

NEWSBRIEF

Conferences and events

Esop index beats All-Share, nears 1000

The FTSE-calculated employee ownership index (2003 = 100) reached 956 at the end of 2015, easily outperforming its comparator the FTSE All-Share total return.

The good news was revealed at the Centre's annual invitational seminar on Thursday January 14 at the Canary Wharf offices of Barclays.

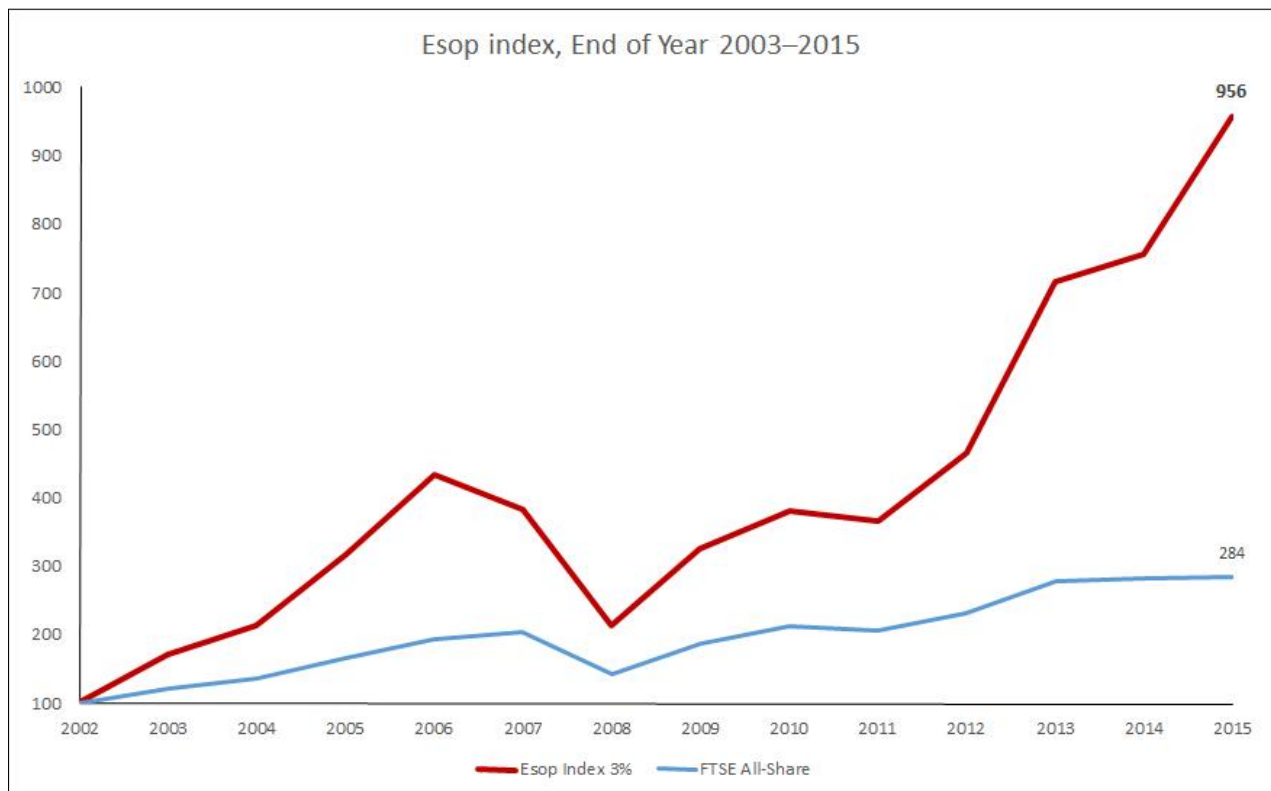
Last January the Esop index had reached 749 compared with 277 for its comparator, the FSTE All-Share, a select group from academe and the media heard.

High employee share ownership (over three percent discounting directors) is a proxy for a culture of employee engagement. Over the first two full years of the index, esop companies have delivered superior returns.

Now, a year on, the 2015 end of year results show the Esop index has risen from 749 to 956, while the FTSE All-Share has only gone from 277 to 284. Centre chairman Malcolm Hurlston CBE commented: "The index shows beyond doubt the direct link between broad based ownership, high employee engagement and long term performance. Companies who fail to install and improve plans need to think again."

Nigel Mason of Capital Strategies, compilers of the index, added: "The year has been a tumultuous one for UK and global stock markets. The FTSE 100 especially has been a roller coaster and the New Year is starting in much the same vein. Companies with employee share ownership are not immune from such volatility but what is striking is that, on average, they consistently outperform the market."

