

August 2017

CONFERENCES & EVENTS

Esop Centre high table with Manifest: Wednesday September 20

There are just two tickets left for our next high table. The dinner guest will be Sarah Wilson, chief executive of **Manifest**, the influential proxy voting and corporate governance research specialist. It will be held at the RAF Club on Wednesday **September 20**.

Sarah was a marquee speaker at last year's British Isles symposium where she focused on executive pay reform, culture change and responsible corporate stewardship. **Manifest** is to include employee share schemes in its reporting and we are working with Centre members to create model reporting of share schemes, at the very moment when work on governance has become a May government priority.

High table participants enjoy lively discussion and an intimate atmosphere with a maximum of ten guests.

The event will start with a welcome glass at 18:30 followed by dinner in the Mezzanine Suite of the Club, 128 Piccadilly London W1J 7PY.

Tickets are £140 + VAT each.

If you would like to join us, let Juliet Wigzell know at jwigzell@esopcentre.com or 020 7239 4906 as soon as possible.

Guernsey share schemes and trustees seminar: Friday October 6

The annual **Guernsey share schemes and trustees seminar**, organised by the **Esop Centre** and the **Society of Trust & Estate Practitioners** (STEP), will be held at the St Pierre Park Hotel in St Peter Port on Friday **October 6** 2017.

It is an industry-leading networking and learning opportunity for everybody interested in employee share schemes and trusteeship.

The seminar will be chaired by Malcolm Hurlston CBE, chairman of the Esop Centre, who calls it "the year's best updating opportunity" and the welcoming remarks will be delivered by Deputy Andrea Dudley-Owen, a member of the **Guernsey States** committee for economic development.

The speaker line-up includes: Alison MacKrill of **Appleby Global / STEP**; Graham Muir of **CMS**; David Craddock of **David Craddock Consultancy Services**; Juliet Halfhead and Matthew Maltby of **Deloitte**; Paul Malin of **Haines Watts**; Stephen Woodhouse of **Pett Franklin**; David Pett of **Temple Tax Chambers**; and Elaine Graham of **Zedra**.

Click [here](#) for the full programme.

Tickets cost £375 for Centre / STEP members and £480 for non-members.

To register, please email the name and email addresses of all delegates to events@esopcentre.com or call 020 7239 4971.

Guernsey goes gastro: a food adventure in the Channel Islands

The Guardian's Kari Herbert samples the island's emerging **culinary scene**, from local seafood and tapas to cheese and gin.



World Centre Awards Dinner 2017: Tuesday October 31

The **World Centre for Employee Ownership's sixteenth awards dinner** will be held at the **Reform Club** in London on the evening of Tuesday **October 31** 2017.

The Awards Dinner brings together members and their influential guests – representing UK and international plan issuer companies and their expert advisers – to recognise the best in employee share ownership. This stylish enjoyable black-tie event is the perfect way to celebrate the year with clients, colleagues and peers.

The host is Sir Graham Melmoth, past chairman of the National Council of Voluntary Organisations: the former Co-op chief whose ruthless defence against slick predators led to

the collapse of a city bank and a city law firm. Absit omen!



Both individual and group tickets are available.

Table of ten: £1,800 + VAT *

Member: £195 + VAT

Non-member: £270 + VAT

* Tables of ten can only be purchased by **Centre members**

To order tickets, please email events@esopcentre.com or call 020 7239 4971.

British Isles employee equity symposium: Thursday/Friday November 16–17

The Centre's second British Isles employee equity symposium at **White & Case's** offices in the City of London on **Thursday/Friday November 16–17** will feature an expert speaker line up.

Centre chairman, Malcolm Hurlston, will deliver the opening address. Other speakers include: Professor Len Shackleton of the **Institute of Economic Affairs** and the **University of Buckingham**; Colin Powell CBE, adviser to the **government of Jersey** on Brexit, Damien Knight

of **MM & K**; William Franklin of **Pett Franklin**; Garry Karch of **RM2**; John Hunter of the **UK Shareholders Association**; Mick McAteer of the **European Commission Financial Services User Group**; Kelly White, **Merlin Entertainments**; Mike Pewton and Jaume Guix, **Solium**; Louise Jenkins, **FTI Consultants** and Nicholas Greenacre, Tom Hickman and Helen Levendi from hosts **White & Case**.

High spot will be an expose of the Roadchef scandal, chaired by Fred Hackworth and now with Martyn Day MP (parliamentary time permitting).

Download the event brochure, sponsored by **Estera** and **Intertrust**, to view an outline programme.



Speaker roles are still available: solo slots and alongside marquee speakers. If you would like to make a presentation, send your proposal to Fred Hackworth as soon as possible: fhackworth@esopcentre.com

Bookings

	Member	Non-member
Practitioner	£415	£625
Trustee	£330	£500
Plan issuer	Free*	£75

* Subject to £50 admin fee.

All attendance fees are subject to standard VAT.

You can register as a delegate by sending an email to: britishisles@esopcentre.com

The Centre thanks **White & Case** for hosting the event.

Centre/IoD conference for SMEs

Travis Smith hosted a highly successful joint event for the Centre last week. As speaker David Craddock commented: "From the questions and discussions during the breaks ...the event appeared to attract a higher calibre participant." Speakers included Stephen Woodhouse of **Pett Franklin**, Nigel Mason and Garry Karch of **RM2**, Mahesh Varia of **Travis Smith**, David Pett, barrister of **Temple Tax Chambers** and Liz Hunter of **Mazars**.

