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Employee Ownership Learning Event

Wednesday 17th April
2024. 10am - 4pm

Only 2 places
remaining.

See [page 15](#) for more
info.



EDC engineers future into employee ownership

Successful drives and motors specialists, **EDC Integrated Ltd**, is now an employee-owned business. The three EDC companies: EDC Scotland, EDC North East and EDC Air Compressors united to become EDC Integrated Ltd which is now 100% owned by an Employee Ownership Trust on behalf of the 47 employees. EDC Scotland and EDC North East supply, install and repair ABB variable speed drives and motors and conduct instrumentation calibration for a range of industries and blue-chip companies and is now in its 30th decade. The air compressor division was established in 2016 and, working in combination, the trio of companies provides an unparalleled and integrated service in variable speed drives, motors and air compressors.

"We decided to transition to an EOT to preserve the culture, drive and motivation which created the company and to work even more closely with our customers

& suppliers", said Nick Brown, Managing Director.

Added Nick: *"The EOT puts our people at the heart of the business. We see it as an opportunity to give our clients even better service. Who better to take the company into the future than the employees themselves and they should continue to share in its success".*

Nick will remain as Managing Director, reporting to the Trust.

The employees of EDC voted three directors to the board of the Trust: David Kerr and Amy Reilly from EDC Scotland and Matthew Hutton from EDC North East. David Kerr is our Technical Director and has been with EDC for 22 years whilst Amy Reilly is the company's Control & Protection Product Manager and has been an employee since 2017. Matthew Hutton is the EDC NE Office Manager and has been with the company 7 years.

(Continued)

Speaking about their election they said: *“This is a fantastic move by the shareholders. They are demonstrating tremendous faith in the employees and it’s up to us to continue their success. We have the most brilliant team at EDC and we’re sure we speak for everyone when we say we’re up for the challenge.”*

The transaction completed on 26th March 2024. Financial Director, Simon Hood, led the transaction on behalf of the company. He says, *“Once we had decided this was the route we wanted to pursue, we spent some time exploring who we would select as advisors to support the transaction. We spoke to other employee-owned firms and gained much from their experience. We then interviewed several advisory companies, some based on recommendation. One observation is that the costs quoted were widely variable. I believe we could not have done better than the advisers that we finally chose. We had confidence in the advice given and the transaction was not only smooth but actually quite enjoyable. I think we also received good value for money.”*

The staff were informed of the plans as soon as the shareholders decided this was the



way forward. John Guthrie, General Manager of EDC North East said, *“I’m so proud to be part of the EDC team. Our move to Employee Ownership Trust means ALL employees will benefit from our success. A big thank you to all our staff and our valued customers who have supported us along the way!”*

RoSPA hat trick for Chemco

Chemco International has fought off global competition to win a third consecutive RoSPA Gold Award, demonstrating its commitment to health and safety excellence.

The esteemed RoSPA Awards program now celebrates its 68th year as the UK’s largest and most impactful health and safety programme. With almost 2,000 entries annually from over 50 countries, impacting over seven million employees, they offer a platform to spotlight an unwavering commitment to continuous improvement and excellence in health and safety.

The RoSPA Awards provide an unparalleled opportunity to stand among leaders shaping safer, healthier workplaces.

Julia Small, RoSPA’s Achievements Director, said: *“Workplace accidents don’t just pose financial risks and operational disruptions; they*



significantly impact the quality of life for individuals. This is why acknowledging and rewarding excellent safety performance is vital.

“We congratulate Chemco International Ltd. for winning a third prestigious RoSPA Gold Award and showing an unwavering commitment to keeping employee owners safe from accidental harm and injury.”

OAUK News

As you'll see from this issue, it's been a very busy time for new companies joining the Scottish employee-owned community. It's been a real joy working with these businesses, and the enthusiasm with which the employees in each company have embraced the new structure has been incredible. I must say, I was particularly impressed with the EDC tee-shirts that all the employees wore on the day of transaction completion. Each one proclaimed "Owner", except for the founders Sean and Nick who had "Previous Owner" on theirs. An original touch! Companies celebrate their move to employee ownership in different ways and EDC is certainly different!

