Edinburgh</i>	<b>Investment</b> in this technology company by Par Equity and Scottish Enterprise.	<b>£700k Cash</b>	<b>DI: Amicus Resolution Limited</b> <b>Co: Thorntons</b> <b>SE: CMS</b> <b>PE: MBM Commercial</b>	12.18
<b>AOC Archaeology Group Limited</b> <i>Edinburgh</i>	<b>MBO</b> of this archaeological and geophysical surveying business.	<b>N/D Cash And Assets</b>	<b>V: Anderson Strathern</b> <b>P: MacRoberts</b>	12.18
<b>Artemis Intelligent Power Ltd</b> <i>Edinburgh</i>	<b>Acquisition</b> of the majority of this digital displacement hydraulics company by Danfoss A/S from Mitsubishi Heavy Industries.	<b>N/D</b>	<b>DI: Danfoss</b> <b>P: Brodies</b> <b>V: White and Black/EY</b>	10.18
<b>BayWa r.e. UK Limited</b> <i>Edinburgh</i>	<b>Acquisition</b> by this renewable energy company of the 18.8 MW Tralorg Wind Farm in Girvan from Brookfield Renewable UK Limited.	<b>N/D Cash</b>	<b>DI: BayWa r.e. UK Limited</b> <b>P: Burness Paull</b> <b>V: Shepherd &amp; Wedderburn</b>	11.18
<b>Bell Rock Workplace Management Limited</b> <i>Edinburgh</i>	<b>Acquisition</b> by this facilities management company of the entire issued share capital of FME Property Solutions Limited.	<b>N/D Cash</b>	<b>DI: Bell Rock Workplace Management Limited</b> <b>P: Burness Paull</b> <b>V: Keebles</b>	10.18
<b>Bella &amp; Duke Limited</b> <i>Blairgowrie</i>	<b>Funding</b> provided to this natural pet food supplier to assist with the business' growth aspirations.	<b>N/D Equity</b>	<b>Co: Thorntons/DC Consulting</b>	12.18
<b>BioFilm (Holdings) Ltd</b> <i>Blantyre</i>	<b>Investment</b> in this producer of biodegradable film for healthcare and cosmetics by Scottish Enterprise, Catapult Growth Fund Limited, and Tate & Lyle Ventures.	<b>£2.5m Cash</b>	<b>SE: Burness Paull</b> <b>Co: Kergan Stewart</b>	10.18
<b>Boston Networks Limited</b> <i>Glasgow</i>	<b>Acquisition</b> by this IT networking infrastructure designer of 2020 Vision Systems Limited.	<b>N/D Cash</b>	<b>P: DWF/BDO</b> <b>V: Muckle</b>	12.18
<b>BP International Limited</b> <i>Aberdeen</i>	<b>Transfer</b> of this oil and gas company's interest in the Sullom Voe Terminal, Ninian Pipeline System, Magnus field and Northern Leg Gas Pipeline to Enquest Heather Limited and Enquest NNS Limited.	<b>\$300m Cash</b>	<b>V: CMS</b> <b>P: Ashurst</b>	12.18
<b>Cairngorm Mountain Ltd</b> <i>Aviemore</i>	<b>Acquisition</b> of the business and assets of this snowsports centre operator from administration by Cairngorm Mountain (Scotland) Limited, a wholly owned subsidiary of Highlands & Islands Enterprise.	<b>N/D Cash</b>	<b>DI: Highlands &amp; Islands Enterprise</b> <b>P: Burness Paull/EY</b> <b>V: Davidson Chalmers/Campbell Dallas</b>	12.18
<b>Capricorn Energy Ltd</b> <i>Edinburgh</i>	<b>Extension</b> by this upstream oil and gas company of its existing reserve based lending facility with DBD Bank ASA.	<b>\$575m Loan</b>	<b>Co: Pinsent Masons/Herbert Smith Freehills</b>	12.18
<b>Chemco International Limited</b> <i>Hamilton</i>	<b>Buy-out</b> of this specialist coating manufacturer by the employees, moving the company into employee ownership.	<b>N/D</b>	<b>DI: Chemco International Limited</b> <b>P: Blackadders/Charles</b>	12.18
<b>ClinTec International Ltd</b> <i>Glasgow</i>	<b>Sale</b> by this clinical research company of the entire issued share capital of Clintec Luxembourg SA to IQVIA Ltd.	<b>N/D Cash</b>	<b>DI: IQVIA Ltd</b> <b>P: CMS/KPMG</b> <b>V: Pinsent Masons/Grant Thornton</b>	12.18
<b>Clyde Group, The</b> <i>Glasgow</i>	<b>Reorganisation</b> of this marine support services group, including a reduction in the share premium account.	<b>N/D</b>	<b>DI: The Clyde Group</b> <b>Co: Harper Macleod</b>	12.18
<b>Clydesdale Bank</b> <i>Glasgow</i>	<b>Joint venture</b> entered between this challenger bank and Salary Finance.	<b>£400m</b>	<b>CYBG: Shepherd &amp; Wedderburn</b>	11.18
<b>Collectivworks Ltd</b> <i>Glasgow</i>	<b>Investment</b> in this social media software company by Scottish Enterprise.	<b>£1.25m</b>	<b>SE: Shepherd &amp; Wedderburn</b>	10.18
<b>ConocoPhillips (UK) Ltd</b> <i>Aberdeen/London</i>	<b>Sale</b> of a 16.5% interest in the Clair field by this exploration company to BP.	<b>N/D Cash</b>	<b>V: CMS</b> <b>P: Herbert Smith Freehills</b>	12.18



## Q4 DEALS: ROUND-UP

Principal & Location	Details of Deals	Deal Value	Deal initiators and advisors involved	Date
<b>Dulnain Bridge Plant Limited</b> <i>Grantown-on-Spey</i>	<b>Acquisition</b> of the entire issued share capital of this plant hire business by Ross McGowan Ltd from Christie-Elite Nurseries Limited.	<b>N/D Cash And Loan</b>	<b>P:</b> Burness Paull <b>V:</b> R&R Urquhart	11.18
<b>Earls Gate Energy Centre Limited</b> <i>Grangemouth</i>	<b>Financing</b> provided to this renewables company by NatWest for the energy from waste facility.	<b>£210m Loan</b>	<b>NW:</b> Pinsent Masons <b>Co:</b> CMS	12.18
<b>Edrington Distillers Limited</b> <i>Glasgow</i>	<b>Sale</b> by this whisky distiller of the Cutty Sark brand and associated assets to Glen Turner Company Limited.	<b>N/D</b>	<b>DI:</b> Edrington Distillers Limited <b>V:</b> Dentons (Scotland) <b>P:</b> Goodwin Procter/Brodies	12.18
<b>Enermech Group Ltd</b> <i>Aberdeen</i>	<b>Sale</b> of a majority stake in this international energy services company to Carlyle Group.	<b>£400m</b>	<b>V:</b> KPMG	12.18
<b>Estock Limited</b> <i>Edinburgh</i>	<b>Buy-back</b> and cancellation of this online retailer's shareholding in Pharmaquipe.	<b>N/D</b>	<b>DI:</b> Estock Limited <b>P:</b> CMS <b>V:</b> Balfour & Manson	10.18
<b>Evotec AG</b> <i>Edinburgh</i>	<b>Further</b> funding provided to this life sciences company by Ex Scientia Limited, GT Healthcare and Celgene Corporatiob.	<b>\$26m</b>	<b>Co:</b> CMS <b>ES:</b> Goodwin Procter	12.18
<b>Fixed Phage Ltd</b> <i>Glasgow</i>	<b>Investment</b> in this life sciences company by Barwell.	<b>£100k Equity</b>	<b>I:</b> MacRoberts <b>Co:</b> MBM Commercial	12.18
<b>Forthwell Limited</b> <i>Glasgow</i>	<b>Refinancing</b> of this pub group's existing facilities with Assetz SME Capital Limited.	<b>N/D Debt</b>	<b>DI:</b> Forthwell Limited <b>ASME:</b> Burness Paull <b>Co:</b> Addleshaw Goddard	11.18
<b>Foundocean Group Limited</b> <i>Livingston</i>	<b>Acquisition</b> of this offshore construction company, along with a majority shareholding in CAPE Holland Holding BV, by CAPE Investment Partners.	<b>N/D</b>	<b>V:</b> Osborne Clarke/BDO	12.18
<b>Frontier IP Group Plc</b> <i>Edinburgh</i>	<b>Placing</b> of new ordinary shares by this intellectual property asset manager, brokered by Allenby Capital Limited.	<b>£2.5m Cash</b>	<b>DI:</b> Frontier IP Group <b>Co:</b> Addleshaw Goddard <b>AC:</b> Pinsent Masons	11.18
<b>GAP Holdings Limited</b> <i>Glasgow</i>	<b>Purchase</b> by this civil engineering company of the whole share capital of 4 Group Limited.	<b>N/D</b>	<b>P:</b> Shepherd & Wedderburn	10.18
<b>Geason Holdings Limited</b> <i>Glasgow</i>	<b>Sale</b> of this construction training provider to Speedy Asset Services Limited.	<b>£35m Cash</b>	<b>V:</b> Burness Paull/Campbell Dallas <b>P:</b> Addleshaw Goddard	12.18
<b>Go Beyond Services Limited</b> <i>Glasgow</i>	<b>Acquisition</b> by this telecommunications consultancy of OEE Consulting Limited.	<b>N/D Cash And Shares</b>	<b>P:</b> Harper Macleod <b>V:</b> Wallace	10.18
<b>Greengage Lighting Ltd</b> <i>Edinburgh</i>	<b>Investment</b> in this LED lighting company by Old College Capital, Par Equity and Scottish Investment Bank.	<b>N/D Equity</b>	<b>DI:</b> Greengage Lighting <b>OCC:</b> Macdonald Henderson <b>Co:</b> Addleshaw Goddard <b>PAR:</b> Turcan Connell <b>SIB:</b> Burness Paull	12.18
<b>Ground Level Up Productions</b> <i>Stirling</i>	<b>Acquisition</b> by this video production company of the business and assets of Wandern Media Ltd.	<b>N/D Equity</b>	<b>DI:</b> Ground Level Up Productions/Wandern Media <b>P:</b> Macdonald Henderson	12.18
<b>GWF Power Gener8 Ltd</b> <i>Glasgow</i>	<b>Investment</b> in this diesel generator maintenance company through an RSA grant in order to support the growth of the business.	<b>£210k Grant</b>	<b>DI:</b> GWF Power Gener8 <b>Co:</b> Consilium	11.18
<b>Hex Tour Group Limited</b> <i>Edinburgh</i>	<b>Acquisition</b> by this Scottish tourism company of the entire issued share capital in Free The Coo Limited in return for cash and shares.	<b>N/D Cash And Shares</b>	<b>P:</b> Harper Macleod/Donnelly Bentley <b>V:</b> Turcan Connell	10.18
<b>Highland Council</b> <i>Inverness</i>	<b>NPD</b> project with Hub North Scotland Limited and Balfour Beatty Construction for the design and build of Lossiemouth Learning Centre.	<b>£42m Cash</b>	<b>HNS:</b> Harper Macleod <b>Co:</b> CMS	12.18
<b>Horizon (GP) Limited</b> <i>Edinburgh</i>	<b>Facility</b> made available to this management consultancy by Rothschild Bank International Limited.	<b>N/D</b>	<b>Co:</b> Shepherd & Wedderburn	10.18
<b>HV Systems Ltd</b> <i>Glasgow</i>	<b>Fundraising</b> carried out by this hydrogen-powered motor vehicle developer.	<b>£300k Equity</b>	<b>Co:</b> MacRoberts	11.18
<b>Incentive Group Ltd</b> <i>Edinburgh</i>	<b>Investment</b> in this software development company by Galvanise Capital Limited.	<b>N/D Cash</b>	<b>DI:</b> Incentive Group <b>Co:</b> Harper Macleod <b>I:</b> MBM Commercial	12.18
<b>Incremental Group Limited</b> <i>Aberdeen</i>	<b>Buy-out</b> of this IT and network services provider from Maven Capital Partners/Scottish Investment Bank, backed by Dunedin.	<b>N/D</b>	<b>DI:</b> Incremental Group Limited <b>Co:</b> Burness Paull <b>Co/V:</b> BDO <b>I:</b> Dickson Minto/EY <b>V:</b> Blackwood Partners <b>SIB:</b> Shepherd & Wedderburn	11.18

Principal & Location	Details of Deals	Deal Value	Deal initiators and advisors involved	Date
<b>Insights Group Limited</b> <i>Dundee</i>	<b>Amendment</b> and restatement of facilities provided to this people development company by HSBC.	N/D	<b>HSBC:</b> Shepherd & Wedderburn	11.18
<b>Insignia Technologies Ltd</b> <i>Newhouse</i>	<b>Investment</b> in this smart labelling company by various private investors.	<b>£400k Equity</b>	<b>Co:</b> Harper Macleod	12.18
<b>Instastock Limited</b> <i>Edinburgh</i>	<b>Investment</b> in this online image licencing platform provider by Scottish Enterprise, Equity Gap and Gabriel Investments.	N/D	<b>SE:</b> Shepherd & Wedderburn	10.18
<b>Inverleith Capital</b> <i>Edinburgh</i>	<b>Acquisition</b> by this private equity company of Revenue Holdings Limited, trading as Montezuma's.	N/D	<b>DI: Inverleith Capital</b> <b>P:</b> Shepherd & Wedderburn/Johnston Carmichael	11.18
<b>Iomart Group Plc</b> <i>Glasgow</i>	<b>Acquisition</b> by this cloud hosting company of the entire issued share capital of LDeX Group Limited.	N/D Cash	<b>DI: LDeX Group Limited</b> <b>P:</b> Pinsent Masons/BDO <b>V:</b> Pannone/KJG	12.18
<b>James Keiller Holdings Ltd</b> <i>Dundee</i>	<b>Sale</b> by this property development company of Castlelaw Estates Limited to Crocodile (Dundee) No.3 Limited.	<b>£30m Cash</b>	<b>V:</b> Harper Macleod/Chiene & Tait <b>P:</b> Wright Johnston Mackenzie	11.18
<b>Johnson &amp; Johnson Medical Limited</b> <i>Edinburgh</i>	<b>Divestment</b> of this lifesciences company's global Lifescan business to Platinum Equity.	<b>\$2.1bn</b>	<b>V:</b> CMS <b>P:</b> Morgan Lewis	10.18
<b>Kumulos Ltd</b> <i>Dundee</i>	<b>Investment</b> in this mobile app management company by Mercia Technologies and Scottish Enterprise.	<b>£750k</b>	<b>MT:</b> Morton Fraser <b>SE:</b> Brodies <b>I:</b> Blackadders	10.18
<b>Kvatchii Limited</b> <i>Glasgow</i>	<b>Investment</b> in this digital health platform developer by a number of private investors.	N/D Equity	<b>DI: Kvatchii Limited</b> <b>Co:</b> CMS	12.18
<b>L &amp; S (Belhaven) Ltd</b> <i>Glasgow</i>	<b>Debt</b> financing provided to this construction and property development by Close Brothers.	N/D Debt	<b>DI: L &amp; S (Belhaven)</b> <b>Co:</b> Burness Paull <b>CB:</b> DWF	11.18
<b>Manus Neurodynamica</b> <i>Edinburgh</i>	<b>Investment</b> in this diagnosis technology developer by Par Equity, Old College Capital and Scottish Investment Bank.	<b>£643k</b>	<b>I:</b> Burness Paull <b>Co:</b> MBM Commercial	10.18
<b>McTear Contracts Limited</b> <i>Wishaw</i>	<b>Reorganisation</b> of this property modernisation and maintenance company via a share reclassification.	N/D Equity	<b>Co:</b> MacRoberts	12.18
<b>Metix Limited</b> <i>Glasgow</i>	<b>Investment</b> in this medical device company by Deepbridge Capital.	<b>£195k Equity</b>	<b>Co:</b> Harper Macleod	11.18
<b>Monarch Transport Limited</b> <i>Glasgow</i>	<b>MBO</b> of this haulage provider.	N/D Cash	<b>DI: Monarch Transport Limited</b> <b>Co:</b> Raderine Consulting/Consilium <b>V:</b> BTO	12.18
<b>Moravian Motors</b> <i>Buckie</i>	<b>Sale</b> by this used car dealership of the business and assets of its Ford car and used car dealership in Buckie to Regency Car Sales Limited.	N/D Cash	<b>DI: Moravian Motors/Regency Car Sales Limited</b> <b>V:</b> Harper Macleod <b>P/V:</b> Johnston Carmichael <b>V:</b> Stronachs	10.18
<b>Moray East Offshore Wind Limited</b> <i>Moray</i>	<b>Financing</b> provided to this offshore wind developer by a number of commercial lenders.	<b>£2.6bn</b>	<b>DI: Japan Bank for International Cooperation</b> <b>L:</b> Ashurst/Burness Paull <b>Co:</b> Linklaters/Shepherd & Wedderburn	12.18
<b>NHS Greater Glasgow and Clyde</b> <i>Glasgow</i>	<b>NPD</b> project with hub West Scotland Limited and BAM Construction for the design, build, finance and maintenance of a health centre in Greenock.	<b>£28.7m Loan</b>	<b>DI: NHS Greater Glasgow and Clyde</b> <b>HWS:</b> Burness Paull <b>Co:</b> CMS <b>BAM:</b> Addleshaw Goddard <b>I:</b> Shepherd & Wedderburn	12.18
<b>Nordic Light Properties</b> <i>Edinburgh</i>	<b>Acquisition</b> by this property and bar company of the entire issued share capital of Social Tap Enterprises and Beer for Good CIC.	N/D Cash	<b>DI: Nordic Light Properties</b> <b>P:</b> Burness Paull/Wilson Ward <b>V:</b> MacRoberts	10.18
<b>Orbital Marine Power (Orkney) plc</b> <i>Orkney</i>	<b>Crowdfunding</b> by this electricity producer, via Abundance Investment, in order to fund the building of the Orbital O2 turbine at the European Marine Energy Centre.	<b>£7m</b>	<b>DI: Orbital Marine Power (Orkney)</b> <b>Co:</b> Brodies <b>I:</b> Harper Macleod	10.18
<b>Parklands Limited</b> <i>Buckie</i>	<b>Investment</b> in this care home provider by BGF.	<b>£5m Cash</b>	<b>Co:</b> Brodies <b>I:</b> Burness Paull	11.18
<b>Particle Analytics Limited</b> <i>Edinburgh</i>	<b>Investment</b> in this particle simulation software company by Par Equity, Old College Capital and Scottish Enterprise.	<b>£400k Cash</b>	<b>DI: Particle Analytics Limited</b> <b>Co:</b> MBM Commercial <b>SE:</b> CMS <b>PE:</b> Addleshaw Goddard	10.18
<b>Pat Munro (Alness) Limited</b> <i>Alness</i>	<b>Acquisition</b> by this construction company of the business and assets of CLDB Limited, trading as Carbon Dynamic, from administration.	N/D Cash	<b>DI: Pat Munro (Alness) Limited</b> <b>P:</b> Brodies <b>V:</b> Harper Macleod	12.18