The degree of outperformance in 2015 was affected by a single share which rose radically. Even stripping it out, the outperformance would have been satisfactory.



Davos on the road in London

Only four seats remain as sell-out nears for the [Centre's 17th global employee equity forum](#) – transferred, exceptionally, from Davos to London. It will take place at White & Case's offices in the City on Wednesday February 10.

This all-day event will run from 9:00 until 17:30 after which the Centre will hold its annual cocktail party. Refreshments and a buffet lunch will also be provided.

More than 50 Centre members and others have registered and Channel Islands-based trustee Bedell Group is sponsoring the programme. Among plan issuers to register are Imagination Technologies, Prudential and RSA.

Speakers include experts from White & Case; Howells Associates; KPMG; Linklaters; MM&K; Imagination Technologies; Pett Franklin; Primondell; Solium UK; David Craddock Consultancy Services; Compensation Venture Group (USA) and Bedell Group.

Attendance fees:

Practitioner members £385 non-members £595

Plan issuers £195 (all subject to VAT).

Registration: To register, please email Fred Hackworth at: fhackworth@esopcentre.com with copy to The Centre at: esop@esopcentre.com.

For sponsoring opportunities contact Fred Hackworth NOW.

This event offers attendees six hours of credits under the Law Society's CPD programme.

Centre / STEP Jersey conference 2016

The 2016 ESOP Centre/STEP Jersey [conference](#) will be held at the Royal Yacht Hotel in St Helier on Friday April 15 2016.

The annual half-day conference is an industry-leading networking and learning opportunity for all those interested in share schemes and employee benefit trusteeship.

Among the topics are: ESOP share valuation; JSOPs and their increasing popularity; the huge increase in employee shareholder shares; leadership, management, staff retention and ESOPs.

Expert speakers confirmed so far are: David Craddock, David Craddock Consultancy Services; David Pett, Pett Franklin; Graham Muir, Nabarro; Michael Landon, MM&K; Rosemary Marr, STEP Jersey and Moore Stephens.

News of further speakers and details of the trustee panel will follow.

To attend as a delegate:

ESOP Centre / STEP members: £325

Non-members: £450

*Book before February 14 to take advantage of our 3 for 2 early bird offer. The cheapest ticket is free.

To register your interest in attending, please email the names and contact details of all delegates to esop@esopcentre.com or call 020 7239 4971.

Attendance at the conference will qualify you for 3.5 hours CPD credit with the Law Society.

Vienna to host Centre annual conference June 2 & 3 2016
Members are rapidly reserving speaker slots for the Centre's 28th annual European employee equity plans [conference](#), which takes place in Vienna at the elegant five star Steigenberger Herrenhof Hotel on Thursday/Friday June 2 & 3 this year. The programme features presentations from Austrian & German companies, as well as from the UK and US, such as Baker & McKenzie, MM & K, Pett Franklin, Strategic Remuneration, Voestalpine and Butcher Joseph, the St Louis, Missouri, based Eso investment bank.

The 100 year old Herrenhof Hotel is situated in Herrengasse, near the Kohlmarkt and Golden Quarter in the old city centre, is classified by UNESCO as a World Cultural Heritage site and is minutes walk away from major historic landmarks, such as the Hofburg Palace, Café Central, the Spanish Riding School, Sisi Museum, the state opera house, Burgtheater (the Imperial Court Theatre) and gothic St Stephen's Cathedral.

Prices:	Practitioners	Plan issuers
Members	£1,055	£635
Non-members	£1,750	£745

No sales tax is chargeable on delegate/speaker fees, as the event takes place outside the UK

Speaker opportunity:

If you would like to deliver a presentation during this event, you will benefit from a significant price reduction on the package fee, subject to agreed topic content. Practitioner speakers, who are Centre members, will pay only £915 and plan issuer speakers will pay just £525. If you wish to book a speaking slot at this event, please contact Fred Hackworth now:

fhackworth@esopcentre.com with a copy to esop@esopcentre.com.

*The Centre will also hold a share plan issuer panel whose members, including Vodafone, will attend free of charge, including both participation and accommodation. The offer is limited to one attendee per plan issuer firm, which is not also a service provider to the share plan industry. Your representative, if accepted by the Centre under this scheme, would be entitled to two nights (June 1 & 2) half-board accommodation.

Only two free places on the issuers' panel remain to be allocated on a first-come-first-served basis. If you would like to take up this offer please email fhackworth@esopcentre.com with a copy to esop@esopcentre.com.

