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## Helensburgh Toyota Dealership Sold to Employees

Long serving Scottish motor dealer, **Helensburgh Toyota** is set to start a “new journey” under staff ownership after being sold to a trust formed by its 34 employees.

The independent dealer that has held the Toyota franchise for over 45 years is recognised as one of the franchise’s top performers for customer care in the UK, regularly appearing in the Top 5 ranking of dealers, as well as winning two European Ichiban awards for customer service too.

The business was jointly owned by Gary Mulvaney and Ernie Cowan and they will remain in their current roles until March 2024 as part of the handover process of the £16 million turnover business – located at two sites in Helensburgh – to the newly-formed

Helensburgh Automotive Employee Trust operation. The company recently completed a £500,000 refurbishment of its service workshop as it continues to invest in the future. The business’s new leadership team will comprise an experienced team with Centre Principal Tim Roome, Kirsteen McGuire General Sales Manager, Used Vehicle Manager Gavin Wilson, Finance Manager Jane Victor, Scott Brown, Service Manager and Parts Manager Euan McIntosh.

Managing Director Gary Mulvaney who joined the company in 1997 said: *“It’s a very exciting time for the company with lots of opportunities ahead. Toyota has been a global leader in hybrid technology*

(Continued)

## Employee Ownership Learning Event

Wednesday  
17th April 2024.  
10am - 4pm

See [page 9](#) for more  
info.

*for over a quarter of century and is developing a range of electric and hydrogen vehicles to give our customers a genuine choice for the future. We are proud to continue to represent this trusted brand.*

*“People have always been at the heart of what we do, whether that is staff, customers or the community”*

*“This felt like a natural transition as the business will remain in the hands of those local staff who have made it what it is. Our customers value the service, the personal attention and the*

*familiar trusted face when they walk in and that will remain.”*

Director Ernie Cowan who joined in January 1978 said: *“It’s been an honour to help this business grow and thrive, but the time is right for the next generation to take things forward.”*

Helensburgh Toyota is believed to be the first Scottish car dealership to make the move to implement an Employee Ownership Trust. The transaction was supported by employee ownership specialists Ownership Associates with legal advice provided by Bellwether Green.

## Payouts agreed for Roadchef employees

Many of those who have attended Trustee training events will be familiar with the sad story of employee ownership at Roadchef. In a nutshell, the company’s majority shareholder, Patrick Gee, had the vision of sharing ownership with the employees. Sadly, Patrick died at the age of 43 before his vision was realised. In 1991, 35% of the equity was in a Trust for the employees. In 1995, the CEO transferred 20m shares to a second Trust, for the benefit of only the senior executives in the company and granted himself share options. It is alleged that the CEO received £30m for these options when the company was then sold.

The Trustees of the first Trust pursued this through the courts in what became a long legal battle, complicated by HMRC raising concerns about tax treatment of the payments. A High Court judgement in 2014 found the payment to HMRC was not valid due to the former CEO’s misappropriation. The Trustees subsequently recovered compensation from HMRC and the former CEO, but were prevented from distributing this money to beneficiaries because HMRC were considering what taxes to charge the Trust and its beneficiaries. Taxes on money that HMRC should never have received in the first place.

The Times **reported on Christmas Eve** that judges had now ruled that trustees can begin distributing funds. The money will now be remitted to members or their relatives through staged payments in January. Approximatley 2000



Roadchef employees, former employees and estate of deceased employees will receive up to £13k each in compensation.

Since the sum they would receive was estimated at up to £90,000 by their union a decade ago, many will be left disappointed. Because of the time taken to resolve this, a significant number will have passed away without receiving what they were due.

**Esop Centre** founder, Malcolm Hurlston, who has followed the saga since trades union leader David Basnett first raised the possibility with Co-operative Bank boss Lord Thomas, believes there are many more questions to be answered. He says, *“Had it not been for the grit and determination of a few campaigners, this sorry situation would have been swept over. I will look at getting the matter raised in UK Parliament and hope to speak to some of the beneficiaries. The Esop centre has been campaigning for justice for the Roadchef beneficiaries for a long time and my own belief is that justice is not being served.”*

# OAUK News

2024 has got off to a rip-roaring start with some completions already and several companies in the pipeline targeted to complete end of this month and next. 2024 is shaping up to be the best year yet in terms of growth. News to follow shortly!