## Q4 DEALS: ROUND-UP

Principal & Location	Details of Deals	Deal Value	Deal initiators and advisors involved	Date
<b>Petrotechnics Ltd</b> <i>Aberdeen</i>	<b>Acquisition</b> of the entire issued share capital of this risk management software provider by Sphera Solutions Inc through its acquisition vehicle Sphera Solutions UK Limited.	<b>N/D Cash</b>	<b>V:</b> Burness Paull/Anderson Anderson & Brown <b>P:</b> Vedder Price	12.18
<b>Pryme Group Limited</b> <i>Dundee</i>	<b>Acquisition</b> by this integrated engineering services company of the trade and assets of Timec 1504 Limited, Stargate Precision Engineering Limited and Total Maintenance Engineering Limited.	<b>N/D Equity</b>	<b>P:</b> Anderson Anderson & Brown	12.18
<b>R&amp;M Engineering Ltd</b> <i>Huntly</i>	<b>Reorganisation</b> of this fabrication services provider which involved the transfer of the business and assets to R&M Engineering (Huntly) Limited.	<b>N/A</b>	<b>Co:</b> Burness Paull	12.18
<b>RAD Projects Limited</b> <i>Glasgow</i>	<b>Sale</b> of the entire issued share capital of this business software service company, along with RAD Software Limited, to Aspera Solutions Limited.	<b>N/D Cash</b>	<b>V:</b> MacRoberts/French Duncan <b>P:</b> Ledingham Chalmers/Crowe	11.18
<b>Radisson Blu Hotel</b> <i>Glasgow</i>	<b>Sale</b> of this hotel by Azure (Glasgow) Limited to Pandox.	<b>£39m</b>	<b>I:</b> Shepherd & Wedderburn	10.18
<b>Red61 Ltd</b> <i>Edinburgh</i>	<b>Investment</b> in this ticket technology company by Par Equity and Scottish Investment Bank.	<b>£610k</b>	<b>DI: Par Equity</b> <b>PE:</b> MBM Commercial <b>Co:</b> Addleshaw Goddard	12.18
<b>Renaissance Care (No 1) Limited</b> <i>Musselburgh</i>	<b>Acquisition</b> by this care home provider of the entire issued share capital of Rosepark Care Home Ltd and Croftbank House Limited.	<b>N/D Cash</b>	<b>DI: Christies</b> <b>P:</b> MacRoberts/Burness Paull/Condies <b>V:</b> Harper Macleod/Campbell Dallas	10.18
<b>Renfrewshire Council</b> <i>Paisley</i>	<b>NPD</b> project with hub West Scotland Limited and CCG (Scotland) Limited to create a new learning and cultural hub in a disused Council building on Paisley High Street.	<b>£435k Capital</b>	<b>DI: Renfrewshire Council</b> <b>HWS:</b> Burness Paull	12.18
<b>Rettie &amp; Co</b> <i>Edinburgh</i>	<b>Purchase</b> by this estate agents of the property lettings and management business carried on by Crichton-Stuart Management Services Limited.	<b>N/D</b>	<b>P:</b> Shepherd & Wedderburn	12.18
<b>Royal Dutch Shell Plc</b> <i>Aberdeen</i>	<b>Sale</b> by this oil and gas company of 45% of its share in Corrib gas field to Nephin Energy Holdings Limited through the sale of its Shell E&P Ireland Limited subsidiary.	<b>€840m</b>	<b>DI:</b> Royal Dutch Shell <b>V:</b> PwC	11.18
<b>Safestay plc</b> <i>Edinburgh</i>	<b>Placing</b> , subscription and open offer of shares by this tourist accommodation provider, brokered by Canaccord Genuity Limited.	<b>£10.36m</b>	<b>CG:</b> Shepherd & Wedderburn	12.18
<b>Scottish Bioenergy</b> <i>Newhouse</i>	<b>Investment</b> in this biotech company by Kelvin Capital and Investing Women.	<b>£2.083m Equity</b>	<b>KC:</b> Kergan Stewart	11.18
<b>Scottish Borders Council</b> <i>Newtown St Boswells</i>	<b>NPD</b> project with JICC DBFMCo Limited, NORDBAM Construction Limited and BAM FM Limited for the design, build, finance and maintenance of a new high school for Jedburgh.	<b>£32m Debt/Equity/Loan</b>	<b>DI: Scottish Borders Council</b> <b>Co:</b> CMS <b>JICC:</b> Pinsent Masons <b>NORDBAM:</b> Shepherd & Wedderburn <b>Co:</b> Caledonian Economics <b>HCF:</b> Burness Paull	10.18
<b>Scottish Water Horizons Limited</b> <i>Dunfermline</i>	<b>Acquisition</b> of shares by this commercial utilities business in Aberdeen HoldCo Limited, Kelda Water Services (Grampian) Limited and subsidiaries.	<b>N/D Cash</b>	<b>DI: Scottish Water Horizons Limited</b> <b>P:</b> CMS/Deloitte <b>V:</b> DLA Piper/KPMG	12.18
<b>Shetland Islands Council</b> <i>Lerwick</i>	<b>Acquisition</b> by this local authority of Shetland Leasing and Property Developments from Shetland Charitable Trust.	<b>£17.3m Cash</b>	<b>DI: Shetland Islands Council</b> <b>P:</b> Harper Macleod/PwC <b>V:</b> Turcan Connell/RSM	10.18
<b>Sofant Technologies Ltd</b> <i>Edinburgh</i>	<b>Investment</b> in this mobile network and smart antenna technology company by Kelvin Capital, Scottish Enterprise, Old College Capital and Edinburgh Tech Fund.	<b>£1.027m Equity</b>	<b>KC:</b> Kergan Stewart	12.18
<b>Spaceandpeople plc</b> <i>Glasgow</i>	<b>Provision</b> of revolving credit and overdraft facilities provided to this destination media specialist by Santander.	<b>£1.25m Loan</b>	<b>DI: Spaceandpeople</b> <b>Co:</b> Burness Paull <b>L:</b> Pinsent Masons	11.18
<b>Spark Energy Ltd</b> <i>Edinburgh</i>	<b>Sale</b> of this energy supplier and its subsidiaries to Ovo Energy Limited.	<b>N/D</b>	<b>V:</b> Shepherd & Wedderburn	11.18
<b>Stadium Aberdeen Limited</b> <i>Aberdeen</i>	<b>Loan</b> funding provided to this football stadium operator by Deeside 2008 Family Trust, guaranteed by Aberdeen Football Club.	<b>£2m Cash</b>	<b>DI: Aberdeen Football Club</b> <b>Co:</b> Burness Paull <b>DFT:</b> Blackwood Partners	11.18
<b>Stagecoach Group Plc</b> <i>Perth</i>	<b>Sale</b> by this transportation group of their North American division to Variant Equity Advisors.	<b>\$271m</b>	<b>DI: Stagecoach Group</b> <b>V:</b> KPMG	12.18
<b>Sunamp Ltd</b> <i>Macmerry</i>	<b>Investment</b> in this thermal energy storage company by Scottish Enterprise and Par Equity.	<b>£2.2m Cash</b>	<b>SE:</b> Burness Paull <b>PE:</b> Wright Johnston Mackenzie <b>Co:</b> Addleshaw Goddard	10.18

Principal & Location	Details of Deals	Deal Value	Deal initiators and advisors involved	Date
<b>Survivex Group Ltd</b> <i>Aberdeen</i>	<b>Acquisition</b> of 100% stake in this energy sector training company by 3T Energy Group.	N/D	<b>DI: 3T Energy Group</b> <b>P:</b> PwC <b>V:</b> Grant Smith Law Practice/Addleshaw Goddard/ Anderson Anderson & Brown <b>P:</b> Muckle	11.18
<b>Task Fronterra Geoscience Limited</b> <i>Aberdeen</i>	<b>Investment</b> in this integrated geological interpretation and analysis company from BGF.	N/D	<b>DI: Task Fronterra Geoscience Limited</b> <b>Co:</b> Burness Paull <b>BGF:</b> CMS	12.18
<b>The Dundee United Football Company Limited</b> <i>Dundee</i>	<b>Disposal</b> of 85.61% of the issued share capital in this football club by James Michael Martin and James Fyffe to a special purpose vehicle, OPG-4 UK Limited, owned by Mark Ogren.	N/D Cash	<b>DI: The Dundee United Football Company Limited</b> <b>V:</b> Dentons (Scotland) <b>P:</b> Brodies	12.18
<b>Thistle Design (MMC) Limited</b> <i>Loanhead</i>	<b>Acquisition</b> of the entire issued share capital of this positioning sensors supplier by PSSC Holding Co.	N/D	<b>P:</b> Burness Paull/Jones Day	11.18
<b>Three60 Operations Services Limited</b> <i>Aberdeen</i>	<b>Acquisition</b> by this oil services company of 70% of the issued share capital of North Sea Construction and Commissioning Limited.	N/D Cash	<b>DI: Three60 Operations Services Limited</b> <b>P:</b> Pinsent Masons <b>V:</b> Raeburn Christie Clark & Wallace	12.18
<b>Tillicoultry Quarries Ltd</b> <i>Alloa</i>	<b>Acquisition</b> by this quarrying company of Hugh King & Co Holdings Limited.	N/D Cash	<b>DI: Hugh King &amp; Co Holdings Limited</b> <b>V:</b> Dentons (Scotland)/EY <b>P:</b> Burness Paull/Grant Thornton	10.18
<b>Together Energy Limited</b> <i>Clydebank</i>	<b>Acquisition</b> by this affordable energy supplier of the business and assets of One Select Limited from administration.	N/D Cash	<b>P:</b> MacRoberts <b>V:</b> BDB Pitmans	12.18
<b>Total Energy UK Limited</b> <i>Aberdeen</i>	<b>Sale</b> of this oil and gas exploration company's interests in the Bruce Field and the entire interest in the Keith Field in the UKCS to Serica Energy UK Limited.	\$20m	<b>DI: Serica Energy UK Limited</b> <b>V:</b> Pinsent Masons <b>P:</b> Womble Bond Dickinson	11.18
<b>Tracey Property Company Limited</b> <i>Glasgow</i>	<b>Sale</b> of the entire issued share capital in this property investment company to Tracey Investments Ltd.	£1.3m Loan	<b>P:</b> Burness Paull	10.18
<b>Transocean Drilling UK Ltd</b> <i>Aberdeen</i>	<b>Reorganisation</b> of the share capital of this offshore drilling contractor.	\$1.142bn Cash	<b>DI: Transocean Drilling UK</b> <b>Co:</b> Burness Paull	12.18
<b>Traveltek Group Limited</b> <i>East Kilbride</i>	<b>Further</b> investment in this travel technology company by YFM Equity Partners, British Smaller Companies and Fullbrook Thrope Investments.	N/D Equity And Loan Notes	<b>Co:</b> Bellwether Green <b>YFM:</b> Addleshaw Goddard	11.18
<b>UniKlaser Ltd</b> <i>Edinburgh</i>	<b>Investment</b> into this unique laser producer from Par Equity, Scottish Enterprise and other private investors.	C.£380k Equity	<b>PE:</b> Burness Paull <b>Co:</b> MBM Commercial	12.18
<b>United Closures &amp; Plastics Ltd</b> <i>Stirling</i>	<b>Acquisition</b> of this manufacturing group from RPC Group by Guala Closures SpA.	£17.8m	<b>P:</b> KPMG	12.18
<b>Vidatec Ltd</b> <i>Stirling</i>	<b>Acquisition</b> by this mobile app developer of a majority interest in Carezapp Limited.	N/D Cash	<b>DI: Vidatec</b> <b>P:</b> Blackadders <b>V:</b> Holmes O'Malley Sexton	10.18
<b>Walker Love Recoveries Limited</b> <i>Glasgow</i>	<b>Buy-back</b> of shares in this debt recovery company from exiting shareholder Stuart Hamilton.	N/D	<b>Co:</b> Harper Macleod/Campbell Dallas	12.18
<b>Walker Precision Engineering Limited</b> <i>Glasgow</i>	<b>Further</b> investment in this precision component engineering company by BGF.	£2.75m Cash	<b>Co:</b> Burness Paull <b>BGF:</b> Addleshaw Goddard	11.18
<b>WooHa Brewing Ltd</b> <i>Nairn</i>	<b>Funding</b> provided to this brewing company to provide working capital to the business.	£209k Equity	<b>DI: WooHa Brewing</b> <b>Co:</b> Bellwether Green/DC Consulting	11.18
<b>ZoneFox Limited</b> <i>Edinburgh</i>	<b>Sale</b> of this cyber security company to Fortinet Inc.	N/D	<b>P:</b> Shepherd & Wedderburn	10.18



# New Falkirk Campus will Make Learning Work

Forth Valley College's state-of-the-art new Falkirk Campus is earmarked for completion in November 2019 and the Chair of the College's Board of Management is keen to give Scottish business a sneak preview of what to expect.

Ross Martin has a long track record of developing and delivering excellence and innovation in a range of sectors both public and private and his experience comes from working with businesses, Government, schools, local authorities and other colleges and universities, such as West Lothian College and Heriot Watt University.

Now he is really relishing the role he took on in August 2017 to work alongside FVC Principal Dr Ken Thomson to oversee the completion of Scotland's flagship education capital investment project.

Work officially began on the new £78 million Falkirk Campus on Friday 10 November 2017, when Scotland's Minister for Further Education, Higher Education and Science, Shirley-Anne Somerville, used a digger to cut the first section of turf at the Middlefield site.

The new campus will complete FVC's ambitious estates programme which saw their £21 million Alloa Campus opened in 2011 and their £29 million Stirling Campus opened a year later. The Scottish Government is investing £65 million in the construction of the new campus.

Ross, said: "Forth Valley College is at the forefront of the college sector, not just in Scotland, but across the UK. The new Falkirk Campus is the final piece of our estates plan, following on from the new Alloa and Stirling Campuses, and is the physical manifestation of an institution which has quality as standard...quality location... quality design... and quality fixtures and fittings.

"It will be a fantastic place for our fabulous staff to deliver real top quality programmes, which are shaped by our commercial and industrial partners and stakeholders, demonstrating our critical role in the regional economy - reshaping the education and employment interface by **Making Learning Work** - Forth Valley College's mission statement."

The new Falkirk HQ will focus heavily on training facilities designed for science and technology, engineering, sport and healthcare, and will have state-of-the-art provision and capabilities to accommodate a wide range of FVC's courses.

Unique facilities will include, world class laboratories, a process training rig, transmission training centre, distillation plant, virtual control room, mini rig, biotechnology centre, sports centre and front of house training salons for hairdressing and beauty - all of which will offer exceptional learning experiences.