Members', national and international news

Centre Profile: William Franklin

William is a chartered accountant and share scheme adviser, partner and founder of Pett Franklin & Co LLP.

In what ways does employee share ownership serve a useful purpose?

It can help to bridge the divide between labour and capital and encourage more productive and equitable businesses and societies.

How can we widen and deepen the adoption and use of employee share ownership?

We need to encourage share schemes among smaller UK listed companies and private equity backed companies.

What would you tell someone who is 'on the fence' about introducing employee share ownership to their company?

You are right to be cautious. Share schemes are not a panacea. Nothing is. But it is worth giving it a real try.

What do you think will change about employee share ownership over the next five years?

The start of a convergence between pensions and employee share schemes.

What do you wish other people knew about employee share ownership?

That its use of EBTs is benign and not abusive.

What has been the most important development in employee share ownership during your career?

Enterprise Management Incentives (EMI).

Which change to employee share plans legislation, in the UK or elsewhere, would you most like to see?

Easier and more tax efficient buybacks being permitted for employee owned shares in unquoted companies.

Why do you think employee share ownership has enjoyed cross-party support in the UK?

All politicians who seek to achieve change through democracy are concerned by the division between labour and capital and are looking for solutions.

Which aspect of the ESOP Centre do you value most?

Its effectiveness as a lobbying organisation.

Who would be the guest of honour at your fantasy dinner party?

Henry Wallace - 33rd Vice President of the USA.

Which book has most changed your life?

"Surely You're Joking, Mr Feynman".

What is your favourite quote and why?

“The test of our progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have too little”. Why? FDR’s challenge to himself in the middle of the Great Depression is also a challenge to us all and just as relevant today as it was in 1937.

What do you consider your greatest achievement?

The family.

How do you relax?

Growing vegetables.

Accounting for EBTs

Graeme Nuttall of Fieldfisher and William Franklin of Pett Franklin are working with the support of the Centre and the powers that be to resolve an accounting issue that has arisen since the introduction of new tax exemptions for employee benefit trusts in the Finance Act 2014. The crux of the problem is that many companies are putting EBTs onto their balance sheets, creating large and potentially detrimental liabilities. It would be better practice for the two to remain separate entities. Centre members are invited to share their views and experiences. Write to dhelen@esopcentre.com.

Pett Franklin announces upcoming webinar

Pett Franklin will be holding part one of its two part webinar series on Growth shares and JSOPs on February 4. This [webinar](#) will analyse the main forms of growth interests adopted, the advantages of different approaches and the steps needed to implement them while avoiding potential difficulties.

MM&K 2015 survey ‘Life in the Boardroom’

MM&K has published its report of the 2015 survey of UK company chairmen and non-executive directors (NEDs), covering directors’ fees and time commitments, as well as their views on a range of current board issues. For more details please contact Damien Knight, on 020 7283 7200 or damien.knight@mm-k.com.

Linklaters English Law Year in Review and Year to Come

In members' news, Linklaters has published the Year in Review 2015 - Year to come 2016 outlining a selection of the major developments in English law last year, and significant changes this year as proposals and consultations launched in 2015 take more solid form. Please download your own PDF version of the review [here](#).

Guernsey and Jersey to be placed on Italy's 'white lists'

Ogier partner Marcus Leese has welcomed [news](#) from Italy that Guernsey and Jersey will be included on Italy's 'white lists' from early 2016. Among the benefits, Italian resident investors will be able to invest in Guernsey and Jersey domiciled structures including investment funds set up in the Channel Islands.

Lee Taylor appointed head of client management at Global Shares

Having most recently worked for Xerox in a role managing corporate clients from a share plan perspective, Lee Taylor has been appointed new head of client management at Global Shares for the world other than North America. The full announcement can be found on the Global Shares [website](#).

The Economy, Energy and Tourism committee of the Scottish Parliament looks for 'innovation' in social enterprises and employee owned businesses

The Economy, Energy and Tourism committee is to review which social enterprises and employee owned businesses encourage cultures of innovation in advance of hearing evidence in [January/ February 2016](#). It is hoping to hear from businesses, membership organisations and academics in the form of a written submission by January 20 2016. Your comments can be included in the Centre submission.

Advocate for US ESOPs retires

Rob Zicaro, a strong ESOP advocate in the United States has retired after a long career of commitment to the cause. The ESOP Association has marked his contribution by reflecting on a panel discussion held in 1993 by President Bill Clinton on the Future of the American Workplace. The full report can be found [here](#).

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