How wonderful to see the report from Cwmpas that the EOT (Employee Ownership Trust) has really taken off in Wales. You can see the figures on [Page 7](#) Employee Ownership Wales serves the same role as Co-operative Development Scotland and both show the devolved governments' commitment to the employee ownership sector. By offering a range of awareness and education events, as well as direct support for companies looking to explore the suitability of employee ownership, these two bodies contribute significantly to growing and supporting employee ownership.

Of course, it's the Westminster government we have to thank for the EOT legislation which was indeed the game changer in the UK, and is now being emulated across the world. We're expecting the reports of the recent consultations any week now. There were two consultations issued : one on encouraging more employee share ownership and the second on indirect ownership via a Trust. There was a concern that the outcomes might be negative, but a collective sigh of relief could almost be heard across the nation when the language of the consultations was very much about encouraging growth of both direct and indirect employee ownership and perhaps tightening some of the legislation to ensure both were being used for the appropriate purpose. We'll see!

I've been getting lots of requests for Trustee Training. The Trustee role is likely to be the most misunderstood within the employee-owned company which often puts employee trustees in a difficult position. We did used to run 2 day workshops which were very popular. Then we had lockdown and we moved to the 2 hour virtual sessions. These sessions got over the key points but weren't particularly effective at sharing knowledge and experiences. So, we're running a one day session aimed particularly at Trustees. This will take place in Glasgow on Wednesday April 17th. See [Page 9](#) for more info.



Numbers have to be limited so get in quick if you want to book a place.

If you want to see employee ownership in action there's no better way to do that than attend the Learning Journey organised by CDS at the end of this month. This will be an action packed two days visiting and hearing from employee owned businesses in Renfrewshire and Lanarkshire. Completely free to attend and there will be a dinner in the evening with the inspirational Dave Routledge, who will talk about his experiences of employee ownership across three companies; eaga, Gripple and WCF. To find out more turn to [Page 6](#).

The popular Masterclasses are also a good way to hear how other businesses approach employee ownership. The last of the session featuring speakers from Shuttle Buses and Alternative Systems Protection with employee ownership specialist Ralph Leishman. [Click here](#) to register for the event on 22nd February.

Finally, looks like the beneficiaries of the Roadchef Employee Trust are finally going to get some cash. This case demonstrates the importance of putting in the right structure, having people in position who understand what employee ownership is about, and what their own duties and responsibilities are. There can also be some criticism levelled at HMRC, who prevaricated for a ridiculously long time on the tax treatment of the payout meaning the beneficiaries had even longer to wait.

We're now in a better place, with more understanding and support available for both companies and employee owners in putting the right structures in place, and making sure these structures work as intended, for the employees.

Hope to be bringing you news of some more new entrants to our employee-owned community in the March issue. Until then, take care!

- Carole  
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 01786 611066



## Livingston James continue to expand

**LIVINGSTON James**, the Glasgow-based recruitment company, has put building blocks in place to drive further expansion as it marked its first year under employee ownership.

The firm has unveiled several internal promotions and a range of new hires as it looks to capitalise on a strong end to 2023, and anticipates market conditions to rebound strongly in the second half of the year.

The personnel boost has been funded by the firm's performance in 2023, which saw it report net fee income of around £4 million on turnover in the region of £6m.

Livingston James became the first recruitment specialist in Scotland to move into staff hands in February last year, when the equity of the business, including sister firm Rutherford Cross, was placed into an employee ownership trust.

Chief executive Jamie Livingston, who formed the company with Andy Rogerson in 2010, prior to buying out his co-founder in 2019, remains chief executive.

He told *The Herald*: *"The profit has enabled investment in new hires and talent we are confident will help drive sustainable growth in 2024 and beyond."*

Mr Livingston said the already-strong culture of the organisation has "reached another level" following the switch to employee ownership. And the firm has underlined the confidence in its growth potential by augmenting its ranks and

making some key internal promotions, with plans to add even more staff later this year.

The firm, which now has a headcount of 26, has revealed that Mark Lewis, managing director of finance recruitment specialist Rutherford Cross, has stepped up to become group chief operations officer, while Sophie Randles, director of Livingston James, has moved into the group commercial director role. This is in addition to her focus on private equity, renewables, and professional services.

In other internal moves, director Ali Shaw has taken on P&L and team leadership roles at Livingston James, with Francesca Christophersen assuming head of operations duties for the group. Rachel Sim and Harry Thomson have moved into new roles focusing on key technology appointments and research support.