*Ross Martin is eager to preview the new Forth Valley College's Falkirk Campus to the Scottish business community*

With a progressive approach to learning and teaching there will also be state-of-the-art classrooms, flexible spaces across the campus - inside and outside the building envelope - and highly advanced technology throughout. Other facilities will include a first class learning resource centre, food outlets, conferencing and sports facilities.

He added: "The role we play in the regional economy is part of the drive towards reaching out to all parts of the communities we serve making sure that our courses and programmes are accessible for all. The new campus building is already acting as an anchor for investment in the Falkirk area, just as our new-build campuses did for Alloa and Stirling.

"An example of this is that it is acting as the first piece of the jigsaw of the Falkirk Gateway and it also connects the magnificent Helix Park and the Kelpies to Falkirk town centre, with our green corridor running through the site.

"Together, all three campuses represent a huge investment across Forth Valley acting as a driver for investment in the region's socio-economic infrastructure.

"Forth Valley College is at the forefront of the national drive to upskill Scotland's workforce and help tackle the so-called 'productivity puzzle' - we are doing it in partnership with other public bodies, the private sector and the social economy alike."

For more information please visit:

[www.forthvalley.ac.uk/new-falkirk-campus](http://www.forthvalley.ac.uk/new-falkirk-campus) or follow us on Twitter at: [@falkirkcampus](https://twitter.com/falkirkcampus)





# RESILIENT FORTH VALLEY ADVANCING ON MANY FRONTS

By KEN SYMON

**S**TIRLING received a boost in February when research showed that it is one of the most affordable cities in the UK to live in. The Forth Valley capital came out on top of the research looking at average house prices relative to wages.

The research by **Bank of Scotland** showed the average house price is £192,326 which is 4.4 times local average earnings – a ratio only matched by Londonderry in Northern Ireland.

The figure was below the average ratio in Scotland of 5.4 and the UK average of 7.5.

The affordability of homes in Stirling comes despite average house prices there increasing by 41 per cent from £136,036 in the last five years, a rate that is faster than any other Scottish city.

Ricky Diggins, director at the Bank of Scotland, said: "With average earnings and house prices broadly on a par, it's good news for home-buyers

[www.insider.co.uk](http://www.insider.co.uk)

looking to live in one of the UK's top 20 most affordable cities."

Meanwhile figures from the third edition of the National Rent Review by buy-to-let lender Landbay, underpinned by rental analytics from MIAC, revealed that property rentals in Stirling showed the third highest

Above: The Graham family at Airthrey Kerse Farm in Bridge of Allan. Their company is Scotland's biggest independent milk producer

**The new Central Branch aims to meet local needs and grow the membership into a vibrant forum so that leaders across all sectors can come together**

Shona Mitchell, Peoplematters (below)

growth in the UK. The December figures showed the average monthly rent in Stirling was £796, a figure that had seen an annual increase of 3.26 per cent. This compares with the fastest rising area of both Scotland and the UK where the average rent rose by 4.63 per cent to £1,073.

These findings are good news for the drive to boost the area and

attract new businesses, jobs and residents. But one of the notable jobs stories in the area recently was a kind of rebirth which could lead to the reflowering of a prominent institution. There had been disappointment in the area as Beaconsburn School in Bridge of Allan announced that it was to close following a decline in pupil numbers and increasing financial difficulties.

But recently it has been announced that a Malaysian company has bought the school site and intends to open a new school in August. Fairview International, which is based in Kuala Lumpur, runs four schools in Malaysia teaching International Baccalaureate programmes to around 3,000 students.

An application has been launched with the independent schools registrar for a new junior school to be called Fairview Beaconsburn, which would be the company's first school outside of Malaysia.

If the plan comes to fruition and is a success the company says it would expand into a secondary.





► The planned school would run International Baccalaureate programmes and hope to recruit students from Scotland and from overseas.

A company spokeswoman said the school would be its first in the UK but it was also looking to expand and open on other sites.

“We have been looking to expand to the UK for quite a while and this seemed like a perfect opportunity.

“We will be delivering an international style of education through the IB and we would use international staff trained in IB, as well as those from Scotland. We are speaking to former Beaconhurst teachers as part of the process.”

The high street in Stirling is another area of the local economy that has suffered along with other Scottish high streets with the closures announced of a number of stores including that announced by rent-to-own retailer BrightHouse.

But an initiative in Falkirk has led the fightback with the double aim of bringing an empty unit back into use and helping local people get back into employment. Annette Taylor has set up a community training organisation for the Forth Valley area

She says: “The private companies I’ve worked for over the years make a good profit from providing employability training – usually for school leavers and people on benefits – mostly paid for through government-funded schemes.

“I’m passionate about the work I do and the community I live in and I knew I could provide a better quality of training, and better outcomes, through a Community Interest Company – a CIC – which means that any profits we make will be used for the benefit of the community.”

The **Forth Valley Community Focus CIC** aims to “reduce poverty and unemployment within the local community...and to break down barriers to work with bespoke services in employment, recruitment, training and qualifications.”

The building was kitted out courtesy of local businesses and volunteers donating £5,000 worth of building materials and labour which allowed the training centre to become kitted out and to get operational.

The organisation now offers a range of services including work experience placements, industry specific training in a range of sectors and training certification.



Staff from The Woodhouse café and farm shop, which has been bought by Cane Hospitality

## Successful local construction companies such as Ogilvie, Robertson Construction and Marshall’s are helping to boost the economy in the Forth Valley area

Emma Marriott, Contract Scotland (below)

A Stirling city centre building which is well known locally sparked a lot wider interest following the discovery of a mural which might have been the work of renowned but anonymous graffiti artist Banksy.

The mural which features a woman in a heart-shaped hot air balloon with a man scaling a length of rope below was discovered in a gym building known locally as the former Riley’s Pool and Snooker Club.

The 22,000 sq ft Upper Crags property which hosts PureGym Stirling has since been valued at £2.2m.

SRA Ventures, the property investment specialist said at time of writing that it had decided to put the building on the market after it had been “inundated with enquiries.”

If the mural is confirmed as an authentic Banksy it could add value to the building – the owner of a

garage in Wales sold a Banksy mural painted on a wall for more than £100,000.

Mark Gillies, a property agent with **Graham + Sibbald**, who is handling the sale says: “It’s created quite a stir in the local area, and understandably so – Banksy artworks continue to command huge prices at auction, and he remains one of the world’s most fascinating artists. He added: “We’ve since had a deluge of offers, and are open to offers for this attractive, fully-fitted building which sits in a prominent position at Craigs roundabout. It’s effectively a chance to own a property with its own Banksy included – not many people can say that.”

SRA Ventures – founded and owned by Scots entrepreneur Shaf Rasul – believes that Stirling represents an excellent platform for growth, while offering great connectivity.

The digital connectivity of Stirling and nearby Bridge of Allan should be significantly improved with the introduction of a city-wide full fibre network. CityFibre is investing more than £10m to deliver the project in partnership with Vodafone, with almost every home and business set to be able to access next-generation full fibre connectivity.

In total, more than 45 stakeholders



– including key council officers, elected members, business leaders, economic development groups and figures from the education and property sectors – were present at the launch of the network at the end of January this year.

Major businesses in the area include Scotland's biggest independent milk producer, Graham's the Family Dairy, which in February announced its largest deal to date. The £55m five-year contract with supermarket group ALDI will see Graham's continuing to supply all 85 of the supermarket group's stores across Scotland. The new deal, which will extend the Graham's-ALDI supply arrangement until the end of 2023, continues a working relationship between the two business that has existed since 2010.

The contract is better news for Graham's which in 2018 suffered a setback when the Scottish Government refused its ambitious £40m plan for a new processing plant and housing development at Airthrey Kerse. Graham's and Mactaggart & Mickel Homes, its partner in the planned development in August launched a Court of Session appeal against the decision arguing that it was not made within the powers of the relevant Town and Country Planning Act.

Another Forth Valley-based business that has signed a significant deal over the past few months is Stirling-based Vidatec, formerly known as Dogfish Mobile. In October Vidatec, the enterprise web and mobile app development business announced that it had bought a majority stake in CareZapp, an Irish firm that uses technology to aid people in need of additional support to help them live a more independent life. Dublin-based CareZapp has launched a number of pilot uses of its technology including one with Cornerstone, the Scottish charity that provides care and support to the disabled.

Another transaction involving the area in the last few months saw a Bridge-of-Allan-based business change hands. GCL International, a subsidiary of Italian-listed Guala Closures Group, bought United Closures and Plastics from packaging group RPC in a £19m deal. United Closures and Plastic specialises in producing metal, security and tamper-evident closures and bottles

for the wine and spirits markets.

A hospitality executive who played a key role in the rise of the Carluccio's restaurant chain is the one of the latest to invest in the area with the purchase of a popular café and farm shop business. Sarah Wilkinson, who served as Carluccio's chief operating officer until 2017, has bought The Woodhouse outside Kippen through her Cane Hospitality business.

Wilkinson, who comes from nearby Dollar, joined Carluccio's in 1999 as the manager of its first restaurant in London. She subsequently helped grow the company from one outlet to 102 restaurants nationwide.

Following the acquisition Wilkinson plans to extend what the café offers with a series of special evening events and she also wants to provide new training for staff. In addition she is looking at adding electric vehicle charging points to the café's 50-space car park.

About two-thirds of the business's turnover is generated by the café with one-third by the farm shop. Following the investment, which was supported by a six-figure funding package from Bank of Scotland, Cane Hospitality expects to grow the Woodhouse's turnover by up to 15 per cent over the next five years.

Wilkinson says: "When the opportunity to buy the Woodhouse presented itself, I jumped at the chance. I used to be a customer myself.

"One of the Woodhouse's greatest strengths is its people. In the months ahead, we'll be looking to provide

opportunities to support the team in their professional development. We'll also be trying out new ideas to help further grow the business."

The Woodhouse, which employs 22 people, consists of a 75-seat café with an adjoining terrace offering outside seating for more than 50. The café serves a range of homemade cakes and lunch options, while the farm shop sells a selection of cheeses, breads and gift items. It also hosts a concession stand selling products from local butchers Skinner of Kippen.

The business was established in 2012 by local husband-and-wife team Richard and Fiona Lamb. The Lamb family remain involved in the Woodhouse business, with their daughter, Catriona, serving as the café's manager. The Lambs have also retained ownership of the premises and continue to operate the neighbouring Fordhead Farm.

Emma Marriott, managing director of **Contract Scotland** highlights the contribution to the local economy made by construction businesses. "Successful local construction companies such as Ogilvie, Robertson Construction and Marshall's are helping to boost the economy in the Forth Valley area.

"These businesses being local to the area and winning work in the region and beyond has increased the need for construction staff and improved employment opportunities. Contract Scotland has worked with these businesses over a number of years and it's been encouraging to see the boost in activity within this particular sector and region."

Stirling-based Ogilvie announced an eight per cent rise in profits in its annual figures to 30 June 2018, despite a fall in turnover. The family-owned business, which was ranked at number 97 in the latest Business Insider Top500 rankings, reported turnover of £238m – excluding joint ventures – down from £269m the previous year. Its pre-tax profit was £5.8m, an increase of £500,000.

The company has continued to grow by acquisition with it buying Scorpion Vehicle Management in January 2018 and said that its continued tight controls on vehicle costs and discounts, along with a sustained buoyant used car and van market have contributed to a strong performance.

Another market that is currently very buoyant is distilling with, in

## IN FOCUS: Forth Valley in figures

The economic output or Gross Value Added of the Forth Valley area in 2018 was £6.7bn, five per cent of the total national output of Scotland, which was £134.7bn.

Research in a Skills Development Scotland report suggested that the Forth Valley economy will lag slightly behind the average rate of GVA growth in Scotland with growth in the area forecast to average 1.6 per cent between 2018 and 2028.

This is slightly slower than the growth expected for Scotland as a whole which is 1.7 per cent, and substantially slower than the forecast for the UK at 1.9 per cent.

And the pace of growth is expected to slow in the short-term as the consumer sector loses momentum, businesses invest cautiously due to Brexit-related uncertainty and fiscal policy remains tight.

The largest employing sectors in Forth Valley are health and social work, and wholesale and retail, each accounting for 15 per cent of total regional employment, and manufacturing, accounting for nine per cent. The largest sectors as measured by GVA are manufacturing, construction, real estate, and human health and social work.



► particular, Scotland hosting a wave of gin businesses. Stirling is host to a new distillery and visitor centre opening in the early part of this year.

June and Cameron McCann, the couple who launched the artisan Stirling Gin in 2015, bought the Old Smiddy close to Stirling Castle for the purpose, a building which ironically was once an anti-alcohol church temperance hall.

The couple were awaiting planning permission to turn the building into a 90,000 bottle a year gin distillery. The total investment aimed at providing another visitor attraction for the area was estimated at around £350,000.

Neil Christison, regional director for VisitScotland, says that 2019 is shaping up to be an exciting year for tourism in Forth Valley: "One of the most positive signs for the region's visitor economy is the Stirling and Clackmannanshire City Region deal which provides a great opportunity for the two local authority areas to work together to make some game changing improvements to our regional tourism offering.

"Our reputation as a quality destination relies on continued investment, innovation and collaboration to ensure that current provision meets future demand. There are transformational plans for a National Tartan Centre in Stirling, as well as £15m for cultural tourism capital grant investment across the two regions.

"Film tourism took centre stage in 2018 with Outlaw King and Mary Queen of Scots putting a global spotlight on Forth Valley.

The Hollywood movies were shot across the region and online maps for both films were launched by VisitScotland to highlight the filming locations used in the movies and the historic spots linked with Mary and Robert the Bruce – the focus of Outlaw King.

"With one in five visitors inspired to come here after seeing Scotland on the big or small screen, VisitScotland hopes visitor numbers will grow even further thanks to the interest in these movies. And this year marks the 150th anniversary of The National Wallace Monument with plans in place to celebrate in style."

The Stirling and Clackmannanshire Deal also is providing a boost to the major further educational institution in the area, the University of Stirling. Scottish Secretary David Mundell



Cameron McCann  
of Stirling Gin  
with Stirling MSP  
Bruce Crawford

### The University of Stirling recently became the latest Scottish higher education institution to open a campus in the United Arab Emirates

announced that the UK Government will invest £17m to build a new Aquaculture Hub for Innovation. The hub is creating research and development opportunities that will secure jobs and make an contribution to the regional and wider economy.

The University of Stirling also recently became the latest Scottish higher education institution to open a campus in the United Arab Emirates. Students on the Ras Al

Khaimah campus will be able to take courses developed by the university in a variety of subjects.

The presence in the area of strong and growing businesses led to the decision to launch in 2018 the Central Scotland branch of the Institute of Directors, one of IoD Scotland's newest branches.

Prior to the launch, IoD members who live and work in the Stirling/Falkirk or Alloa area had been allocated to membership of the Fife/Glasgow or Edinburgh branches.

Shona Mitchell, the managing director of HR business Peoplematters (Europe) and founding chair of the Central Scotland IoD Group, says: "The new Central Branch aims to meet local needs and grow the membership into a vibrant forum so that leaders across all sectors can come together to learn from leading edge thinkers, share ideas and network."

The branch's launch event with local MSP Keith Brown outlined the vision for the economy of the area in the shape of the Stirling and Clackmannanshire City Deal.

Mitchell says that themes that the branch is looking at in 2019 include Central Scotland as a place of opportunity for all, understanding and exploiting the digital economy, strengthening the link between education and business, promoting positive environment and social impact and leadership learning. ■

#### IN FOCUS: City Region Deal

The Stirling and Clackmannanshire UK City Region Deal was signed at the end of May 2018. The £90m deal, which will see funding of £45m of funding from the UK Government matched by the same amount from the Scottish Government, will aim to drive economic growth across the area. It is expected to create thousands of jobs over the 15 years of the programme. Projects that are part of the Deal include:

- A new Tartan Visitor Centre in Stirling
- A new Aquaculture Innovation Hub
- A new International Environment Centre
- Releasing land at MoD Forthside for housing and a business premises
- Skills support for people from disadvantaged groups across
- Other capital projects across Clackmannanshire



# HELPING ICAS TO BECOME A DIGITAL LEADER IN ITS FIELD

**FIND out how we helped the world's first professional body of accountants - the Institute of Chartered Accountants of Scotland (ICAS) – upgrade its technology hardware as it strives to become a digital leader in its field.**

ICAS was created by Royal Charter in 1854 and has grown to become a professional body for more than 20,000 businessmen and women around the world. Their members have all achieved the internationally recognised and respected Chartered Accountant qualification with many leading some of the UK's largest companies and accountancy practices.

## The challenge

ICAS has a stated ambition of becoming a leader in digital services and in 2016 embarked on a business transformation programme to set them on the path. In some cases teams were using dated equipment with many variations of hardware and software. The complexity of the legacy arrangement was making it very difficult for the IT team to support colleagues, resulting in not only a high volume of tickets raised with helpdesk but inconsistent security patching of equipment.

## The solution

Strategically, it was decided that if the organisation was going to achieve its aims, staff must have modern, secure equipment on an ongoing basis,

which meant replacing equipment on a regular basis. The first step involved a detailed analysis of potential hardware suppliers and manufacturers who could provide the best solution at the right price and payment terms.

