

profitability has a compound annual growth rate (CAGR) greater than 40 per cent. "We don't run the company purely to achieve a high EBITDA because we don't need to. Private equity investors would love to buy us but I tell them that that wouldn't be our model. This puts us in a comfortable position but there is more we can do.

"There are limitations to what acquisitions we will make because we don't want to dilute shareholding of the Employee Benefit Trust below a majority. There are lots of opportunities out there for geographical expansion, product extensions. There's a lot of family businesses with a natural cycle, and owners potentially looking to exit as they near retirement. I have a couple of potential acquisitions on the boil which may or may not happen. I wouldn't say they will transform us into four times the size we are but we don't have to."

## HUDSON CONTRACT

**Bridlington**

**T/O £1.1bn, Profit £10.4m**

■ There can't be many companies out there with £1bn revenues, £10m profit and just 38 staff. But there is one over on the east coast, and most people probably wouldn't know the first thing about it.

Hudson Contract was started by David Jackson in 1996 in response to Inland

Revenue threats to construction businesses which got the employment status of their operatives wrong.

Having had a fight himself with HMRC in the early days of the company which saw it lose 85 per cent of 272 customers on its books, Hudson went on to hit revenues of £12.5m in 2005 and by 2012 that stood at £415m. Today it looks after 2,000 construction companies.

The business ensures that construction companies have the correct employment status of sub-contractors enshrined in a contract so the risk of HMRC penalties is avoided. It also processes payroll instructions and deals with tax deductions under the Construction Industry Scheme.



David Jackson, Hudson Contract

Asked what was key to the phenomenal growth in customer numbers, Jackson says: "I think it was understanding what our market needs. The take-up is still quite encouraging. There is a bigger sector of the market which could use our services even though we are the market leader. We are in a field of 50 or 60 other providers but our position is one of case law. It's case law that defines the genuine legality and standing of what we offer."

Longevity and the association with a London QC helps the business no end. A boom in the building sector since the recession has also helped.

In the last few years it has developed a comprehensive approach to analysing workplace circumstances that confirm an employer-employee relationship or conversely an absence of one. It has begun applying that to freelancers in other business sectors. Last month it launched a new company Hudson Freelance to enable firms to engage self-employed consultants, professionals and technicians without the financial fear and administrative burdens of IR35 reforms.

And on a personal level, as he hits 65 in January, will he still have the same appetite for business? The owner says he has no role in the business. "I do two things as a personal undertaking to the staff. I look

Median (typical) turnover 2019: £74.7m

Median (typical) turnover 2018: £68.6m

### TOP 500 COMPANIES: LOCATIONS

#### AUTHORITY

Leeds	21.8%
North Yorkshire County	12.6%
Sheffield	8.0%
East Riding of Yorkshire	7.8%
Bradford	7.8%
Kirklees	6.6%
Wakefield	5.6%
Kingston upon Hull	5.2%
North East Lincolnshire	4.2%
Doncaster	3.8%
Calderdale	3.8%
Rotherham	3.6%
North Lincolnshire	3.4%
Barnsley	3.2%
York	2.6%

### TOP 500 COMPANIES: PROFIT MARGIN

#### COMPANY

#### PROFIT MARGIN

1 HARWORTH	78.0%
2 HPI	74.1%
3 CORPORATE TRAVEL MANAGEMENT	61.1%
4 KINETIC WORLDWIDE	58.2%
5 HBOS INVESTMENT FUND MANAGERS	51.4%
6 SCIENTIFIC GAMES INTERNATIONAL	50.7%
7 JELD-WEN UK	44.0%
8 PURE RETIREMENT	41.2%
9 WALKER MORRIS	40.2%
10 WILKIN CHAPMAN	40.0%
11 BROADLAND PROPERTIES	39.3%
12 DECHRA	37.5%
13 DEEP SEA ELECTRONICS	33.8%
14 TPPH (LEEDS)	31.1%
15 ANCON	30.8%
16 HESTVIEW	30.6%
17 NORTHERN GAS NETWORKS	29.6%
18 PERSIMMON	29.2%
19 EMOVIS OPERATIONS LEEDS	27.8%
20 TAURUS 3 (T/A Tangerine Confectionery)	27.7%

at the numbers and know whether things are right. The other that I am concerned with is the brand. What does it say to people outside of these walls? What do we look like, sound like, what can we explain differently? Ours is a service business so how we describe ourselves, what we say in marketing literature, what we say about the industry, what we can say about clients, what we can ask about them, what they can ask of us, the manner of which we answer, all matters."