It was interesting to explore the recent growth of employee owned companies in Scotland. I have never been convinced about the 500 by 2030 target. Yes, it's good to be ambitious but should it be a numbers game? Should the focus be on quality as well as quantity? There is help available for transition but not much for companies seeking any ongoing support post-transaction. I am contacted regularly by employee-owned companies having issues with banks who make it so difficult for an EOT to open a bank account (although well done to KCI who managed it very quickly!) and there is the tortuous anti money laundering procedures to overcome where financial institutions just don't understand how a non trading trust can be a majority shareholder of a trading company.

The success of the recent Learning Journey organised by CDS suggests that there is a real appetite to have a more organised employee-owned community in Scotland where there would be channels to communicate and share knowledge and experience. This might be the means to provide that support – peer to peer rather than relying on CDS.

That informal support does happen but it is more by chance than design. It was great to hear that employee-owned Livingston James is supporting employee-owned Mediascape with a senior hire. Wouldn't it be great if there was a platform for employee-owned firms to collaborate



and support each other? One of the Learning Journey attendees plans to set up a network for leaders in employee-owned businesses. Get in touch if you're interested in finding out more.

The Trustee Training on the 17th April was at capacity but sadly two employee owners have had to call off for unavoidable reasons. This frees up two spaces if there is anyone who wants to attend. It's always good to bring employee-owners together and to be able to do this at an in person event rather than virtual is even better! We're just putting the final touches to the programme for the day – so much to pack in!

There has been so much news that this newsletter is a bumper edition. The newsletter started off during lockdown as a way to keep communication open amongst employee-owned companies. The initial copies reached just over 100 people. It is hard to believe we're now approaching our 50th edition and regularly fill 10 – 12 pages and it's regularly picked up by over 500 readers! I'd really appreciate any suggestions or feedback. What kind of content would you find of interest and are there any topics you would find useful to cover? Do drop me an email.

Thanks again for all your news for this edition. If you have a story to include in the next newsletter, email carole@ownershipassociates.co.uk

- Carole
01786 611066



KCI Team

Aberdeen oil and gas specialists transfer to employee ownership

In a significant step to guarantee collective success for employees and the company, Aberdeen-headquartered, engineered leak sealing solution specialist **Kinetics Controls and Innovation Ltd** (KCI) has transferred the entire shareholding to an Employee Ownership Trust (EOT). KCI is a global provider of fully engineered leak-sealing solutions to re-establish well integrity.

The company has been operating since 2002 and delivers exceptional customer service and accountability via a highly skilled and experienced engineering team that includes industry specialists who are there for the project at every step. Innovation in KCI's business comes from employing its engineering expertise to support complex problems that may be difficult to resolve with conventional methods or technologies.

As the founder, CEO and previous owner, Roy MacKenzie considered moving towards retirement, he was keen to ensure a strategy and plan was in place to safeguard the future of the company and its valued employees.

Through transfer to an EOT, the business will continue to operate following the company's established shared vision and values, delivering the same level of success and quality that customers have come to expect from KCI.

Kevin Watt, KCI's Managing Director, commented on the transfer and its impact on the company's future: *"This transition marks a significant milestone in our company's journey and reflects our commitment to our employees and the long-term success of our business.*

Through this transfer of shareholding, we can empower our team to continue to deliver the same quality our customers have always received when working with KCI while reinforcing a desire for the company's continued success."

"At the heart of this decision is our dedication to protect our employees and commitment to continuously meeting and exceeding our customers' expectations. A business structure designed to promote collective responsibility will also benefit our customers. A more collaborative workforce provides a strong focus on delivering quality services, motivating employees to deliver for our customers. Thank you to our advisors, TLT, JCCA, and Ownership Associates UK, for supporting us in successfully transitioning. This is such an exciting landmark in KCI's journey, and we are confident it will lead the company from strength to strength."



Kevin Watt, KCI Managing Director & Graham Steele, KCI Engineering Director

Coefficient Empowers Employees, Becomes Scotland's Leading Employee-Owned NetSuite Partner



Coefficient, a leading Scottish Oracle NetSuite partner, is proud to announce their transition to an employee-owned company. This significant step underscores Coefficient's longstanding commitment to its team and a future built on shared success. The company operates from Hillington on the outskirts of Glasgow.

By placing ownership directly in the hands of its employees, Coefficient is creating a powerful environment that fuels innovation and exceptional client service. This dedicated team, now with a personal stake in the company's success, will be even more driven to deliver outstanding results for Coefficient's valued clients.