The funding solution agreed was a lease using a residual value investment by Close Brothers Technology Services, providing ICAS with a very competitive price over the agreed term with the total sum of the rentals being less than the cash price. This structure also allows the cost to be spread over the useful life of the equipment.

Following successful negotiations with the suppliers, the old hardware was uninstalled and replacement technology - 200 new laptops along with upgraded desktops and monitors - was rolled out across two locations overnight to minimise disruption.

Obsolete assets were disposed of in an environmentally sustainable way with data removed to comply with GDPR. Assets with a second-hand value were sold with the proceeds reinvested.

## The outcome

The ICAS Executive Team considers technology expenditure to be a cost of employing resource rather than an occasional capital outlay, which is in keeping with its new strategic priorities.

ICAS staff are enabled and equipped with

modern, secure equipment that has brought with it a consistency of hardware across the business.

Taking the leasing option has resulted in more equipment being made available along with greater control over the asset estate and replacement rollout. Tickets raised with the help desk have reduced while the requests that are being logged are asking for assistance on becoming more efficient.

A previously unexpected - but welcome - benefit has been the generation of over £10k from the sale of their obsolete technology, the proceeds of which are being reinvested into the business. This followed an introduction to our technology disposal partner, Hewlett Packard Enterprise (HPE), who ensured that ICAS's obsolete technology was disposed of compliantly and with all data bearing devices being erased.

*"Close Brothers Technology Services were great to work with, they understood and predicted the questions and challenges our colleagues had. They clearly invested the time and the right skills to ensure our deployment of new equipment was successful without any major problems."*

**Carolyn Spencer,**

Director of Digital Transformation, ICAS

*This project included: Technology Funding and Technology Acquisition.*



**To find out more about Close Brothers Technology Services contact:**

**John Davis, Relationship Director, Scotland**

**T: +44 7714 755548**

**E: [john.davis@dosebrothers.com](mailto:john.davis@dosebrothers.com)**

**W: [www.dosebrotherstechnology.co.uk](http://www.dosebrotherstechnology.co.uk)**





# IS YOUR BUSINESS THE WEAKEST LINK?

David Forbes, Director of Sales at Close Brothers Technology Services, looks at the ways companies can combat cyber criminals.



**Much has been said and written about cyber security and we regularly hear in the news about the latest business that has been targeted and successfully hacked by cyber criminals.**

With most businesses operating digitally in some form, and as cyber criminals become more and more sophisticated, business leaders need to stay ahead of these criminals to ensure their business isn't the weakest link!

As businesses push more and more of its services online, their vulnerability to cyberattack increases. The financial and reputational damage caused by data loss and downtime can have a huge, even devastating impact.

Digital Transformation and the Internet of Things brings significant business opportunities and benefits which we're all aware of, but it also brings risks to businesses in the form of data theft, money, or business disruption. Cyber security is about protecting your network, data, customers and your reputation. Here are some of the key areas businesses need to focus on:

## **Criminal profiteering**

Cyber-crime is big business with cyber criminals looking to both minimise their risks, in terms of financial cost for them to breach security systems and

minimise the risk of being caught for the maximum gain. The value of data has led to an explosion of cyber-attacks and the potential rewards for successful attacks can be large.

Business breaches come in many shapes and forms and all organisations face one of two types of cyber-attack:

**Deliberate attack:** targeting a high-profile business which appears to have valuable data (or there is some other publicity benefit in a successful attack).

**Opportunistic attack:** automated scanning detects the existence of exploitable vulnerabilities. Virtually every Internet-facing entity, unless it has been specifically tested and secured, will have exploitable vulnerabilities.

## **Is the solution only about technology?**

The simple answer is no; technology is only one strand of improving cyber security. There are three key elements to having a robust security policy in place:

- Having the latest technology platforms
- Implementing robust business, operating & monitoring processes
- And the human interface

## **Constant Investment**

Managing your companies cyber security is a constant investment and at Close Brothers Technology Services, we can help make sure your technology platform – both hardware and software – is at the leading edge of what's available in the marketplace.

By using our technology funding facilities, we can also help spread the cost over an agreed period that suits your technology refresh strategy – enabling you to stay one step ahead.

Sophisticated cyber criminals operate as a business and they look for vulnerable businesses that don't have robust operating procedures and technology platforms. They're in search for the weakest link, which is often the human interface (employees) within a business.

If they are strong in terms of disciplines of technology platform, security systems operating these platforms, business procedures and processes, and have an awareness programme for their staff and their customers, it will help to make them more secure by not allowing weak links to be exploited - which is where the cyber criminals are going to target first.

## Client Case Study: PTS Consulting

# Flexible finance options you can trust

Find out how Close Brothers Technology Services worked closely with PTS Consulting Group to implement a replacement program for their laptops without impacting cash flow while at the same time giving them peace of mind about future funding.

### The customer:

PTS Consulting has spent the past three decades providing world-class IT solutions and strategies to support and enhance the data centre and built environment of some of the world's leading organisations in 85 countries.

It does this by combining strategic guidance, impartial advice and practical implementation, resulting in a personalised service to organisations looking to transform the way they operate through IT.

### The challenge – once bitten twice shy...

The company's challenges were multiple – it was undergoing a laptop replacement program but did not want to impact cash flow because a poor experience with a previous leasing provider had resulted in hidden costs and onerous return conditions, financially impacting PTS Consulting and meaning the business was understandably hesitant about taking out finance.

In addition, with a regular flow of leavers and joiners, the business needed a smooth, flexible solution that wasn't time consuming with a brand and a company they could trust.

### The solution:

Working closely with Steve Nichols, Relationship Director, the business took a step back and set about



exploring – at length – the various funding options available to them before settling on a deal that would help them both meet their objectives and overcome their challenges.

"We determined that a lease with a residual value was the most appropriate solution because it gave PTS the flexibility it wanted at the end of the lease while aiding cash flow," said Steve Nichols. The result was a completely transparent agreement with the sort of high quality and transparent end of lease options, that comes from dealing with an experienced funder.

### The results:

The funding solution has enabled the management team at PTS Consulting to focus on the management of the business without having to concern themselves about the logistics of funding, freeing up valuable time while also – crucially – enabling their working capital to be invested in other areas of the business.

### This project included:

Technology acquisition

Technology funding

*"Having previously leased through a company that provided no communication or transparency around the end of lease process, it was refreshing to hear Close Brothers Technology Services identify this as a critical piece of their service offer."*

David Dewhurst,  
Chief Financial Officer, PTS Consulting



Close Brothers Technology Services and its partners are committed to staying at the forefront of providing the best levels of defence and mitigation against attacks of all kinds to give our customers peace of mind that their internal and external networks are secure.

Find out more at [closebrotherstechnology.co.uk](http://closebrotherstechnology.co.uk).

Contact: David Forbes, Director of Sales.

T: 07540 159501 E: [david.forbes@closebrothers.com](mailto:david.forbes@closebrothers.com)



[www.closebrotherstechnology.co.uk](http://www.closebrotherstechnology.co.uk)





**Shawbrook  
Bank**



**Kevin Boyd**  
Managing Director, Scotland

# Success Stories

**We've been working with clients, their advisers and sponsors to provide funding for a variety of great businesses across Scotland.**

From our Business Centre in Glasgow we're able to deliver the support that we believe matters most: sector specialists who can speak the language of your industry; a deep knowledge of the local market; and a more human approach to decision making, which doesn't rely solely on anonymous scorecards. So if you're looking to work with specialists who understand every business has its own unique story, I'm pretty sure we can help.

Selected transactions from the past year.



**Asset Alliance Group**  
Commercial Vehicle Provider  
**FUNDING GROWTH**



**Borders Distillery**  
Whisky Producer  
**ASSET FINANCE AND WORKING CAPITAL FACILITY**



**Cadherent Ltd**  
Engineering design and visualisation services  
**COMMERCIAL MORTGAGE AND WORKING CAPITAL FACILITY**



**GT4 Group**  
Label Manufacturers  
**FUNDING GROWTH**



**Monarch Transport Ltd**  
Road Haulage Services  
**DEBT AND CASH FLOW FACILITY**



**Renfrewshire Electronics Ltd**  
Technology and Management Solutions  
Supply Chain  
**REFINANCE AND WORKING CAPITAL FACILITY**



Contact us today

**0330 123 1740**

ScotlandRBC@shawbrook.co.uk

**Proudly different.**



# CULTURE AND LEISURE LEADS ECONOMIC REGENERATION DRIVE

By KEN SYMON

**I**N WHAT was effectively a New Year message **Renfrewshire Council's** leader set out an optimistic vision for the economy of the area. Councillor Iain Nicolson outlined a programme of more than £100m that is currently being invested in cultural venues in Paisley town centre as part of the area's continuing plans to use its rich heritage to drive its economic regeneration. But the economic drive is not solely based on culture: this year will see the start of the building of an advanced manufacturing innovation district beside Glasgow Airport which, it is hoped, will bring thousands of skilled jobs to the area.

The council leader's optimistic message continuing of the local authority's strategy of regeneration with culture and leisure at its heart

[www.insider.co.uk](http://www.insider.co.uk)

comes despite the area last year losing out in its bid to become crowned the UK City of Culture 2021. There is, to this writer, something admirable about the way Renfrewshire has taken

Above: intu Braehead shopping and leisure centre is a major economic contributor to the area

**The area is undergoing a tremendous amount of change, much of it as a legacy of the City of Culture bid**

Jackie MacGregor, HRC Recruitment (below)

that setback almost in its stride and has continued on with a strategy that appears well thought out which seems to have a substantial amount of business community and local community buy-in.

It was a message that the Council leader highlighted in his New Year message that the regeneration programme would involve

“working together with the business community and skills agencies as every organisation has an important part to play in delivering a bright economic future for Renfrewshire.”

It is a long-term strategy that appears to be working with visitor numbers more than doubling to 5.3 million between 2015 and 2017 and the area's major events over the winter attracting record numbers and ploughing £3.5m into the local economy.

The strategy is continuing with a revamping of cultural venues in Paisley town centre including the transformation its town hall (see panel) and the project to turn Paisley Museum into an international-class destination, which would be hoped to attract 125,000 visitors each year.

The area has also launched a destination brand *Paisley Is* that aims to showcase the area, with





► this being backed by new funds aimed at growing the cultural sector, encouraging the growth of local arts and music groups and other creative organisations.

The area is also set to benefit from major infrastructure projects funded through the Glasgow City Region City Deal including the £39.1m Glasgow Airport Investment Area project, which will host two multi-million pound national innovation centres.

Jackie MacGregor, managing consultant – Office Services/Accountancy & Finance, at **HRC Recruitment**, says: “Renfrewshire is undergoing a tremendous amount of change, much of it as a legacy of the City of Culture bid. From multi-million-pound investment in roads to the improvements at Paisley Museum and Town Hall, the level of financial commitment in Paisley and its surrounds demonstrates that there’s still continued growth and a great deal of confidence in the area.

“That’s helping to change many attitudes towards Renfrewshire. Global brands such as Tim Horton’s – which opened its first drive-thru in Scotland in Linwood last year – are setting up shop in Paisley and many businesses which have been established in the area for longer are growing and optimistic about the future.”

But in February there was what most of the business community regard as a significant economic blow to the area with the Scottish Government’s decision to drop plans for a rail link between Glasgow Airport and Glasgow city centre. Instead of the full train-tram ground transport link that has been proposed, the Scottish Government vetoed the idea and said it would instead consider proposals for a Personal Rapid Transit (PRT) scheme – such as the one used at Heathrow Airport – as an alternative.

Representatives of the business community immediately condemned the decision with both **Renfrewshire Chamber of Commerce** and **Glasgow Chamber of Commerce** questioning it strongly.

Bob Grant, chief executive of Renfrewshire Chamber said: “The planned rail-link in its current form has been through extensive assessment including 2 STAG reports and 80 design iterations. The funding exists and the economic case is clear, strongly backed by the business

community - yet worryingly other options are now being explored.

“Taking time to develop yet another business case on a previously discounted project will inevitably result in further delays which will also lead to even more traffic on the M8.

“Thousands of jobs are being created in the Glasgow City Region and Renfrewshire with the development of Innovation Hubs such as the Advanced Manufacturing Innovation District. Our concern, along with colleagues in Glasgow is there would appear to be no strategic plan on how to improve capacity across the transport infrastructure to facilitate this economic growth.”

Stuart Patrick, chief executive of Glasgow Chamber of Commerce said: “This is now the fourth review of a project that has been in development for over 12 years and we don’t believe a PRT system sufficiently tackles the connectivity issues faced by Glasgow Airport.

“Asking passengers carrying luggage to take multiple modes of transport to reach Glasgow’s city centre makes us question the level of likely customer demand, which in turn means we have to question how much of an impact this would actually have on traffic volumes on

## Taking time to develop yet another business case on a previously discounted project will inevitably result in further delays which will also lead to even more traffic on the M8

Bob Grant, Renfrewshire Chamber (below)

the badly congested M8 to the airport.

“If capacity constraints in Central Station are genuinely an obstacle to the existing light rail plan – and we have seen conflicting expert opinion on that point – it suggests Transport Scotland has been rather neglecting the consequences for the station of economic and population growth in the West of Scotland. One must ask why there has been insufficient investment in Central Station to allow for growing passenger demand.”

But Michael Matheson, the Scottish Government’s transport secretary maintains that improving ground access to Glasgow Airport needs to be balanced with the needs of the existing transport network. He says

that the PRT system meets that aim and that he is looking forward to receiving the business case on the option.

Business leaders argue that the decision will limit the potential economic contribution of Glasgow Airport which an economic impact report shows in 2018 supported £260m of GVA and 2,880 full time equivalent (FTE) jobs in Renfrewshire.

The airport handled 9.7 million passengers in 2018, making it the eighth largest airport in the UK and the second largest in Scotland after Edinburgh. Over the past decade the airport has increased its freight throughout nearly four fold, in doing so overtaking Prestwick as the main freight airport for Scotland.

Glasgow now handles significantly more extra-EU freight than any other Scottish airport, with more than £1.6bn of exports and £1.8bn of imports passing through the airport in 2017, and with consistent growth in the value of extra EU exports and imports since 2015.

Another major economic contributor to the area is the intu Braehead shopping and leisure centre, which was recently ranked as Scotland’s top shopping centre by GlobalData. The centre is continuing to expand with the opening of two new stores and existing one tripling its space, resulting in the creation of 30 more jobs.

The UK’s largest independent toy retailer The Entertainer has opened in the upper mall in a move that will create 12 new jobs, having up a unit of more than 5,600 sq ft.

Cake, crepe and dessert outlet The Little Dessert Shop is opening a 1,600 square foot store in the adjacent Soar at intu Braehead leisure complex.

The new dessert outlet will sit alongside Scotland’s only indoor real snow ski slope, a multi-screen cinema, ten-pin bowling, an adventure climbing facility, the UK’s largest indoor helix slide and various bars, restaurants and other shops.

Fashion trainers and clothing retailer Footasylum is currently fitting out a new unit in the upper mall, which will mean the brand operating out of a 10,000 sq ft unit, three times the size of its current store.

And while intu Braehead continues to expand it was forecasts of growth for the wider area that sparked the decision by Canmoor, a leading London-headquartered



IN FOCUS: Paisley Town Hall

A KEY PART of the regeneration drive in Paisley is the transformation of its town hall. The Victorian-era structure is currently undergoing major internal refurbishment with the plan to make it into one of the West of Scotland's landmark entertainment venues when it re-opens in 2021.

Renfrewshire Council work is leading the work to turn the "much-loved 19th-century architectural gem" into a 21st century facility aimed to drive footfall into the area.

The Council aims to deliver upgrades to the building and its facilities which are designed to "keep it at the heart of local life for generations to come."

The revamped building will include:

- A main hall with its capacity increased to 1,200 for a standing gig, allowing the venue to attract bigger and better shows and boost the area's night-time economy.
- New rooms created inside the

building – including a new café-bar and dance studio built in currently unused space. There will also be a smaller venue-within-a-venue – aimed at providing more use, more footfall, and a wider range of community events.

- Moves to transform the audience experience including a lowered stage, new seating, better sightlines and acoustics, a new reception area, and much improved access to and around the building

- A complete replacement of the building's decades-old electrical and mechanical equipment, and improved backroom facilities allowing more weddings and conferences.

The building is being redesigned by award-winning architects Holmes Miller, whose previous projects include the reshaping of Hampden for the Glasgow 2014 Commonwealth Games and the redevelopment of Old Trafford in Manchester.

Renfrewshire Leisure, the building's operator, has already been in talks with some of Scotland's leading music promoters about using the venue when it reopens.

These include Mark Mackie of Regular Music who is behind major concerts such as the Castle Concerts at Edinburgh Castle and Summer Nights at Glasgow's Kelvingrove Bandstand.

Mackie said: "As a Paisley buddy myself, I'm really excited about the transformation of Paisley Town Hall."