Changes at Rutherford Cross have seen director Hazel Wynn add professional services and specialist finance to her portfolio, meaning she now leads all of the permanent recruitment teams in Scotland. Will Dodds has been promoted to manager and now leads Rutherford Cross in Edinburgh and the east, while Jonny Donnelly has been similarly elevated and now leads the team in Glasgow and the west. Harry Young is now a manager and is tasked with developing business in new territories in Scotland.

The internal promotions have been accompanied by a raft of new hires, with Fraser

(Continued)

Burnett, Euan Bodie, Ally Deas, Claudia Prat and Noortje Teeuwen joining Rutherford Cross, and Rachael Birkett and Fern Robertson arriving to support the group at its offices in Edinburgh and Glasgow.

The changes follow a fruitful year for the company in 2023, during which it was responsible for more than 330 hires – more than 70% of which were for permanent roles. Over 50 new clients were added to the roster and the company said it remains on track to achieve growth of 10% year-on-year.

Private equity, technology, and the family business sectors have been identified as areas of growth in 2024, with the firm also expected to be busy hiring for accountancy and senior professional roles.

Mr Livingston said the move into employee ownership means that all staff now have a stake in the firm's prosperity, meaning that everyone on the team has taken on a "greater level of responsibility" for its success.

He told The Herald: *"It's been an evolution rather than a revolution. We already had a strong, positive, and constructive workplace culture, and employee ownership has enabled that to reach another level. Addressing the practical challenges of implementing employee ownership has provided insight that has led to positive changes, not least in how we seek and receive external feedback, which in turn has helped us*

*refine and improve our service. There is also greater empowerment and accountability across the group, and this round of promotions reflects that."*

Mr Livingston added: *"There is a greater awareness of the importance of both top and bottom line across the business, and that's enabled us to navigate market headwinds. There was a tangible sense of 'we're all in this together' as the market tightened in the final quarter of last year, and we responded with record performance in December. I'm not sure that would've happened without employee ownership."*

Asked to sum up current conditions in the recruitment market, Mr Livingston noted: *"The market tightened in the second half of 2023, but a significant uptick in demand in December has continued into January driving a strong start to this calendar year. We have identified that hiring and on-boarding processes are taking longer than normal, prompted by a nervousness on both sides of the fence – client and candidate.*

*"However, we know that organisations have significant investment available, and most are waiting for the bottom of the market. Consequently, things will bounce back quickly and strongly when it turns. We expect that to happen in the second half of 2024 and some of the savvier firms have already begun to hire strategically now to avoid the rush later in the year. Those that follow suit will achieve the same."*

## Gregor takes over Falkirk base for Your Equipment Solutions

**YES Hire** are delighted to announce the promotion of Gregor Mabbott to Branch Director of YES Hire in Falkirk.

Gregor joined the company 7 years ago as Sales Executive and has advanced through the business progressively.

Gregor has played a pivotal role in the continued expansion of the business and in particular the opening of the company's second depot in Dundee and the recent move to Employee Ownership.

Gregor has a wealth of experience and being a local lad also understands and believes



in our commitment to supporting the local community where possible. The entire YES Hire team are excited about his new role and the further expansion of the business.

# Employee Ownership Learning Journey

## 2-Day Employee Ownership Learning Journey to Renfrewshire and Lanarkshire, 28-29 February 2024

Co-operative Development Scotland (CDS) is hosting a free learning journey to employee-owned companies in Renfrewshire and Lanarkshire to showcase examples of effective employee ownership in successful, growing businesses. These companies will share their learning and experience giving helpful pointers of what has worked and what hasn't in their employee ownership journey.

During this 2-day trip you will meet the UK's largest guitar retailer **guitarguitar**, world leading innovative coating solutions specialist **Chemco International**, recruitment agency **Allstaff**, industrial machinery manufacturer **Stewart-Buchanan Gauges**, foundry and forging engineering experts **Clansman Dynamics**, and animal feed manufacturer **Galloway and MacLeod**. On the evening of 28 February, CDS will host a dinner with guest speaker **Dave Routledge**, a senior executive who has been involved with employee-owned businesses since 1999 including eaga Partnership Gripple and WCF.