Coefficient's directors and co-founders, Paul Grant and Paul Tindal, see this transition as a natural evolution of the company's core values. "We've always believed in putting our people first," says Grant. "Employee ownership is a perfect fit for our vision. It empowers our team and allows them to share directly in the rewards of their hard work and dedication."

Luise Reid, an ERP consultant at Coefficient, echoes this sentiment. "This is an exciting time to be part of the Coefficient team," she says. "Knowing that we're all owners strengthens our sense of purpose and gives us even greater motivation to deliver exceptional service to our clients."

Coefficient is filled with enthusiasm for the future as an employee-owned company.

With a team that's deeply invested in the company's success and a long-standing commitment to people-centric values, Coefficient is poised to push boundaries and reach new heights.

"We're incredibly optimistic about what lies ahead," says Tindal. "Together, we're ready to take Coefficient to the next level, continuing to provide exceptional service and innovative solutions for our clients."

David Beveridge, Managing Director of Macdonald Henderson Ltd, who have supported Coefficient said "It has been Macdonald Henderson's privilege to have supported the company on corporate and commercial (legal) matters for a number of years, and to witness the growth of the business and its blue chip client base. We are delighted to have advised Coefficient and its dynamic leadership team on this exciting transaction, and wish the employees and all stakeholders every success for the future."

Also supporting Coefficient through the transition, John Blair, Corporate Finance Partner at Consilium said "We are delighted to have supported Coefficient on the transition to Employee Ownership and we look forward to seeing the business go from strength to strength. We are advising on an increasing number of similar transactions as owners start to see the tangible benefits of Employee Ownership."



**Microbiology Culture Media
Manufacturer embraces the
“Employee Ownership Trust” model
to further grow their trusted brand**

L-R: Judith Dawkins (Financial Director) Virginia Lucey (Managing Director) Eddie Scott (Quality Director)

Leading Scottish healthcare manufacturer, **E & O Laboratories Limited**, is the latest business to move to an Employee Ownership Trust. Founded in 1990 by Virginia Lucey, the company has built a well-respected brand recognised throughout the UK diagnostic sector and across 36 countries worldwide.

Headquartered in a beautiful rural location west of Bonnybridge, where the company first built its reputation for harvesting and selling donor animal blood to NHS bacteriology laboratories throughout the UK. Back in 1995, E&O diversified its products to include Ready-to-use Culture Media and built its first GMP cleanroom facility. Further investment followed as the “Team” grew and skill set widened.

With 70 employees and a turnover of 5.5M. Major investment followed in 2013, with a new facility in Cumbernauld and extending its farming activities into West Lothian. This new space allowed the team to plan and build/design a new state-of-the-art media manufacturing operation including extensive temperature-controlled warehouse & logistics hub.

In 2019 the company was faced with a huge decision after 80% of the microbiology product orders stopped overnight when the Covid-19 pandemic hit. Faced with furloughing staff and dwindling production, the company took a brave move to reinvent itself and focused on virology

reagents. New formulations, tubes, swabs, labelling, packaging, quality control testing and compliance criteria. Despite Covid restrictions, the company broke all previous sales records and helped to contribute to the global response of the worldwide pandemic. Running 3 shifts with 170 employees they achieved a record turnover.

Organic growth has always been E&O’s model, so post Covid expansion was back on track in the South of England. 2022 E&O invested in a new industrial unit in Reading. Following the installation of a cold room storage and warehousing equipment, this new “Southern distribution Hub” went live in the summer of 2023.

E&O is in a very stable financial position, having built a very strong brand within the Microbiology Diagnostic sector and is now looking forward to future UK and international growth.

Virginia Lucey says, “We have an experienced young diverse management team at the helm and a loyal workforce who all enjoy operating in a modern team environment. I felt it was time to hand over more leadership responsibility to the staff who will continue to build our strong brand. After careful consideration, it was decided that the option of transferring ownership to the employees using an Employee Ownership Trust would benefit each and every employee. I believe this is a very positive decision that will enhance the business

(Continued)

longevity, secure jobs for the future and ensure our culture remains progressive, modern, fair, and non-corporate.”