"This investment is great news for gig-goers in the west of Scotland and it's definitely a venue Regular Music would look to bring bands to. The new facilities, refurbished auditorium and café-bar will make it a must-visit venue for bands and audiences."

Councillor Lisa-Marie Hughes, chair of Renfrewshire Leisure, said: "Paisley Town Hall is a much-loved building which has been at the heart of life in the town for generations – but

to keep it there the interior of this beautiful building needs the revamp now being delivered.

"The council is making a substantial investment – not just to do the necessary maintenance to keep the building viable, but to take what it can do to a totally new level.

"As a result, the revamp is predicted to double the number of people who use it each year – bringing new life to the town centre and helping anchor our ongoing wider work to use our outstanding cultural and heritage story to bring new visitors to the area.

"It also means creating a facility in which people will be able to experience world-class culture on their own doorstep, with all the opportunities that means to make people's lives better.

"And while the renovation is happening we will be making sure everybody knows Paisley continues to remain open for business."



Artist's impression of the new performance space at the refurbished Paisley town hall



## REGIONAL REVIEW: RENFREWSHIRE

▶ private commercial property business to acquire the Westway industrial distribution and office park, which lies beside Glasgow Airport, for £40m in March 2018.

The Westway Park site includes 1.6 million sq ft of accommodation on a 135-acre site with 30 acres of development land. Current tenants include Doosan Babcock, the international engineering business. Canmoor says the site offers space for heavy engineering, high quality distribution, logistics and offices. Westway currently hosts around 2,000 jobs with that expected to grow to 3,000 when the site's masterplan has been fully implemented.

Since acquiring the site, Canmoor has announced what was the largest industrial property deal in Scotland in 2018 when AMG Group, the outdoor company announced the establishment of new 113,000 sq ft distribution centre. TNR Packaging and Case Making has taken a lease on two units extending 27,000 sq. ft. and Star Refrigeration which has been on the site since 2006 signed a new 11-year lease on the 33,689 sq. ft. unit it occupies.

Canmoor has recently completed the refurbishment of the Gatehouse office suites, which it said helped it conclude two small office deals. It said that offering small office deals on flexible terms was proving very popular with SMEs in the area.

The new tenants are part of a wave of new opportunities in Renfrewshire according to Macgregor at HRC Recruitment. She says: "While it's traditionally been a commuter town, businesses in and around Paisley are using the feel-good factor and momentum behind the area to attract new people and skills – particularly in the engineering, manufacturing, and logistics sectors.

"The ever-increasing benefits, such as relatively easy parking, good local facilities and the overall accessibility of the area are becoming more appealing to candidates. And, while historically salaries were lower than in Glasgow city centre, now it's very much the same.

"There are skill gaps in all markets, from management level through to receptionists; however, Paisley is becoming more forward thinking. With strong educational links and new innovation hubs which can cultivate new skills and develop the future workforce, it'll be very interesting to see where Renfrewshire goes in the next few years." ■



Coats Memorial Church is a 125-year-old Gothic creation



An artist's vision of how the Coats Memorial Church performance area will look

### IN FOCUS: Coats Memorial Church

THE CURRENT traffic flow in Paisley town centre means that there are few visitors to the town that see what is arguably its most remarkable structure: the Coats Memorial Church.

But the drive to regenerate Paisley and make the most of its cultural heritage will see the Coats Memorial building in Paisley's until recently neglected High Street turned into a modern multi-purpose venue fit for the 21st century.

A performance by Paisley Opera at the start of February signalled the launch of a campaign to raise £1.5m to breathe new life into the 125-year-old Gothic church in just 100 days.

Plans for the building include the construction of a single storey ticketing and booking office, landscaped gardens, a 30-vehicle car park, a performance stage, theatre seating for events and banquets, audio-visual rigs for specialist cinema performances and a 400kg life

to provide disabled access between the church floor and the ballroom area.

As part of the campaign the fundraisers enlisted Andrew Crummy, the celebrated tapestry artist to create a Tapestry of Paisley that will celebrate some of the town's most famous sons and daughters.

The tapestry features Thomas Coats, of the famous textile business the J and P Coats company, and a philanthropist who gifted so much to the town including the Coats Memorial and other public spaces and buildings.

The artwork also features famous Paisley 'buddies' from the world of the arts including Gerry Rafferty, John Byrne, Gerard Butler, Paolo Nutini, Phyllis Logan and David Tennant

The tapestry was originally created in support of Paisley's City of Culture 2021 bid and during the 100 days of the fundraising campaign is being exhibited in the Coats Memorial.



westway

RENFREW ■ GLASGOW ■ PA4 8DJ



# Scotland's Ultimate Industrial, Distribution and Office Park.

# Westway

Let your business flourish and grow at Scotland's ultimate, fully-enclosed industrial distribution and office park. Westway, owned by Canmoor, offers superb opportunities both large and small. Whether its warehouse units to let, refurbished offices or design and build opportunities, Westway offers an outstanding array of options to suit all business needs.



24h Secure Site



Warehouse Space To Let



Office Space To Let

If you'd like to be part of the Westway success story then please contact our letting agents to find out more about the available space at the Park.







# BUSINESSES MUST ADAPT TO UNLEASH THE POWER OF GEN Z

BY BILL MAGEE

**G**EN Z MAY be the first fully “hyper-connected” digitally literate generation but it needs careful commercial handling. Only then can business get the best results from a largely untapped array of whip-smart technical skills.

Also known as Gen Zee – if some of an organisation’s operations are located on the other side of the Atlantic – such an individual is typically born between 1996 and 2010.

Coming hard on the heels of Gen Y and Millennials, themselves both highly tech-aware and equipped, the distinction is their younger colleagues appear to be at ease as regards all things digital.

According to Dell Technologies

research Gen Z have a “swagger” about them but despite their digital verve they worry if they have the

.....  
**We operate in sixty countries with often different cultures and languages ...above all we look for a passion and an inclination to get involved.**  
.....

Charles Hoskinson, IOHK

right “soft skills” to succeed in the workplace.

Dell surveyed 12,000 secondary and post-secondary students, aged 16-23, in 17 countries. It found four out of five deeply understand digital transformation and how technology and automation will create a more equitable work environment.



Aongus Hegarty, Dell’s president Europe, Middle East, Europe (EMEA) reports: “Ninety one per cent surveyed told us a company’s technology would be a factor when choosing what job offer to go for.”

By 2020 Gen Z will make up one-in-five of a multigenerational workforce, and he warns: “To succeed in an era of human-machine partnerships, business leaders must bridge the digital divide to unleash the power of a diverse and future-ready workforce.”

Dell’s research also found that three-in-four expect to learn from peers on the job, not from online programmes. “Through cross-functional complementary teams, facilitating knowledge exchange and skills development,” he adds.

This is all good news as questions remain about Gen Z’s differing

attitudes towards work/life balance, but a somewhat laid back attitude is probably to be expected with the exuberance of youth.

After all, more pressing issues might come into play. Like whether to go for that Turtle Beach Recon 50P gaming headset for PlayStation 4/ Xbox/PC. Or else splash out on the swankier Rig800LX wireless Dolby Atmos version taking in Windows 10.

A decision that has to be discussed via a smartphone communicate that turns into a lengthy Snapchat group feed. But not during work time.

Mia Land, chief executive of digital researchers **Lighthouse3**, says Gen Z displays a voracious appetite for all things new tech: "Constantly connected is their norm.

"An always-on mobile-only world, with messaging apps that allow them to instantly and effortlessly connect with anyone across the globe in real-time."

The next round of new tech embraced by Gen Z will be equipping themselves with a shiny 5G smartphone. Then tuning into facial recognition systems positioned everywhere especially in shops, hotels and cars backed up by robotic assistants.

This signifies a new digital era. Complementary to recently established tech like voice-controlled speakers and Internet of Things sensors in all manners of everyday, workaday and consumerist situations.

Such so-called distractions displayed by Gen Z should be viewed as a strength in the digital mix. So says Charles Hoskinson, chief executive and co-founder of **IOHK** that's deeply involved in its own dedicated Edinburgh Informatics research lab alongside the Bayes Centre.

The American, whose company develops peer-driven innovative blockchain solutions especially for developing countries, reports he regularly deals with people with "different expectations and outlook".

He adds: "We operate in sixty countries with often different cultures and languages...above all we look for a passion and an inclination to get involved.

"But then the problem is that some have different views about work. Some are comfortable with working at weekends, holidays and late into the night.

"I find with younger people they



## The digital era has got rid of the traditional face-to-face communication and handing in your CV by hand. Now, it's all done with online applications and portfolios

Tegan Moss, graphic designer (below)

respect a work/life balance but more the life than the work side and that is something we have to work with."

Whilst it's much easier to get Gen Z to adapt to new areas of work "on the other hand it is difficult to get them to have a long attention span.

"What we do is create multi-aged, interdisciplinary teams and make sure there is strong leadership."

Hoskinson maintains an organisation actually needs to hire people who look at the world differently in order to build resilient systems. IOHK doesn't take on an individual just because they're Gen Z: "They are the most diverse and inclusive of all age groups but we always start the process on merit of the candidate and work our way from there."

The Gen Z view? **Tegan Moss**, an Edinburgh-based junior graphic designer working hard to carve out a career in the creative industry, says: "The digital era has transformed the way we all look at work.

"This has, in a way, got rid of the traditional face-to-face communication and handing in your

CV by hand. Now, it's all done with online applications and portfolios."

The 22-year-old's impressive array of skills include working with Adobe software, Photoshop, Illustrator and InDesign and she gained first prize in the Focus Environment Photography competition at age 14.

One route into the workplace gaining traction is digital apprentices and Apprenticeships in Scotland is a national handling service for youth opportunities. Set up a decade ago as a social enterprise run by young people, it's grown to become the country's leading recruitment service for early careers.

The service's website highlights a typical vacancy: for a digital marketing apprentice described as "very design orientated" towards creating and editing images and marketing materials.

It also involves managing areas ranging from social media, website and email campaigns, with the company involved investing time in developing the individual's skills to jumpstart their digital career.

**QA Apprenticeships** is behind such a vacancy, reporting that 92 per cent of successful applicants advance to full-time jobs. Some of its programmes are funded, in part, by the European Social Fund.

QA's Greater Glasgow manager and trainer Gary Standen reports: "It is estimated the optimisation of Information and Communication Technologies (ICT), by all businesses of all sizes, could add an additional £3.7bn gross value added (GVA) to Scotland over the next five to seven years.

"Despite this the number of young people entering the ICT industry is dropping.

"There is also a significant gender imbalance with fewer women choosing ICT as a career and, for those who do, retention is an issue.

"To oppose this Digital Apprenticeships are at an all-time high while women choosing apprenticeships in the sector is growing."

QA works with clients "who get to work with hungry, young and driven individuals they can support in their business and mould into skilled professionals."

Sounds good. Mind you, getting to the next level on Candy Crush Saga appears to be favoured by individuals irrespective of their age or level of digital awareness. ■





**ASSERTIVE  
INCISIVE  
OBJECTIVE  
DECISIVE  
DISRUPTIVE  
PERCEPTIVE  
INFORMATIVE  
LIVE.**

**insider.co.uk**  
LIVE SCOTTISH BUSINESS NEWS

**F**OUR leading Scottish organisations were celebrated as winners in Scotland's only China-focused business awards. The winners were announced at a business dinner with a difference, the China Burns Supper with the Awards having returned for a second year.

Scottish Business Insider is the media partner of the Awards which celebrated Scottish firms' hard work over years to forge business partnerships to deliver commercial success.

The **China-UK Low Carbon College** was announced as winner of the Innovation in Education Award. It was hailed as an "innovative, complex and highly unique international university project that aims to accelerate the adoption of impactful low carbon solutions in China."

The Investor of the Year Award went to **Ctrip** for its investment in Edinburgh-based leading meta-search company Skyscanner.

The citation said that: "Significant investment has led to sustained growth and employment opportunities in Edinburgh and the surrounding area."

There are 127 people working in the business's Edinburgh centre with that due to increase to 214.

**Wood** was announced as the winner of the Exporter of the Year Award.

The Aberdeen-headquartered energy business's involvement stretches back to the 1930s but it established a permanent presence there in 1992.

In the past 12 months Wood has been working with Chinese organisations to multi-million pound oil and gas and nuclear projects.

The China Welcome of the Year Award went to **Rabbie's Trail Burners**. Established in 1993 as a 'one man one van' business Rabbie's has grown to providing award-winning small-group tours across Scotland and the rest of the UK.

The firm has responded to strong growth in Chinese visitors by creating a number of Chinese specific services including an innovative GPS-triggered audio app that provides commentary and local tales in Mandarin to enhance the visitor experience.

www.insider.co.uk



A lion dancer interacted with the guests

# BUZZING CEREMONY CELEBRATES CHINA TRIUMPHS

By KEN SYMON

**The momentum in Scotland for doing business with China right now is palpable. We've never had such a large audience for this event**

James Brodie, China-Britain Business Council



James Brodie's Address To The Haggis

James Brodie, director for Scotland and Northern Ireland of the **China-Britain Business Council**, said: "The momentum in Scotland for doing business with China right now is palpable.

"We've never had such a large audience for the Chinese Burns Supper which creates a buzzing atmosphere for the awards ceremony.

"The quality of the applications was extremely high once again: congratulations to all those who took part and we look forward to working with any companies inspired by their success to engage with opportunities that are currently there to do business with China."

The combined awards dinner and Burns Supper included James Brodie's Address To The Haggis by turns in its original version and in Mandarin.

Another notable feature of the event was the presence of a colourful and energetic lion dancer – a tradition at Chinese celebrations – which interacted with the guests.

Chinese calligraphy and brush painting artist Zhang Chi created an artwork live which was projected onto a giant screen as he worked.

The painting was created in response to a reading of *The Silent Traveller In Edinburgh*, a piece written by Chinese poet, painter and author Chiang Yee on his experiences in the city. The painting was later raffled off. ■



# PATIENCE PAYS OFF IN WORLD'S THIRD LARGEST ECONOMY

By PERRY GOURLEY

**F**OR TECHNOLOGY entrepreneur Andrew Bissell, patience has definitely proved to be a virtue in his efforts to build a fruitful relationship with a Japanese partner.

Bissell, who heads up heat battery developer **Sunamp**, first introduced himself to a representative from Japanese utility Osaka Gas during a coffee break at an energy conference in Edinburgh.

In the five years since, he has met with his contact at the firm – which has more than seven million domestic customers – several times and also presented his company's technology to the company on a visit to Japan.

"It does take quite a lot of time for things to develop when dealing the Japanese as they are very considered and thoughtful," says Bissell.

"But we could both see there was the potential to work together at some point and we kept talking."

Eventually the two firms were able to join forces to take part in a pilot heating project for a UK housing association.

Late last year the relationship had developed to the point where Osaka Gas invested in Bissell's Midlothian-based business as part of a £2.2m funding round.

Although it had taken several years to get to that point, Bissell said the actual funding decision was taken much faster than he expected.

"Given how things typically do take time there I was amazed by the speed at which the investment was finalised and it was very validating for our business that it came from a company such as Osaka Gas."

He is now hopeful that the relationship will help Sunamp

tap into what is one of the world's most exciting markets for the firm's products.

Bissell, who also worked closely with the Japanese during his time building Scottish 3D medical imaging specialist Voxar which was later sold to a Belgian buyer, believes they make very good business partners.

"From my experience they have a very high ethical culture and are firm but also very fair. They expect a lot from those they are working with but they are also prepared to pay for that."

While the likes of China and India may be the highest-profile Asian countries in terms of export potential for Western businesses, Japan remains the third largest economy in the world.

The next two years will also see it firmly in the world's spotlight.

This year Japan will become the first Asian country to host the Rugby World Cup, followed by the Olympics and Paralympics in 2020.

**I was amazed by the speed at which the investment was finalised and it was very validating for our business that it came from a company such as Osaka Gas**

Andrew Bissell, Sunamp (above)

Scottish firms are already benefitting from the huge investment being made to host the events with temporary power provider Aggreko recently securing a deal worth around \$200m to work on the 2020 Olympic games and Paralympic



games in Tokyo.

The Glasgow-based group's Japanese subsidiary has won the contract to provide electricity to power the 43 competition venues, the Athletes' Village and the broadcast centre which will be used by the world's media.

The higher profile for the country will come at a time when many commentators believe it is well-placed for a period of sustained growth.

Although impressions of Japan's economy are still influenced by the fall it suffered in the 1990s, Prime

## IN FOCUS: JAPAN

THERE are around 90 Japanese-owned businesses in Scotland, employing more than 6,000 in this country and adding £1.8bn to the Scottish economy.

They include semiconductor materials firm Shin-Etsu Handotai, which has a major plant in Livingston and engineering firm Mitsubishi Electric, which has had a base in the town for more than 25 years.

Japan is also well represented in Scotland's life science sector, owning companies including medical device specialist Vascutek, which is currently seeing a £33m investment to expand its Inchinnan facilities.