Attend this learning journey to:

- increase your knowledge and awareness of what successful employee ownership looks like in practice
- share knowledge and ideas to benefit you and your business, or clients you may be advising
- build relationships with others in the employee ownership sector

This trip is open to:

Scottish business owners considering employee ownership, leaders and employee owners within Scottish employee-owned businesses, advisers including lawyers, accountants, bankers, business advisers etc. with an interest in employee ownership. There will be a maximum of 30 participants. Visit our [Eventbrite page](#) to book a place. Once you have booked your place on the learning journey, you will receive a confirmation email asking if you require coach travel, hotel accommodation etc.

# Employee Ownership Learning Journey



Renfrewshire & Lanarkshire  
28-29 February 2024

## Programme

### Wednesday 28 February 2024

Meet and introductions at Alona Hotel, Strathclyde Country Park, Motherwell

Travel\* to Linwood to visit guitarguitar

Travel to Coatbridge to visit Chemco International  
Presentation from AllStaff

Travel to Alona Hotel for Day 1 reflections and discussion

Private Dinner in Alona Hotel with guest speaker Dave Routledge

Overnight stay at Alona Hotel

### Thursday 29 February 2024

Employee Ownership Culture Workshop at Alona Hotel

Travel to Kilsyth to visit Stewart-Buchanan Gauges

Travel to East Kilbride to visit Clansman Dynamics

Travel to Stonehouse to visit Galloway & MacLeod

Travel to Alona Hotel for presentations from

Clansman Dynamics and Galloway and MacLeod  
Day 2 reflections and evaluation

Travel home

*\*We will provide coach travel from the Alona Hotel, Strathclyde Country Park, Motherwell for participants, or you can arrange your own travel at your own cost.*

# Richard Leonard MSP visits YES Hire

Richard Leonard MSP is considering putting forward a bill in the Scottish Parliament to promote and encourage employee ownership.

In advance of producing a consultation on this he is keen to engage with a number of different companies. **Your Equipment Solutions** were happy to welcome him to their Falkirk premises to see how the company managed the Employee Ownership Transaction and the benefits it has brought.

Following his visit, Richard wrote an opinion piece for the Falkirk Herald, in which he said, *“Too much emphasis in the current Scottish government’s economic outlook is on attracting investment from overseas. The result is that more and more of our economy, and so more of our jobs and livelihoods, rest in the hands of absentee directors in faraway boardrooms.*

*That’s why it was uplifting to meet up recently with the people who work for a local*



*plant hire company: Your Equipment Solutions, an employee-owned business.”*

Richard is looking to give employees the legal right to have first refusal of buying the company they work for if it is being put up for sale or facing closure, like the Marcora Law in Italy.

Richard is a long term supporter of employee ownership, being one of the founder members of Employee Ownership Scotland back in the early 2000s.

# Wales sees surge in employee ownership

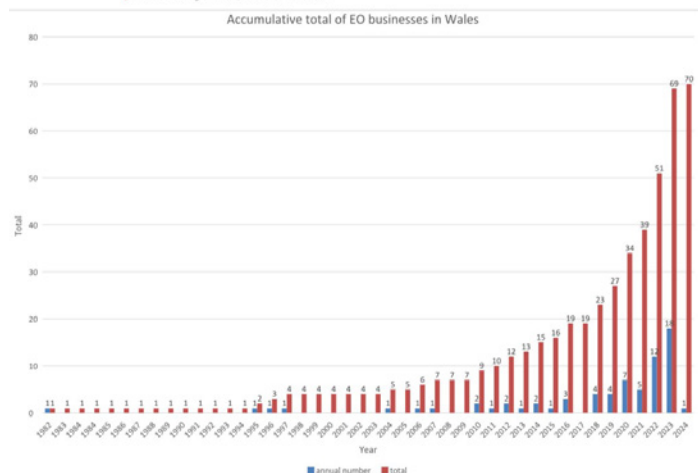
**Cwmpas**, formerly known as the Wales Co-operative Centre, is reporting a significant increase in the number of employee owned businesses in Wales. There are now 70 companies owned by their employees, 43 of them having made the transition since 2020. This is great news for the Welsh economy.

**Employee Ownership Wales** provides fully-funded, bespoke consultancy support for companies looking to implement employee ownership. Nicola Mehegan is the Project Manager at Cwmpas leading on employee ownership. She says “I learnt so much from Scotland and it has helped us in Wales get to where we are today.”

The expectation is that the number will continue to grow as Cwmpas continue to raise awareness of employee ownership.