Virginia was introduced to the option of an EOT by her legal advisers Kerr Stirling. Partner, Alastair Barclay says, *“EOT was an obvious choice for Virginia. The company plays an important role as a local employer. The sale to an EOT allows the company to continue its success securing the future for many years to come. We at Kerr Stirling are proud to have played a small part.”*

Virginia Lucey has no plans to leave the business and will remain as Managing Director. She will take a position on the board of the Employee Ownership Trust alongside fellow Director Judith Dawkins (Financial Director) plus three employee Trustees. These are Dr Douglas Cameron (Technical Manager), Ann Turner (Administration Manager) and Alan Kelly (Operations Manager). Judith says *“We are a very diverse business, with a unique working environment/culture which has driven our success. Virginia has demonstrated great vision in taking this path. Employee ownership will allow us to continue to grow and innovate whilst securing local jobs”.*



L-R: Ann Turner (Administration Manager), Dr Douglas Cameron (Technical Manager), Alan Kelly (Operations Manager)



Recognition for Kilmac Apprentice

Huge congratulations to Callum Dalrymple of Kilmac who was placed in the final three for his category out of 500 nominations in this year's Scottish Apprenticeship Awards.





Shore Group celebrate 4th anniversary of employee ownership

Leith based medical device designer, **Shore** transitioned to EO in March 2020 to futureproof growth and maintain their strong team ethic and culture. Shore's Employee Trustee, Will Davies, reflects on the company's employee ownership journey:

Most will know of John Lewis as an employee-owned company; it's the largest in the UK. This type of ownership means that employees hold a significant stake in a company, either totally or substantially owning the business.

There's so no standard way of setting it up, the structure should be tailored to a company's ambitions. For Shore, it made sense to go down the most popular route; to create an Employee Ownership Trust. The Trust holds the majority of shares in the business on behalf of the employees, while our Managing Director and Founder, Nick, remains a significant shareholder.

Part of Nick's decision to adopt EO was for succession purposes, carefully planning his eventual exit from the business. He wanted a solution that would guarantee that Shore remained independent, retained the company's strong values and culture, and protected the employees. We are enormously grateful to Nick for entrusting us with the future of the company that he had so successfully built up.

What does employee ownership mean for employees? All employees have agreed that EO has been a good thing. Everyone has a stake in the future of the company, and we all share in its success.

Given that the pandemic hit just after the transition, some of the benefits may have been slightly overshadowed. However, we're seeing more tangible outcomes as we've established a consistent approach of hybrid working.

(Continued)

From a recent employee survey, it concluded that everyone feels more positively engaged with the company than they did in 2020. Some reported that they feel more of a sense of being part of a team, along with an increased interest in becoming a key member of that team and having a greater influence on the future direction of the company.

In a Q&A session with our independent trustee, Alistair Gibb, employees could ask anything that they might not understand and follow up on any outstanding actions from the survey. It was very encouraging to hear Alistair compliment Shore on how successful our transition to EO had been.

What does employee ownership mean for customers? We're passionate about improving the lives of patients, who are our clients' ultimate customers. We always strive to achieve the best possible outcomes and aim to exceed expectations. Clients work extremely closely with our experienced team – with most communicating daily on projects. Our long-standing partnerships with clients are something we're very proud of.

All of this is what Nick wanted to preserve in Shore's future.

The fact that employees now feel that they have an increased stake in the company means that the way we work with customers will



remain the same, if not better. One of the notable outcomes from the employee survey was that the common ownership acts as a driver for sustained and increased performance.

Whether we're considering the impact of EO on our employees or customers, we believe that we're certainly on to a 'Shore' thing.



Livingston James mark first employee ownership anniversary

LIVINGSTON James, the employee-owned 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 one of the first recruitment specialists 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



L-R: Jamie Livingston, Mark Lewis, Sophie Randles, Hazel Wynn, Derek Lauder, and Ali Shaw

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 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.

(Continued)

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.

Jamie 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 says *"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."

Jamie 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."

Stewart Buchanan Gauges delight VIP Customer

Stewart Buchanan Gauges were delighted to welcome Geir Steinsland, Sales Engineer & Kjell Aase, Håland's new MD to their factory in Kilsyth in March. It was Kjell's first visit to the site. The visit coincided with an urgent request from Ingrid at Haland, looking for a gauge to be made and shipped back with Geir, a very tall ask given it was only a 24-hour visit to Scotland!