Minister Shinzo Abe's measures to end a long period of deflation, dubbed 'Abenomics', have led to several strong years of economic performance and growth in international trade.

Latest figures show the country is the UK's 11th largest export market for goods and services, worth £12.5bn a year. Japan has also featured in Scotland's top 20 export destinations every year for the past two decades with £530m of goods heading there in 2017. The majority of the adult population of more than 126 million identifies themselves as middle-class with high purchasing power compared to most Western economies.

High quality food and drink is a major passion and many Scottish companies in the sector are already firmly established in the market, reflected in the fact that it now accounts for £130m of exports annually.

Major exports include seafood, such as fresh and smoked salmon, brown crab, mackerel and scallops, which has grown by some 180 per cent over the past decade.

[www.insider.co.uk](http://www.insider.co.uk)

Whisky sales have also jumped 10 per cent over the last five years and the growing interest in the spirit and in Scotland is helping other drinks firms make inroads.

Last year Scottish craft beer and spirits exporter **J W Filshill International** signed a clutch of deals with Japanese importers and appointed a former Diageo executive as its agent for the region.

Gin producers it has helped access the region include Pickering's Gin, Orkney Distillers, Glasgow Distillery, Strathearn and McQueen's, as well as craft brewers Williams Brothers and West Beer.

Chris Miller, director of J W Filshill International, said it was a highly attractive market for high-end Scottish food and drink producers.

"The Japanese are very sophisticated consumers who have a high level of interest in premium products."

Miller says the success of Scotch whisky in Japan to date has helped build a strong awareness of Scottish provenance.

With many of the distillers his firm

Above: Landscape of Tokyo city skyline

Below: Chris Miller, JW Filshill International

represents soon to start releasing their own whisky, Miller is hopeful that the work being done now on gin and beer will help pave the way and drive demand for craft whisky.

Miller says he finds the Japanese very good to deal with. "They have a very strong attention to detail and are very fastidious which is a good thing when dealing with the complexities of import and export documentation.

"They are also very clear communicators and tell you exactly what they want."

Sunamp's Bissell is hoping to launch his firm's technology into Japan in the near-term and believes it could develop into a very significant market given the nature of the country's homes.

Sunamp's heat batteries can replace a standard hot water tank and save energy and cost by storing energy using renewable energy sources.

"The Japanese tend to have large baths installed and so they use a lot of hot water in their homes. But housing there is also very compact which makes it a very attractive market for our product," he explains. ■





# SAVILLS SCOTLAND

---

Experts in Commercial, Development,  
Rural & Residential Property



**Local expertise. Global Knowledge. World class advice.**

Savills is one of the UK's leading multi-sector global property advisors with more than 35,000 professionals and 600 offices, including eight in Scotland. Our expertise ranges from advising landlords and tenants, to maximising returns for landowners, developers and investors. Whatever your real estate requirement, we have more than 160 years of history to help with your future.

**For further information, please contact:**

Nick Penny  
Head of Scotland  
npenny@savills.com  
+44 (0) 131 247 3803

**[savills.co.uk/scotland](https://savills.co.uk/scotland)**



**R**EGENERATION covers a lot of ground, both literally and metaphorically. The shortlist for Regeneration Project of the Year in the 2019 Scottish Property Awards, which had their finalists' dinner a few days ago, ranged from Marischal Square in Aberdeen to the North Pier Harbour Building in Oban.

A couple, such as The Edinburgh Grand and the redevelopment of Dundee Station were also shortlisted as developments of the year. So what is the difference?

According to the Cambridge English Dictionary, to regenerate means to "to grow again" and "to improve a place or system, especially by making it more active or successful". So the key is not the size of the ground but transforming a pre-existing place.

The Edinburgh Grand is the former Royal Bank of Scotland headquarters on St Andrew Square redeveloped into a five-star venue and is the first phase of The Registers, an £85m project to regenerate the square's south-east corner. It has 50 serviced apartments, a restaurant, cocktail bar, lounge and a gym in the former bank vaults have been reinvented as a modern on-site gym.

The second half of The Registers project is the Mint Building, a speculative 61,000 sq ft office facility also being developed by **Chris Stewart Group** (CSG), on West Register Street next to The Edinburgh Grand. Due for completion shortly, it was pre-let at the start of last year to Baillie Gifford and was acquired by international property firm Hines last summer.

Chris Stewart, the CSG chief executive, described the deal as "a ringing endorsement of the quality and design of The Mint Building, alongside our approach to urban development."

There are more than 3,600 sites on the Scottish Vacant and Derelict Land Survey, ranging in size from under one hectare up to more than 100 hectares, with 11,600 hectares which have fallen out of productive use.

A taskforce of the Scottish Land Commission and Scottish Environmental Protection Agency aims to halve this amount by 2025. It pointed to the HALO project in Kilmarnock on the 28-acre former home of Johnnie Walker whisky and Clyde Gateway in Glasgow as examples of regenerated derelict land.

www.insider.co.uk



Regeneration work on the former mining village of Twechar (pictured from the air) has already taken more than ten years

## THE COMPLICATED ART OF TRANSFORMING A 'PRE-EXISTING' PLACE

By FRANCIS SHENNAN

**The deal is a ringing endorsement of the quality and design of The Mint Building, alongside our approach to urban development**

Chris Stewart, Chris Stewart Group (below)

"We need to embed a more strategic approach to tackling long-term land vacancy and dereliction," said Steve Dunlop, the taskforce head and chief executive of **Scottish Enterprise**.

A new Enterprise & Innovation Centre and Digital and Cyber Zone are being developed as part of the HALO development on the site of the former Diageo bottling plant in Kilmarnock. The project led by local property entrepreneur **Marie Macklin** had its ground-breaking ceremony last year and its completion target is in 2020.

Macklin describes it as "a £65m

regeneration 'live, work, learn and play' plan" that will create up to 1,400 jobs and generate more than £200m for the Scottish economy. She also describes HALO as "about being 'disruptive' and 'rocking the economy' to create practical advantages for local communities. We like to think and act as pioneers and stretch traditional regeneration boundaries".

Clyde Gateway's Magenta, a 27-acre urban business park next to the River Clyde and M74, has seen its third Red Tree business suites building, totalling 40,000 sq ft, become 82 per cent let within a month of opening. Ten new tenant companies bringing 38 jobs joined two larger tenants, Speirs Gumley on the third floor, and BRE Scotland on the second floor.

One of the new tenants, Best Consultancy, was previously based in Glasgow city centre but the office could not accommodate the company's growth. **Glasgow City Council** is soon to make a decision on relocating council offices out of





► the city centre to key regeneration areas across the city.

It has more than 1,000 operational properties, if you include schools and nurseries, care homes, offices, community and sports centres, museums, galleries and libraries, as well as surplus property and land.

“The council would have reduced costs in the years ahead through the strategy and the ability to raise capital receipts would help deliver improved public services to the people of Glasgow,” says Councillor Kenny McLean, City Convener for Neighbourhoods, Housing and Public Realm. “The proper location of these services would also contribute to the regeneration of neighbourhoods across the city.”

Some of those receipts would come from selling sites in a city which has seen a consistent shortage of Grade A office space in the last few years.

One of the factors influencing final decisions will be connectivity and a new pedestrian and cycling bridge across the Clyde will connect Partick with Govan. At the Govan end the Water Row Masterplan includes a proposal for a mixed-use scheme providing 159 flats and 41 terraced houses, mainly for mid-market rent, and 3,500 sq m of commercial space.

The estimated total development cost of the Water Row Masterplan is £56.85m, with the first phase due to begin early next year.

Macklin has spent nine years on her Halo project. The Edinburgh Grand took four years. Regeneration is not a quick fix. Work on the former mining village of Twechar has already taken more than 10 years.

It lies in the Kelvin Valley in East Dunbartonshire on the banks of the Forth & Clyde Canal, five miles from Cumbernauld, three from the main Glasgow-Edinburgh rail service at Croy station, and only six miles from the M77 and M80.

At the start of this century, the council threatened to close the village sports centre because it was under-used, raising fears for the village football team, part of any mining village's history and culture, which used the centre's changing rooms.

The villagers tackled the council head on, winning agreement to run the centre through a newly-formed Twechar Community Action Group. However, then the primary school was threatened with closure.

Emboldened by success, the villagers persuaded the council



The Mint Building is a speculative 61,000 sq ft office facility being developed by Chris Stewart Group

### We are working closely with Historic Environment Scotland and local authorities and are overseeing the plans to ensure we create a venue that pays homage to Coats Memorial's heritage

Sheenagh Gray, Framed Estates (below)

to commission a masterplan for the village's future. In 2005 the masterplan envisioned “a stronger, growing residential community rising to over 2,000 inhabitants by 2015, including a higher proportion of economically active people.”

In 2008 developer **Places for People** (Pfp) won a competitive tender to work with East Dunbartonshire Council and the community. “The existing housing mix did not offer the diversity of tenures and house styles to meet the needs of young families,” says Richard Jennings, managing director of Pfp Scotland.

“People were moving away from the village to find suitable housing and in-migration was non-existent. A large proportion of the properties

were very poor quality one-bedroom houses, a legacy from the type of houses built to house mining families after the First World War.”

Pfp demolished 200 sub-standard council houses, building 127 homes of one, two and three bedrooms for social rent, outright sale, shared equity, mid-market rent and rent-to-buy, with 58 more under construction and 150 planned.

“Many families have returned to the village and even the young people are looking for accommodation in the area rather than moving away,” he says. “The new housing is also attracting people who have no previous connection to Twechar.”

He adds: “A design guide developed in consultation with the community set out a vision and standard for all physical new developments in the village.” The community is involved in everything from site layouts to landscaping. A competition for Twechar Primary School pupils to design a garden for the development show home was won by 12-year-old Erin Gibson.

The community centre now has a full-time pharmacy and a doctor's surgery two days a week – removing the need to travel to Kirkintilloch – a baby clinic, a mother-and-toddler group, and weekly drop-in sessions with the Citizens Advice Bureau.

“Twechar is no longer categorised as one of the 25 per cent most deprived communities in Scotland, as it was in 2004,” says Jennings. “As a result there are now 116 pupils in the local primary school and the nursery class is full.”

Regeneration projects are not always on this scale. Last month (February) a fundraising campaign was launched to regenerate Paisley's iconic Coats Memorial church, built in 1885 by Hippolyte Jean Blanc, which held its last church ceremony in August.

Philanthropist and businessman **Ian Henderson** is leading a steering group hoping the church can rival Glasgow's Oran Mor and Edinburgh's Mansfield Traquair as a multi-purpose venue. “Coats Memorial is an architectural marvel,” he said.

Sheenagh Gray, chartered architect of **Framed Estates** said: “We are working closely with Historic Environment Scotland and local authorities and are overseeing the plans to ensure we create a venue that pays homage to Coats Memorial's heritage.” ■



## Rettie & Co appointed as agent for £100m Jordanhill Campus project

CALA HOMES (West) has appointed Rettie & Co as agent for its £100m redevelopment of the 31-acre former Jordanhill Campus in Glasgow. The first of 400 homes are under construction to be completed early next year.

Rettie & Co will also act as agent for the new apartments in the B-listed David Stow building.

Designed by award-winning architects 7N, Jordanhill Park's homes will range from one-bedroom flats to five-bedroom family homes.

The existing playing fields will remain open and available to the local community. Construction will create



Jordanhill Park

more than 200 new jobs and deliver an economic boost of more than £5m in gross added value.

## Overseas and domestic investors favoured by currency fluctuations

CURRENCY fluctuations this year could favour overseas or domestic investors, according to Chris Macfarlane, director capital markets for JLL in Scotland.

"Global allocations for real estate will continue to grow with Scotland a target for funds looking at their first wave of international acquisitions," he said.

"Equally due to questions over currency fluctuations, domestic investors could be at an advantage in many cases. We now have a better balance of overseas investors and UK institutions who are more active

than they have been for a number of years. Both see Scotland as offering relative value when compared with other UK regions and London in particular."

Last year's biggest transaction was the £85m acquisition of Edinburgh's Caledonian Waldorf Astoria by Twenty14Holdings. "Hotels will continue to offer good longer-term value for investors keen to find alternative options. JLL forecasts that there will be continued investors' interest in the alternative sectors," said Macfarlane.

## National restaurant chains eye Glasgow

NATIONAL restaurant chains look like returning to Glasgow this year. Already scheduled to open are The Ivy on Buchanan Street, Benihana on West Nile Street and Project Pizza on Union Street. That's 75 per cent of the number for the whole of last year.

Independent operators accounted for more than 36,300 sq ft of new restaurant space in the city last year, says Savills. They include Stack & Still on West George Street, La Vita Spuntini on Gordon Street and So L.A. on Mitchell Street.

"Restaurant rents in Glasgow grew sharply between 2014 and 2017 as operators competed for the best sites," said John Menzies, director in Savills retail team in Scotland. "However in 2018 we saw rents fall by approximately



La Vita Spuntini on Gordon Street, Glasgow

10 per cent to a prime level of £35-40 per sq ft.

"This is reflective of the turbulent year 2018 was for the restaurant market nationally, with slowing expansion and receiverships of Carluccios, Jamie's Italian, Handmade Burger Co and Prezzo pointing to ongoing pressure on margins."

## More Kestrel Group acquisitions on the cards

SIGNIFICANT acquisitions are on the cards by Kestrel Group on behalf of South Africa's Marr Holdings. Last month (February) it bought an Aberdeen health club for £4.3m from Aprirose. The 30,000 sq ft city centre property is leased by Nuffield Health on a 25-year lease expiring in May 2027.

In September Kestrel Group c/o Marr Holdings paid £14.3m for a development of four car showrooms in East Yorkshire. Jaysen Golding, managing director of Marr Holdings, said Kestrel was actively seeking to "acquire a substantial real estate portfolio in secondary UK locations. Kestrel's investment mandate is non-sector specific, rather focusing on value investments that present strong intrinsic fundamentals supported by sustainable long cash flow certainty."

## Pitlochry hotel sale could spark similar deals

ONE HOTEL investor has snapped up the 72-bedroom Scotland's Hotel & Leisure Club in Pitlochry in an off-market deal by Irish-owned Castle Collection with a guide price of £2.5m for the freehold property and business. And similar sales are likely to follow.

For the vendor, Crerar Hotels, has retained Colliers International to help it to dispose of three more hotels. "Our strategy is on track to 'right size' our Scottish portfolio," said Crerar's chief executive Paddy Crerar. "We are well on with significant investment and development of the majority of our retained hotels.

"Once our investment plans are complete, we believe Crerar Hotels will be one of the country's most desirable hotel groups of the highest quality. Colliers have been instructed to market a further three of our hotels, each of which are solid highly profitable performers in great locations."

Julian Troup, head of Colliers' UK Hotels Agency, said: "The acquisition was conducted in a highly confidential fashion and is a further example of domestic and overseas buyers looking to secure a hotel in a prime Scottish location."



**REGISTER YOUR INTEREST :**

[insidersmeconference.co.uk](http://insidersmeconference.co.uk)

[scottishsmearwards.co.uk](http://scottishsmearwards.co.uk)

**business insider**  
**SCOTTISH**  
**SME**  
CONFERENCE &  
AWARDS 2019

**WEDNESDAY 6TH NOVEMBER**

**DOUBLETREE BY HILTON HOTEL**

**GLASGOW CENTRAL**



Business Insider Made in Scotland Awards  
in partnership with the Advanced Forming  
Research Centre

# Call for entries to a great set of awards for Scottish businesses

**H**OW DO you make a breakthrough in your manufacturing process, introducing automation to streamline, speed up and cut the cost of making your product?

SP Technology, which won the Manufacturer of the Year Award at last year's Insider and AFRC Made in Scotland Awards has been answering that kind of question for more than 30 years.

The Dundee-based engineering business has been providing bespoke automation for a wide range of industries including food and drink, plastics, munitions, pharmaceuticals, automotive and electronics packaging of all types.

The company impressed the judging panel in the 2018 Awards with the sheer range of the hurdles they have helped their clients jump to improve their ability to make things.

Roy Henderson, managing director of SP Technology outlined how businesses can start their journey to automation in a recent workshop conducted along with Louise Grant from EQ Accountants at the SMAS (Scottish Manufacturing Advisory Conference) in late February.

SP Technology and the winners of the other 10 awards at the Made In Scotland Awards 2018, which are presented in partnership with the University of Strathclyde's

Advanced Forming Research Centre, all have had a boost from their accolades.

And it is not too late to enter the 2019 Awards with the winners being announced at a glittering ceremony at the Glasgow Science Centre on Thursday 9th May.

Jim McColl, one of Scotland's leading entrepreneurs who built Clyde Blowers, is to be the keynote speaker on the evening.

The event will be hosted by comedian and presenter Fred MacAulay. The categories that will be celebrated on the night are:

**Manufacturer of the Year**

– which will be awarded to the manufacturer who shows innovation, a commitment to excellence, sales growth and increased profitability

**Inventor of the Year** – the Scottish-based person behind the product or process that has substantial commercial potential.