And considering the occasional tension with HMRC what does he think they would say about Hudson Contract? "They would probably refuse to comment. But in dialogue with them, which we have when either of us has a query, they would only say that we are a bloody good tax collector for them, never pay late, always pay in full and our compliance record is second to none. If we exist in steering a course of our making through tax law you can bet your bottom dollar that we are better able to steer that course by meeting every single obligation and dotting every 'i' and crossing every 't'. Play by the rules, pay your tax, pay it on time and to the penny. Then go to sleep at night without any worries."

## SWIFT GROUP

Cottingham

T/O £273m, Profit £14.5m

■ Better balance between products and territories is the priority for caravan, leisure home and motor home maker Swift's managing director James Turner.

Earlier this year, Turner who was part of the management team which completed the purchase of the business in 2018, said Swift was facing a 'tough trading environment'. It also had to make some redundancies.

Such measures were unusual in what had been a brilliant trading business, but they were understandable in a consumer market with ebbing confidence.

Turner says: "People are holding back on bigger non-essential parts of their expenditure. We are selling a luxury item that's a discretionary purchase. It's a challenging market at the moment.

"We have grown in the last number of years from sub £200m to sub £300m now. We have a vision to take it on and do more again. While the focus of the last five to seven years have been honing our product ranges and becoming a single brand and

sorting manufacturing processes, the view is to grow that further. One of the necessities for that will be to bring more balance to the organisation in terms of the proportion of business that we do in each of the product streams and make the home-to-export ratio more even."

Swift, which was founded by Ken Smith back in 1964, is at the epicentre of the caravan and holiday home-making business in East Yorkshire along with fellow companies such as Willerby and ABI. But it is the UK's largest manufacturer of touring caravans, motorhomes and holiday homes.

Across all its ranges, Swift manufactures

Challenges include Brexit and consumer spending. Turner believes the flow of materials will recover. But he has concerns on how the imposition of tariffs on imported materials will impact retail selling prices and the consequential knock-on effect this will have in retail activity in the medium term.

And in terms of motorhomes what for the future of petrol and diesel engines amid emissions reductions? "This brings to the fore new power plant technologies for vehicles which inevitably present some longer term challenges for our industry, in for example the ability of cars to tow or the



Swift Group makes 61 different caravan models

61 different caravan models, 55 motorhome models and 37 holiday homes for the UK market.

Eight per cent of its products go overseas and it has seen good growth abroad again this year. Foreign sales will be a focus going forward. Swift has developed well in Sweden. It has a presence in Holland, is popular in Belgium and sells small amounts into Germany. It also has markets in South Korea and into New Zealand.

A concerted effort has been made on upgrading manufacturing processes. Turner says: "What singles us out is the integrity of the engineering. We changed the way we constructed all of our vehicles about five years ago. We have made some fairly significant changes in a relatively short period of time. To do that we have had to invest significantly in tooling and capital equipment. All of our products come with a minimum standard of specification and we give a good warranty."

impact on battery life. As with all things there will be a natural levelling in what is achieved and I expect we will rise to meet the challenge."

## PLUSNET

Sheffield

T/O £369m, Profit £50m

■ The market for internet service providers is hugely competitive in the UK and having "a call centre down t'road" and "good honest broadband from Yorkshire" served Plusnet well.

While it might have toned down those traditionally Yorkshire characteristics to demonstrate that it works on a national scale, the commitments to simple honest contracts, plain-talking customer service and great value remain the same.

Nick Silverwood joined the company as part of the call centre team in 1999, when the business was only 40 people strong. Now head of business, he works