**Busnes Cymdeithasol Cymru**  
**Social Business Wales**  
/businesswales.gov.wales/socialbusinesswales



## Fresh-Jet open Orkney outlet

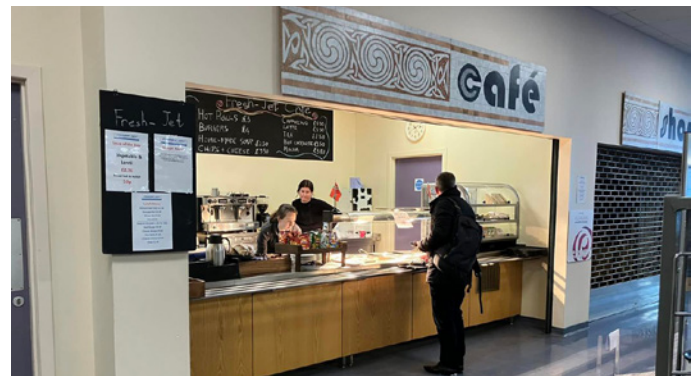
Nationwide airline catering business, **Fresh-Jet**, have expanded into Kirkwall Airport taking over the airport catering. Response from customers, passengers and airline crew and airport staff has been very positive. There are plans to offer bar facilities shortly.

Managing Director, John Hume said, *“Congratulations to our Fresh-jet management team and staff on a very busy first day of trading at Kirkwall Airport in our newly opened cafe. After opening our cafe in Kirkwall Airport, I can confirm Fresh-jet have signed a lease to operate the cafe at Stornoway Airport- this will give our friends at Loganair the reassurance we will be on hand to cater for Loganair passengers, airport staff, cabin crew/ pilots and the surrounding community.”*

Loganair’s outgoing Chief Executive, Jonathan Hinkles, said, *“We’re delighted to see this, and I’m so pleased that FreshJet - with whom we have a fantastic working relationship - is at the heart of this progress in one of Loganair’s most important destinations.”*



John Hume



Fresh-Jet has been in employee ownership since and performance has soared. Staff were recently rewarded with a bonus reflecting 7% of salary. Staff numbers have grown and the company has picked up a number of new clients, including catering for the flights to visit Santa in Lapland!

## Eòlas now in employee ownership

**Eòlas Architects** celebrated their 13th birthday by becoming an Employee Ownership Trust. Formerly known as Fearn Macpherson, the award-winning architecture and design studio has bases in Glasgow and Aberfeldy.

The practice made several changes to mark the change in ownership. John Dewar has been appointed to the role of Managing Director. John has been with the practice for 13 years.

**John** has agreed to become managing director. Oliver Hardiman has been also been appointed to the Board of Directors. Andy McDonagh has been elected by his colleagues as the Employee Trustee Director. Founder Rob MacPherson remains on the Board and is a Trustee Director.

The practice explained what the motivation was for the move to employee ownership;



*“We are doing this so that the company is owned by the employees, to reward them for their loyalty and hard work, for their benefit and to provide continuity for our clients. The company will be more co-operative, resilient and will follow a similar model to many other companies which are EOTs.”*

Employee ownership specialist, Ralph Leishman, advised the practice on their transition. He says, *“It’s great to see another professional firm bringing its employees in as joint owners to safeguard its long-term future.”*



# Employee Ownership Learning Event

Wednesday 17th April 2024. 10am - 4pm

What is employee ownership?  
 Role of the Trust in the employee-owned company  
 Trustee duties and responsibilities  
 How to assess company performance  
 How to be an effective Trustee

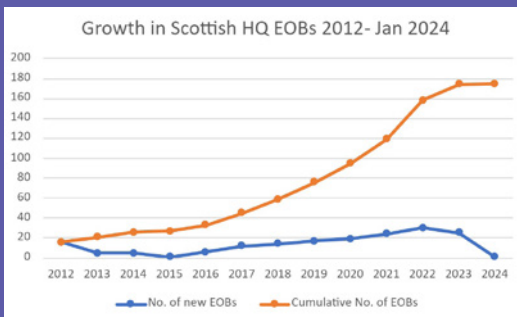
Novotel Glasgow Centre  
 Spaces Limited

**£149 + VAT per delegate.**

To register for this event, please email me at  
[carole@ownershipassociates.co.uk](mailto:carole@ownershipassociates.co.uk)

**OR CLICK HERE**

## Employee Ownership in Scotland



**OA** Ownership Associates UK  
 let's make it happen