**Best New Product** – the product designed or manufactured in Scotland that has the potential to really drive sales.

**Young Innovator of the Year** – the person under the age of 25 who has developed an innovative product or process.

**Innovator of the Year** – this award is for a Scottish-based manufacturer which used innovation in production which



Above: Roy Henderson, managing director of SP Technology (left) and Lee Nixon, director collecting the Manufacturer of the Year Award

had a measurable effect on profitability.

**Food and Drink Company of the Year** – the Scottish-based food and drink company which has shown significant progress, demonstrating innovation in manufacturing, improving profitability, product development and sales and marketing performance.

**Life Sciences Company of the Year** – The Scottish-based life sciences business that has innovated and made an impact.

**Exporter of the Year** – the Scottish-based business that has demonstrated success in international trade with Scottish-made products.

**Engineering Company of the Year** – the Scotland-based engineering company that can demonstrate its ability to introduce new processes and make an impact in its market.

**Remade in Scotland** – For Scottish companies of any size and in any sector which demonstrate innovation within the design and/or manufacturing process ■

*More information about the event can be found at [www.insidermadeinscotland.co.uk](http://www.insidermadeinscotland.co.uk). To book tickets or discuss sponsorship opportunities please contact Aileen Turnbull 07825 899187 or by email on [aileen.turnbull@insider.co.uk](mailto:aileen.turnbull@insider.co.uk).*

**businessinsider**

**AFRC**  
Advanced Forming Research Centre

**Scottish Institute for  
REMANUFACTURE**  
Skills, Talent and Innovation

**M MURGITROYD**  
Accountants & Business Advisors

**SMAS**  
Scottish Manufacturing  
Advisory Service





# Scottish economy's "alarming situation" debated at event

**B**RITAIN is no clearer now on its ultimate relationship with the European Union than it was at the time of the EU Referendum nearly three years ago, according to **Baron John Kerr**.

The former senior diplomat who ironically drafted Article 50 said: "We are no clearer now on where we will eventually be with the EU than we were on the 23rd of June 2016. I think that this is a really very alarming situation."

Speaking to the Business Insider Top500 and Scotland Is Now Business Breakfast on 11th January he said: "When we eventually get round to negotiating with the EU our negotiating position will be weak."

He said that the 27 remaining EU members would all have to agree. "They will be agreeing their position by unanimity so one stropky member state, until he gets what he wants, could hold up the whole shooting match."

The crossbench or non-party peer told the event in early January that a second referendum on Europe would become more likely after as he correctly predicted Prime Minister Theresa



May's deal failed to get through the House of Commons followed by a Labour vote of no confidence which failed as he also predicted.

He said then he hoped Labour would throw their weight behind the People's Vote, the campaign for a second referendum. "Before

.....  
**We are no clearer now on where we will eventually be with the EU than we were on the 23rd of June 2016. I think that is a really very alarming situation**

Baron John Kerr of Kinlochard (above)

the summer I put the chances of a second referendum at about five per cent. Now I would say the chances are 35-40 per cent but with Labour's backing it would go up to more than 50 per cent."

Lord Kerr said that if Britain's departure did go ahead there would be a period of 21 months – which could be extended for another 12 – where not much would change but then he believed it was inevitable that we end up in the backstop.

This was the worst of both worlds, he said, as there would be friction on our trade with Europe but the UK would not then be free to make trade deals with other countries.

Debbie Crosbie, the incoming chief executive of **TSB Bank**, said: "Boardrooms across the globe are holding their breath watching what's going to happen in the UK with genuinely significant concern over what's going to befall us.

"I don't think anyone can underestimate the resilience and adaptability of UK businesses and Scottish businesses but I don't think that anyone can say that the prospects of a hard Brexit will be incredibly problematic."

She said that businesses

had been diverting investment that should go into productivity, innovation and jobs into stockpiling and preparing for Brexit. And she warned of the effects of a No Deal Brexit with no transition period on the banking and payments system.

She said that transition would allow banks to work out how the payment system would operate and whether the UK could be a member of the Single European Payment Area but without it there would be major problems. "Without a transition period I think it's very difficult to conceive how we would continue to function normally, the disruption I think will be significant."

Steve Dunlop, chief executive of **Scottish Enterprise**, said: "Every day my phone pings four or five times with businesses that are in acute distress. In the few days before Christmas there were 2,800 jobs at risk but we were able to save the vast majority through grants or help but there were some companies before Christmas that didn't make it and they became very high profile.

"That's before we step into this great uncertainty that we are just about to. For me Brexit is an enormous challenge and I am genuinely deeply worried about what to do but it is only one of many factors that are causing enormous disruption in the economy?"

He said that in response to these challenges Scottish Enterprise was developing a war room which would have up to the minute data on what and where the challenges to the economy were.

Public agencies have developed **Scotland Is Now** as a single campaign that would promote working and investing in Scotland and what Scotland could offer the world.

Christine O'Neill, the chairman of law firm **Brodies**, said: "I don't want to estimate the challenges that Brexit presents but I think the real question is practically speaking what



## Public agencies have developed **Scotland Is Now** as a single campaign that would promote working and investing in Scotland

can businesses in this room do to prepare themselves for it."

She said: "I hesitate to use words like catastrophe and doomsday, I don't believe that is the outcome of a No Deal exit because we do at least have the UK Withdrawal Act which preserves as far as possible EU law in UK law."

She said that the UK and the EU were publishing "more or less useful information" about how different business areas would be affected and she urged firms to read up on the guidance for their sector.

Graeme Roy, director of the University of Strathclyde's **Fraser of Allander Insitute** said that there was a real challenge in forecasting the economic effects of Brexit.

"All the economic modelling that we do tends to be based on countries coming together rather

than moving apart. We have never been in a situation where a country is potentially two months away from choosing voluntarily to make a significant dislocation to the underlying structure of its economy as it will do in the event of a No Deal Brexit. We have never had an event like that in a modern advanced economy like the UK.

Speaking after the event, Steve Dunlop, chief executive of Scottish Enterprise, said: "This event provided a fantastic opportunity to bring together influencers from across the public, private and academic sectors to share the challenges and opportunities presented by Brexit.

"I was both impressed and enthused by the panel discussion and the conversations I had with individuals on the day. There's never been a more important time to promote Scotland overseas, and getting such a positive reaction to the **Scotland Is Now** campaign from so many different parties really reinforced the importance of a strong collaborative approach to positioning Scotland as a great place to live, work, study and invest in the months and years ahead." ■

Above: The panel of the Top500 Business Breakfast, L-R: Ken Symon, (Scottish Business Insider), Debbie Crosbie (TSB Group - incoming), Baron John Kerr of Kindlochard, Christine O'Neill (Brodies), Steve Dunlop (Scottish Enterprise), Cathy MacDonald (broadcaster and event MC) and Graeme Roy (Fraser of Allander Institute)

# #SCOTLAND|SNOW





# Revamped awards to recognise rising fintech businesses

**I**NSIDER'S awards for the accounting profession and industry are relaunched this year as the Scottish Accountancy and Financial Technology Awards.

The major refresh of the awards programme will take account of the rise of fintech businesses and specialisms while continuing to recognise and celebrate the strengths of other parts of the dynamic profession.

Scotland's strengths in both financial services and technology means that the economy can be a major host for companies in this area creating business opportunities and jobs.

To mark this, this year we have introduced three new awards categories: Emerging FinTech Company, Innovation In Accountancy and Exporting FinTech Company of the Year.

The criteria for the three awards are: **Emerging FinTech Company** For a firm which has emerged in the past two years that has 'made waves' over the past year. The judges will be looking at a number of areas including quality of technology, predicted disruptive impact and potential for growth.

**Innovation in Accountancy** Celebrating an outstanding development that transforms accounting practice or processes that has come to the fore over the



past year. The innovation could be technology based but needn't necessarily be so.

## **Exporting FinTech Company of the Year**

The judging panel is looking for the fintech that has produced the most impact in overseas trade over the past year. The judges will look at the quantity, quality and geographic spread of the sales.

The new awards have been developed by *Insider* along with sector trade body FinTech Scotland.

A programmer sets up a crypto currency miner

The three new awards will join the existing award categories of Large Accountancy Firm of the Year, Small Accountancy Firm of the Year, Finance Director of the Year, Emerging Finance Director of the Year, Young Accountant of the Year, Tax Team of the Year and Accountant of the Year.

Accountancy firms, other organisations and individuals still have time to enter this year's awards with nominations not closing until 22nd March.

Together the awards will recognise the work that accountants and finance staff play in ensuring the effectiveness of both private companies and public sector organisations.

The awards dinner, which is now in its 12th year, attracts more than 250 guests, made up of finalists, judges, sponsors, accountants, finance workers and businesspeople. Winners of the awards will be announced at an awards ceremony at the Principal Grand Central Hotel in Glasgow on Thursday 20th June. ■

*More information about the awards can be found at [www.scottishaccountancyawards.com](http://www.scottishaccountancyawards.com). To discuss sponsorship opportunities please contact Aileen Turnbull, Key Account Manager - Business Insider, on 07825 899187 or at [aileen.turnbull@insider.co.uk](mailto:aileen.turnbull@insider.co.uk)*

.....  
**This year we have introduced three new awards categories: Emerging FinTech Company, Innovation In Accountancy and Exporting FinTech Company of the Year**  
 .....



Think Ahead





# Search begins for the standout performers in Scotland deals

**I**T HAS BEEN an interesting year for deals with some very significant transactions taking place despite the looming shadow of the UK's departure from the European Union.

It is against that backdrop that *Insider* has opened the entries for the Deals and Dealmakers Awards 2019. Applications are now being accepted across nine categories for deals closed between 1 April 2018 and 31 March 2019 from which the judging panel will also select an overall **Deal of the Year**.

The Scottish-headquartered company which delivered the most ambitious, innovative acquisition or acquisition strategy in 2018/19 will be recognised in the **Acquisitive Company of the Year Award**.

The **Sale of the Year Award** will go to the Scottish-headquartered company which carried out the most successful and impressive sale or sales in 2018/19.

The **Transformational Deal of the Year** category will recognise the deal of any type which transforms the fortunes of a Scottish-headquartered business.

The Scottish-based company with an annual turnover of less than £20m that has been involved in a transformational deal will be celebrated in the **SME Transformational Deal of the Year**.

The **Corporate Finance Team of the Year Award** will celebrate the team that made the greatest contribution to a deal or deals in the year.

A new award will recognise the role of the funding community in making deals happen. It is the **Funder of the Year Award**.

The **Emerging Dealmaker of the Year Award** will recognise a newcomer to the Scottish dealmaking community.

The **Legal Advisor of the Year** category recognises the skills of legal advisors involved in deals.

The **Early Stage Deal of the Year Award** recognises the quality of the investment capital, the level and quality of the syndication of the investment, the scale of the market opportunity for the company and the potential return for investors, and the role of the management team and its advisors in realising the deal.

The judging process this year will again involve a three-stage process. Entrants will register their initial interest online and will then be asked to complete a questionnaire setting out the detail of the deal or deals involved and their contribution to them. The deadline for completed questionnaires is Friday 17 May.

Those who make the shortlist will be required to attend an interview session with the judges in late June. This year's winners will be announced at the *Insider Deals and Dealmakers Awards Dinner* to be held on the evening of Friday 30th August at the Doubletree by Hilton Hotel Glasgow Central in Cambridge Street, Glasgow. ■

.....  
**Applications are now being accepted for deals closed between 1 April 2018 and 31 March 2019**



*More information about the awards can be found at [www.dealsanddealmakers.co.uk](http://www.dealsanddealmakers.co.uk). To discuss sponsorship opportunities please contact Aileen Turnbull, Key Account Manager - Business Insider, on 07825 899187 or at [aileen.turnbull@insider.co.uk](mailto:aileen.turnbull@insider.co.uk)*

**businessinsider**





# Finance options for older borrowers widen significantly

**C**OUPLES over 50 are most likely to argue about money and home improvements, according to a survey of 1,000 people in their 50s, 60s, 70s and 80s for insurer SunLife. And the cost of home improvements for over-50 is a significant expense.

“Almost a quarter of all housing expenditure in households headed by people aged 50-74 was on alterations and improvements such as central heating installations and double glazing,” says Royal London’s pension specialist, Helen Morrissey.

Until comparatively recently, equity release was the only option. Now, though, mortgages are available not only for older borrowers but even for those who have already retired (see In Focus).

Nationwide allows you to apply for a mortgage up to the age of 80 if you’re receiving a state, private or workplace pension, as long as your repayment term ends before you turn 85. In contrast, with Aldermore, the limit is 85 and the mortgage can run until the age of 99 and with the Family Building Society it can run until 95.

Around 15 building societies have removed upper age limits for taking out mortgages, including the Loughborough, Bath, Ipswich and Saffron. Even Post Office Money’s Retirement Link will lend up to age 90 with a capital repayment mortgage.

Equity release, though, is still the predominant source of serious senior borrowing. It is usually in the form of a retirement interest-only mortgage (Rio), a lifetime mortgage to be repaid when the borrower dies or goes into long-term care, or a home reversion scheme where the borrower sells part or all of the home for a lump sum or regular payments.

Leeds Building Society was the first national high-street lender to offer Rios last year and has recently updated its range.

The vast majority of IFAs expect this year to be another record for equity release, according to Canada Life Home Finance. This would make it the sixth record-breaking year in a row after lending nudged the £4bn barrier in 2018.

This means the market has more than doubled in three years. More than a quarter of borrowers used the money to help their families to clear debts, pay for weddings or fund house deposits, according to Key (formerly Key Retirement).

Key’s Equity Release Market Monitor found the

## Around 15 building societies have removed upper age limits for taking out mortgages

biggest yearly increase in value last year was in Scotland, at nearly 38 per cent to £138.6m.

UK-wide drawdown lifetime mortgages remained the biggest sellers accounting for around two thirds of all sales, including 15 per cent in enhanced drawdown which offers enhanced terms to people with health or lifestyle conditions. In 2018, customers reserved £1.46m in funds using these products. Lump-sum lifetime mortgages made up 36 per cent of sales, including 13 per cent of enhanced plans.

The minimum age to apply for most equity release products is 55 but the Financial Conduct Authority has raised concerns about “younger people” – 55 to 60 – using lifetime mortgages. A 55-year-old who takes out and keeps a lump-sum mortgage could live until 90 and run up a hefty amount in compound interest. ■



### IN FOCUS

## Mortgage offered for people up to the age of 85

YOU’VE probably never heard of it but the first meeting of the Earl Shilton Building Society was held in 1856 in the Leicestershire town of that name. It now has assets of topping £137m and more than 10,000 members.

More notably, esbs, as it now trendily calls itself, offers mortgages to people up to the age of 85, whether they are retired, employed or self-employed in a “non-manual position”.

Its standard variable rate (SVR) is 5.24 per cent and there is a range of mortgages discounted for five years with a variety of conditions, although all have a collar of 2.5 per cent.

For example, the Stepped Five-Year Discount from SVR would mean an initial rate of 3.39 per cent in years one, two and three, and 2.99 per cent in years four and five. It has a maximum loan-to-value (LTV) of 75 per cent, an upfront

booking fee of £125 and an arrangement fee of £1,100.

A five-year discount at 3.79 per cent and an LTV of 90 per cent comes with a £125 booking fee and £599 arrangement fee. esbs can base mortgage terms on “the personal work position of the borrower”, says chief executive Paul Tilley, adding: “People wish to retire at different ages.” ■

in association with


 CHARTERED  
FINANCIAL  
PLANNERS

# Q&A

**JOHN MCARTHUR, Gillespie Macandrew**
**Q: What changes are being made to tax on residential property gains?**

Currently, where a UK resident realises a gain on the disposal of a buy-to-let property or second home, they have up to 22 months to report the gain in their tax return and pay any capital gains tax due.

This is in contrast to non-domicile property owners who, since 6 April 2015, have been required to file a return with HMRC within 30 days of the sale of UK-based residential property. Any capital gains tax due on the sale must be paid within 30 days unless the individual comes under self-assessment.

However, the system will change from April 2020. After that time, UK residents will be required to file a return and make a payment on account of their capital gains tax liability on the disposal within 30 days of completion or conveyance of the property. The payment on account is required even where the individual files annual tax returns under Self-Assessment.

The requirement to make a payment within 30 days will also extend to non-residents within self-assessment with effect from 6 April this year. Penalties will be charged for failure to file returns or to make the necessary payment.

**Q: Are there exceptions to the new rules?**

The measures do not apply where the property disposed of has been the seller's main home throughout the period of ownership. Disposals of overseas residential property are not caught. The regime will also apply to the residential element within mixed property disposals such as landed estates.

**Q: How will this work in practice?**

When a property is sold, the seller will need to calculate the capital gains tax due on the disposal within 30 days. Where the property was bought and sold on an arm's-length basis this will be relatively easy. However, if the owner acquired or disposed of the property by way of gift, then a full valuation of the property will be needed.