However, with the help of internal Salesman David Mackie and the team in the factory, a new gauge was manufactured and handed over to Geir in 11 hours, a fantastic result for all with the new gauge being hand delivered to the end user by Geir on his return home the following day.



L-R: Ian Valentine (Sales Director SBG) and Russell Robinson (Export Sales Mgr SBG), welcoming Geir Steinsland (Sales Engineer - Håland) & Kjell Aase (MD – Håland) to Stewarts

TEFL appear on prestigious radio show



Jennifer MacKenzie

Listeners to popular business podcast, The Hunter & Haughey Go Radio Show, heard how employee-owned Highlands based **TEFL Org** started life in a garden shed in the middle of the 2008 financial crash and is now a market leader in TEFL (teaching English as a foreign language) training.

Established by Jennifer MacKenzie and Joe Hallwood and based in Inverness, The TEFL Org offers a range of in-person and online TEFL courses, providing internationally recognised qualifications to more than 185,000 teachers who have gone on to find employment across the globe. The company plans to double in size within the next three years.

Jennifer MacKenzie, an alumna of the Growth Advantage Programme at Strathclyde Business School's Hunter Centre for Entrepreneurship and is also an ambassador for Women's Enterprise Scotland, told the show that the seeds of the business were sown in Greece, where she met Joe when both were working as EFL teachers.

Later moving to France to teach they returned to the UK with the ambition to help others experience teaching English as a foreign language. Moving back to Scotland and the Highlands, where Jennifer grew up, the business took off from there.

"We were living in Leeds and wanted to go back to the Highlands but there were no real jobs there, so we had to create our own," she said.

Moving out of the shed as the business grew and expanding south into England and

then Wales, The TEFL Org is now recognised as a leader in its sector and is the most accredited TEFL course provider in the UK.

Andy Healy, who joined the business as managing director in 2022 after being approached by Jennifer via LinkedIn, said it was the "simple brilliance" of The TEFL Org business model that attracted him. "As I business I saw that it was really exciting and the culture that Jennifer and Joe had created was exciting – it was the simple brilliance of it.

"You can do a course in 120 hours for less than £200 and there is huge demand. In a virtual course you have people from all over the world learning together. If you are interested in changing your career it is a great option, if you want to travel it is a great option, if you want flexible working and want to teach online it is a great option.

"There are so many opportunities and it is so achievable and accessible."

Post-pandemic, all the company's staff are based remotely, from Inverness to the south west of England and even Alicante, Spain, while Mr Healy is located in Bath. While there can be challenges with the remote set-up, there are no barriers to The TEFL Org's goals to double the size of the business in the next three years, he noted.

You can listen Jennifer and Andy on the Hunter & Haughey **Go Radio** podcast [here](#).



Michelle Quadrelli

Employee ownership spurs growth at Tayport's Scott and Fyfe

Like a number of Tayside and Fife businesses, Scott and Fyfe began as linen works in 1864 and today employs 90 staff and provides products such as engineering reinforcement fabrics, coating and laminating and sustainable materials for a variety of sectors. The majority of Scott and Fyfe's sales are exported internationally, including the US and EU.

Managing Director Michelle Quadrelli has hailed the firms' impressive growth despite a "difficult year". The company achieved a net profit of over £1.4 million.

The international export side of the business accounted for 94% of sales.

Meanwhile, sales to the USA and Canada grew by 39%, and sales to the EU grew by 31%.

Michelle said: *"With increased costs and a raft of global, geopolitical challenges impacting many of our markets, 2023 began with an urgent need to balance activity and demand.*

"In response to these shifts and our unwavering determination to explore fresh markets and introduce novel products, we created a robust pipeline of opportunities as we welcomed 2024.

"Our inventive expansions in pipe fabric technology and attachment solutions have fuelled growth and enhanced business performance, countering a decline through market volatility within the irrigation sector.

"Through these innovations, alongside some efficiencies, new pillars to our business have been created, offsetting the financial repercussions of certain market downturns."

However, Ms Quadrelli also credits the success to the company's ownership structure. In 2013, the company moved to 'employee ownership'. Michelle believes this is the main driver of the company's success.

"Moving to employee ownership has been a real game-changer for Scott and Fyfe," she says. "We are placing the reins of control in the hands of those who understand the company best, its employees.

"Only through their dedication and hard work can we achieve these outstanding results.