Had the property been a main residence for part of the period of ownership, there is a need to determine the proportion of the gain that is chargeable. Taxpayers will be allowed to use reasonable estimates of valuations and apportionments when calculating the gain if the information is not available by the payment deadline.

When calculating the tax to be paid on a disposal, people can take into account the

[www.insider.co.uk](http://www.insider.co.uk)


annual exempt amount and unused capital losses realised before the disposal of the property. The amount paid will be treated as a "payment on account" of the individual's tax liability for the year.

**Q: What if another property is sold after?**

Unless they sell another residential property in the same tax year, capital losses realised later in the year cannot be taken into account until someone files a self-assessment tax return. Only at that time can any overpaid capital gains tax be repaid.

Where a second property is sold in the tax year, an adjustment can be made to the earlier calculation to take account of subsequent losses and any repayment due will be made following submission of the later return.

Should someone intend to crystallise losses to reduce the tax due on the disposal of a property, they should consider the timing of disposals to avoid paying tax which may not be repaid for a number of months.

There will be an onus on conveyancing solicitors to ensure someone disposing of residential property such as a buy-to-let is fully aware of the need to file a return and pay any tax due within 30 days. ■

*John McArthur is a partner and head of tax at Gillespie Macandrew.*


**Fraser Porter**

Chief Executive Officer  
Anderson Anderson & Brown  
Wealth Ltd  
T: 0131 357 6666  
E: [fraser.porter@aabwealth.uk](mailto:fraser.porter@aabwealth.uk)  
[aabwealth.uk](http://aabwealth.uk)

**Coping with Uncertainty**

When financial markets are volatile, you often hear that "uncertainty" is the cause. This suggests that uncertainty comes and goes, but because financial markets are forward looking, and because the future is unpredictable, investors must cope with uncertainty all the time.

That can be hard, especially in volatile periods when the value of your investments is fluctuating from day to day.

It is important to remember that the market is a very effective information processing machine. This means that millions of market participants around the world are continually assessing information and its expected effect on future cash flows and that prices change as participants' act on this. It is therefore reasonable for you to work on the assumption that today's market level has priced in current uncertainty.

Every political or economic crisis poses different challenges and affects the market in different ways, but the experience of past events can help investors maintain perspective.

The temptation to react to events can be strong but reacting is not always the best thing to do. In the heat of the moment in the financial crisis, some people decided to sell out of stocks. Those that stayed the course and stuck to their approach have long since recovered from the crisis and benefited from the subsequent rebound in markets.

As we know, predicting future events correctly, or how the market will react to future events, is difficult. The good news is that being a successful investor does not rely on making accurate predictions. It is important to understand that market volatility is a part of investing and to enjoy the benefit of higher potential returns, investors must be willing to accept increased uncertainty. Accurately predicting the future is not a prerequisite to be a successful investor.

A key part of a good long-term investment experience is being able to stay with your investment philosophy, even during tough times. A well thought out, transparent investment approach can help people be better prepared to face uncertainty and may improve their ability to stick with their plan and ultimately capture the long-term returns of capital markets.


 CHARTERED  
FINANCIAL  
PLANNERS



**NEW POSTS**

**Sandy Begbie** has been appointed as chief transformation officer of **Tesco Bank**. He was previously director of global people, organisation and culture integration at Standard Life Aberdeen PLC as well as being their lead executive for China and Hong Kong.

**Colin Rutherford** has become a non-executive director of **New River**, a real estate investment trust specialising in buying community-focused retail and leisure assets.

Glasgow-headquartered equity house **Maven Capital Partners** has promoted two property investment specialists to partnership positions – **Colin Anderson** and **Andrew Whiteley** – as it expands its offering.

**Grant Thornton** firm has promoted **Stuart Preston** and **Neil McInnes** to its leadership team, as it set its sights on further growth in the Scottish marketplace.

**DM Hall** has appointed architect **Ronnie Colman** as a property services consultant at its Dunfermline office.

**Daniel Wyatt** has been named as the new rector of **Kelvinside Academy**. He has served for four years as the Glasgow school's deputy rector and will take over the role from **Ian Munro** at the end of this academic year.

Independent financial and corporate advisor **Chase de Vere** has promoted **Stewart Speirs** to the role of corporate senior manager, based in Glasgow.

# Key figure retires from Stewart Milne

A DOYEN of Scotland's business life, **Glenn Allison**, is retiring in March after 30 years with Aberdeen-based **Stewart Milne Group**.

Allison has served as president of the Institute of Chartered Accountants of Scotland and vice chairman of CBI Scotland.

He will be replaced at **Stewart Milne** by **Stuart MacGregor**, who has been working closely with Allison for the last two years, in his position as chief operating officer.

**Stewart Milne**, chairman, said: "He has been instrumental to the ongoing success of the business and I am incredibly grateful to him for all his hard work, support, counsel and expertise over these years.



Glenn Allison (left) and Stuart MacGregor

"He will be greatly missed and the whole group wishes him an enjoyable and rewarding retirement."

With a turnover of more

than £280m, the independent housebuilder and timber systems manufacturer recently reported major improvements in trading performance and a return to profit.

## New senior manager at British Business Bank

THE BRITISH Business Bank has appointed **Ian Mitchelmore** to a new position as senior manager UK Network for Scotland.

The appointment is part of moves by the UK government-owned economic development bank, which is dedicated to making finance markets work better for smaller businesses, to establish a UK network with team members based in the three devolved nations and the English regions.

The UK Network was originally announced as part of the UK Government's modern industrial strategy with a remit to identify and help reduce imbalances in access to finance for smaller businesses across the UK.

Mitchelmore will represent the UK Network in Scotland and will engage closely with business finance stakeholders in the area. He will support **Jennifer Donnellan**, the recently appointed UK network director, devolved nations.

He has spent most of this 35-year career at Bank of Scotland based in both London and Edinburgh.

## Gary Foggo takes new role at growing Navigator



NAVIGATOR has announced it has grown its Health and Safety division with the appointment of health and safety manager, **Gary Foggo**.

The Edinburgh-based business advisory practice has experienced continued growth in its health and safety business, facilitating his appointment.

**Gareth McKnight**, managing director of Navigator, said: "I am delighted to welcome Gary to the team and I know he will fit in really well; two of our team have worked with Gary before and he came highly recommended.

"We fully expect that his arrival will support our plans to further grow that part of our business." ■

Your executive search partner

[www.mgsearch.co.uk](http://www.mgsearch.co.uk)



The latest news from HR, recruitment, employment law and staff issues by Ken Symon



## Scheme sets rules for EU nationals

ONE OF the many thorny issues thrown up for businesses by the UK's impending departure from the European Union is the future of its employees from other member states.

There are many business leaders who have already lost EU nationals who are key employees as they have returned home or others who are concerned that they might.

After months of the issue being up in the air EU nationals can now apply for the new settled immigration status. The EU Settlement Scheme envisaged under an agreed Brexit deal sets out the conditions of who can apply and when.

EU nationals who have been continuously living in the UK for five years by the 31 December 2020 will be able to apply for what is called "settled status" that is an indefinite right to remain.

Those who arrive by that end 2020 date but have not been living here continuously for the five year period will be allowed to stay until they reach the five years when they will be able to apply for settled status. Up until they have been here for five years they will be able to apply for "pre-settled status."

There is a current planned deadline for those applying for either of these is 30 June 2021. And it must be stressed that there is a need to apply – status is not automatically conferred. EU nationals arriving after 31 December 2020 will have to already hold or applied for immigration status.

Settled status will mean that the person will be able to continue to live and work in the UK and they will be eligible for public services. They will be able to travel in and out

of the UK and bring family members here after 31 December 2020.

All of this working this way is dependent on a withdrawal deal being agreed.

If there is a No Deal Brexit the settlement scheme would still apply but with some important modifications.

EU citizens and family members living in the UK by 29 March 2019 would still have until the end December 2020 to apply.

But if there is a no Brexit deal, the rules on settled status would not apply to EU citizens and their family members wanting to come to the UK after 29 March 2019.

From the day after the UK's departure until 31 December 2020 they would be able to come here for up to three months without applying for any immigration status or visa.

To stay longer than three months they would need to apply for and obtain European Temporary Leave to Remain.

EU citizens and family members arriving in the UK after 31 December 2020 will be subject to the UK's skills-based immigration system coming into force on 1 January 2021.

Julie Keir at commercial law firm **Brodies** said: "The government has said that employers are not required to communicate details of the EU settlement scheme to their workers, however, it may be helpful from an employee relations perspective to do so.

"Different communication strategies might need to be devised for different groups of workers, for example EU nationals in the UK; Irish citizens; UK nationals in the EU; and workers being temporarily posted overseas as this might affect eligibility for settled status." ■



**Seanpaul McCahill**

Legal & HR Manager,  
Navigator Employment Law  
T: 03332 400 308  
E: seanpaul.mccahill@  
navigatorlaw.co.uk  
W: www.navigatorlaw.co.uk

### New protection for parents

The government is looking to bolster redundancy legislation to enhance protection for new parents.

Currently, there are numerous protections for employees, including:

- Limited grounds on which redundancy situations can be genuine.
- Required consultation with 'at-risk' employees (including collective consultation with employee representatives for large scale redundancies).
- Required consideration of any and all alternatives.

Employees on adoption, maternity and shared parental leave are protected further still when at risk of redundancy, whereby employers must offer them suitable alternative employment ahead of other employees. While employers are not required to create vacancies to accommodate employees on family leave, they must nonetheless consider whether such people should be matched into existing vacancies as a suitable alternative.

However, these protections currently only apply during the leave period, not before or after return to work. The government therefore believes that more could be done to safeguard parents. In fact, evidence suggests women are being selected for redundancy upon their return to work, and that over 50,000 women per year may be dismissed because they are pregnant or on maternity leave.

As a result, the government is considering changing legislation to extend the protected period for new mothers (and potentially men on adoption or shared parental leave) to six months after returning to work.

Implementation of these proposed changes means increased complexity for employers. During redundancy consultation, they will have to favour not only those currently on family leave, but those who have returned within the last six months. A selection process may even be needed to decide priority for vacancies, given the potentially increased number of protected employees at any time.

Finally, increasing numbers of protected employees can culminate in competing interests between them. Considering employers' legal obligations to comply with new rulings, greater justification of decisions will therefore be required in this case.

**If you have any questions on the above article please contact 03332 400 308 or enquiries@navigatorlaw.co.uk.**





# SLAINTE!

Insider's regular events picture pages

In association with



HIGHLAND SINGLE MALT  
SCOTCH WHISKY



**Above:** A star-studded Burns Bash was held in Los Angeles at the Fairmont Miramar Hotel & Bungalows to raise funds for BAFTA LA's Scottish Scholarships, which provide financial support to Scottish students studying the creative arts in the United States. Pictured are Downton Abbey actress Lesley Nicol and TV presenter Ross King MBE.

**Above left:** James Buchan, managing director of digital marketing agency Zude and his partner Xiaoxiao attending the annual CBBC (China-Britain Business Council) Chinese Burns Supper event, held at The Waldorf Astoria in Edinburgh on 24 January.

**Left:** Pictured at the Highlands and Islands Press Ball and Media Awards at the Kingsmills Hotel, Inverness on 1 February, are L-R: Peter Kane, Stacey Ma'Har, Hollie Ivy, and Ian and Karen Forsyth.

WORTH THE WAIT





**Above:** At the launch of TORR lager at College Bar, Aberdeen are, L-R: the brand's business development manager Philip Anderson, accountant Kirsty Edwards and brewer Neil Stirton.

**Right:** VIBES and Chivas Brothers staged an event at Dumbarton Football Club to mark the start of VIBES' 20th anniversary celebrations and to look at what those in the whisky industry are doing to support Scotland's sustainability. L-R: Ronald Daalmans (Chivas), Gillian Bruce (VIBES), John Fender (Chivas) and Terry A'Hearn (SEPA).

**Below:** French Duncan LLP hosted a table at the recent fundraising Dinner for Doddie event at the National Museum of Scotland. Doddie is Doddie Weir, the former Scottish rugby international who was diagnosed with Motor Neurone Disease. His foundation is raising money for research into the disease.



**GLENGOYNE.COM**  
TAKE YOUR TIME, ENJOY YOUR DRAM RESPONSIBLY



# THE **TEN** MINUTE INTERVIEW

## Chris Harte

Chris Harte was recently appointed for a further three-year term as CEO of Edinburgh-based law firm Morton Fraser. The firm topped £20m in annual billings for the first time last year in what was its fifth consecutive year of growth. At a time of continuing consolidation in the legal sector, Harte has stressed his belief in the importance of Morton Fraser remaining as an independent firm.

**What five words would friends/colleagues use to describe you?**

Enthusiastic, straight-talking, fair, curious, loyal.

**If you could choose anyone, who would be your fantasy board members and why?**

Herb Kelleher (of Southwest Airlines fame) – he understood better than anyone that if you want to look after your clients and customers well, you need to start by treating your own people properly. Any other approach is just not sustainable. Warren Buffett – the best example there is of how patiently doing the right thing over the longer term will always trump fashions and fads. Rory Sutherland – vice chair of Ogilvy UK – from his columns and TED talks he appears to be a man capable of providing a leftfield take on just about any topic, thus avoiding the risk of group-think.

**If you could choose anyone, who would be your fantasy dinner party guests and why?**

Billy Connolly – the world's greatest (and funniest) storyteller. Aretha Franklin – provided she promised to sing at some point. Alex Ferguson – because there's no Scottish football fan who wouldn't want to spend a night picking his brains. Arthur Miller – wrote some of the greatest drama of the 20th century, faced down McCarthyism and married Marilyn Monroe – what a life he had.

**What is your favourite way to unwind during time off?**

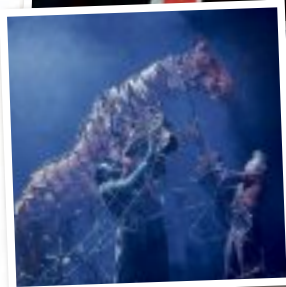
I love having a walk on Portobello beach or to the summit of Arthur's Seat with my wife and our dogs – simple pleasures and all that.

**What is the best advice you've ever been given or what advice would you give to the next generation of business leaders?**

Be clear on what your values are and make sure they inform how you deal with others and the decisions you make – life really is too short to take any other approach.

**What was the last film/concert/entertainment event you attended?**

We had a family night out to see the stage version of War Horse at the Clyde Auditorium last month.



Top: Warren Buffett is on Chris's fantasy dinner party guest list

Above: Attending War Horse was the last family night out

Below: Edinburgh is his favourite place in Scotland, particularly during the Fringe



**What was the first concert you attended?**

My first "proper" concert was going as a 16-year-old to see The Silencers at what used to be the Venue on Calton Road Edinburgh.

**What is your earliest childhood memory?**

My first visit to Santa's Grotto at Goldberg's in Glasgow.

**What is your most embarrassing moment?**

I was once attending a black-tie dinner in London and only realised on getting ready in my hotel room that I had forgotten to pack my kilt socks - turning up in my kilt and everyday socks made for a curious sight...

**Who would play you in the film of your life?**

I was going to say Gerard Butler as he and I were trainee solicitors together at Morton Fraser – but my wife pointed out that he's far too good looking for the role!

**What is your signature dish to cook?**

Weekend brunch is my favourite thing to cook – chorizo with eggs and chillies on sourdough is a current favourite.

**If you could choose your last meal on earth what would it be?**

No point experimenting when it comes to your last meal – rib-eye steak and chips with a fine Rioja.

**What is your favourite place in Scotland?**

Edinburgh during the Fringe – forget all this "it's too busy" stuff – all human life is there and the bars are open until 5am - what's not to like? ■

# Grow with us in Scotland

As the transatlantic law firm close to home, we offer our clients in Scotland legal expertise on a transatlantic scale, with a local offering and bespoke client service. And we're growing.

With a reputation in Financial Institutions, Real Estate, Renewables and Retail, our Edinburgh team is key to the firm's capabilities.

Join us and play a leading role in Womble Bond Dickinson's growth strategy in Scotland, and beyond.



To find out more, please contact

**John Ralph**

Partner and Office Head

E: [john.ralph@wbd-uk.com](mailto:john.ralph@wbd-uk.com)

T: +44 (0)345 415 0000



**WOMBLE  
BOND  
DICKINSON**



**I connect enterprises in the cloud.  
My communications and collaboration  
solution powers our innovation.**

Box knows workflows are moving faster than ever before, with professionals collaborating at a pace of incredible productivity. This realisation not only inspires their cloud-based enterprise content management solution, it also inspires Box to work with a trusted communications and collaboration solutions partner, also born in the cloud. RingCentral empowers today's mobile and distributed workforces to be connected anywhere and on any device. With an open platform that integrates with today's leading business apps, RingCentral gives customers the flexibility to customise their own workflows. Knowledge is power, and organisations that connect effortlessly will share the brilliant ideas that build the innovations of tomorrow.

**PAUL CHAPMAN**  
Chief Information Officer, **box**

[ringcentral.co.uk](http://ringcentral.co.uk)