"Employee ownership allows us to create a more motivated, engaged, and aligned workforce who are willing to go the extra mile to achieve our shared goals."

Michelle wants to continue this success going forward, and is always looking for more opportunities to expand the business.

She said: *"As a highly international business, we are constantly navigating a raft of global challenges.*

"Forexample, technological advancements, heightened competition and evolving consumer expectations, further disrupted by unpredictable geopolitical uncertainties and economic fluctuations.

"As we look to the future, we will continue to seize emerging opportunities and invest in existing and new growth markets through design and innovation, all while allowing employee-owners to earn and enjoy the benefits of share ownership."

Are we on target for 500 by 2030?

The fiscal year end always brings an increase in completions of employee ownership transitions and it certainly feels that 2022/23 has seen the most new employee-owned companies yet. As there is no definitive register available of employee-owned companies (the Trust Registration Service is not open to public scrutiny), the next best measure is the annual census undertaken by Professors Andrew Pendleton and Andrew Robinson of the **White Rose Centre** for Employee Ownership based at Leeds University. The results are released to coincide with Employee Ownership Day on 21st June.

The Scottish Government has an ambition to reach **500 employee-owned companies by 2030**. Figures suggest that the number of employee-owned companies headquartered in Scotland sits currently at just under the 200 mark. Although the rate of growth has accelerated in recent years, and bearing in mind we are now seeing a small number of companies exit an EOT, usually to a third party sale, the 500 target would require the rate of transitions to achieve at least 50 new employee-owned companies each year, twice the current rate. Is that target feasible?

Advisers are optimistic that growth will continue. Ewan Regan of Anderson Strathern says, *“Anderson Strathern have been advising businesses on employee ownership models for many years - in fact since before the EOT legislation was introduced! It’s been interesting following the success of these companies as they have grown from strength to strength. Momentum has built significantly with the EOT being the most prevalent model to implement employee ownership structures.*

We continue to advise a number of clients and there is no sign of the momentum slowing”

Graham Cunning of international accountancy firm emphasises the wider benefits of the employee-owned structure and how it can work across sectors. He comments,

“Whilst not for every company, the EOT can present the perfect succession solution for many businesses and their owners.

However, despite an increase in the number of exits to EOTs in the last few years, there is still a lack of general awareness of EOTs as an exit option. We raise EOTs when we are talking to clients about their exit strategy; not just from a financial perspective, but also about the future of the business they’ve built up.

It’s a model that fits well with companies of all sizes and across many sectors; not just “people” (non-manufacturing) businesses. Tough Construction and Keppie Design are examples of larger businesses who have made the transition recently, and (slightly further back in time), successful companies such as TEFL Org and International Doors & Windows prove it can work equally well for companies in other sectors.”

Consilium CA have been particularly busy with EOT transactions in the past year. Corporate Finance partner, John Blair, says

“We are seeing an increasing number of companies looking at the EOT as a feasible succession option and have supported a significant number over the past year. A sale to an EOT protects the employment for loyal employees and allows the selling shareholders to exit the business at their own pace. It’s attractive to shareholders who are keen to protect the longevity of the business. This has been a good year in terms of transactions, and I believe next year might see even more.”

Those close to the sector appear optimistic about the continuing growth of employee ownership in Scotland. Are we on track to achieve the 2030 target? The EO Census will give us a good indicator of where we are. We await the results with bated breath!

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

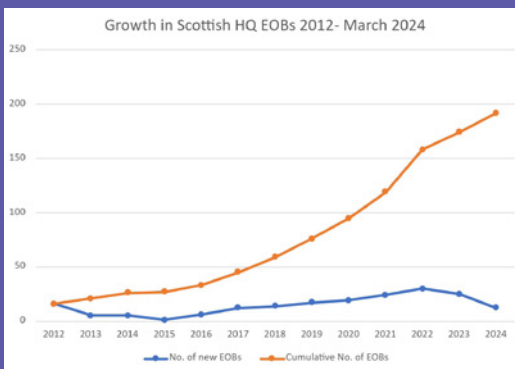
Novotel Glasgow Centre
Spaces Limited

2 places remaining

£149 + VAT per delegate.

To register for this event, please email me at carole@ownershipassociates.co.uk

Employee Ownership in Scotland



OA Ownership Associates uk
let's make it happen