CENTRE & MEMBER NEWS

Valuation of AIM shares

"HMRC has allocated resources to take more share valuation cases to court and an example of this was the recent decision in HMRC's favour in the Netley case. This involved an aggressive tax scheme to claim higher rate Gift Aid tax relief using a gift of AIM quoted shares which had an inflated value due to special

circumstances at the time of the gift. It is a timely reminder that for AIM companies the quoted price on the day is not necessarily reflective of the market value and can be set aside if the circumstances warrant.” William Franklin, Pett Franklin.

David Craddock: book release

The second edition of *Tolley's Guide to Employee Share Schemes* by David Craddock is now on sale. There are 11 new chapters and most of the others have benefited from a substantial update. David Craddock explains that employee share ownership enjoyed a golden era under the Coalition “first in the attention given to the subject by government ministers and then through the introduction of detailed legislation.” There will be a full review in newspad.

Global Shares: new moves

Global Shares has launched a new office in Hong Kong and announced a new partnership with Pen-Cal, offering clients a solution for the management of their employee benefits and deferred compensation plans.

[Read more](#)

Aon Hewitt: acquires a property adviser

Aon Hewitt is to [acquire real estate investment](#) advisers Townsend Group to reinforce its position as a leading global professional services firm providing risk, retirement and health solutions.

Sarah Wilson, Manifest

To celebrate the forthcoming release of Manifest's 2018 edition client voting platform manifest.info, it is releasing a couple of new dashboards to its public website. You can see UK CEO: Average Employee pay ratios over the past two years and track say on pay voting dissent in the past four years. With this free resource you can keep track of how investors are reacting to pay governance concerns: Who's in the 20% club? Find out here: <https://lnkd.in/dHgrzXe> The chairman has taken immediate advantage by arranging to add the defaulters to other registers for which he is responsible.

Alison Mackrill, Appleby: The Beneficial Ownership Register is now live. Are you prepared?

Guernsey, as part of its commitment to international standards to law enforcement and transparency, has introduced a central registry of beneficial ownership of Guernsey legal persons. This eAlert provides an outline of the beneficial ownership register: <http://www.applebyglobal.com/insights/insights-2017/beneficial-ownership-guernsey.aspx>

UK & GLOBAL NEWS

Tory kingmaker enters Roadchef fray

Graham Brady, chairman of the 1922 committee of Tory backbenchers (who make and break party leaders), has signed the early day motion on Roadchef. Thirteen MPs have now signed: six SNP, three Conservative, two

Labour, one Plaid Cymru and one DUP. The EDM calls on the government to review HMRC's position so 4000 Roadchef beneficiaries can finally receive their just entitlements. The shame of Roadchef, spelled out by newspad editor Fred Hackworth - the journalist who has followed the saga most closely - will be a major focus at the Centre's British Isles event in London.

The tax man cometh: the criminal offences of failure to prevent tax evasion

On September 30 2017, the UK Criminal Finances Act 2017 will come into force, along with its newly-focused offences of failure to prevent facilitation of tax evasion.

Given the extra-territorial ramifications of the CFA, Channel Islands businesses, especially those in the financial services and accountancy sectors will need to be astute to its challenges and effects, and take what HM Revenue & Customs has called a "risk-based and proportionate" approach to implementation of preventative procedures.

To read more about the new focus of criminal offences, potential penalties and how businesses can assess their own anti-facilitation measures, please [download the update](#).

ShareSoc/ UKSA react to government paper on corporate governance

UKSA comments on how The City has hijacked government policy in agreement with the ShareSoc blog: [Vested interest win a battle...but we shall win the war](#), supporting its criticism of the [government's U-turn](#).

Centre views are divided: newspad sees it as a climbdown. Here we take the view it is an astute move to privatise the subject by passing responsibility to a well equipped Financial Reporting Council.

US Survey on employees using company stock

We asked plan issuers for comments on the attached survey from the US.

Given differences between ESPP and your plans, how similar are the trends?

<https://www.fidelity.com/about-fidelity/employer-services/more-employees-using-company-stock>

Jon Millidge of Royal Mail says "What we have seen is the propensity for employees to hold onto their shares at the three year post award point – so there is nothing to suggest a quick sell mentality."

Barbarians go for employee ownership!

An attention-grabbing example of a broad-based RSU plan is presented by an [article](#) in *Bloomberg Businessweek*. When Gardner Denver Holdings went public, backed by private equity firm KKR, it granted \$100 million in shares to 6,000 employees who were not already part of its equity programme. These grant recipients included hourly workers and staff in customer service and sales, with meaningful grants of equity equal to about 40 percent of their annual salaries. Employees, including managers, now own about 10 percent of the company.

This move toward broad employee ownership is unusual in the company's manufacturing sector (industrial equipment and related services). As the *Businessweek* article points out, broad-based equity is far more associated with the white-collar high-tech industry than with blue-collar manufacturing. Pete Stavros, head of KKR's industrial team and the chairman of Gardner Denver, believes employee ownership at manufacturers can be effective at improving operations when the company needs to do a "a million things a little better. As employers everywhere know all too well, it's often the workers on the front lines who best know where inefficiencies need to be fixed. Through their equity stake in Gardner Denver, the company's employees now derive a direct financial benefit from striving for operational efficiency." Remember KKR - it was the starring firm in "Barbarians at the Gate."

MEMBER PROFILE



David Isaacs is head of Registration & Employee Share Plans Development at **Capita Asset Services** soon to be **Link Asset Services**

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

The successful distribution of wealth, whilst developing employee loyalty and driving employee retention.

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

Demystifying share schemes and the reduction of barriers to adoption in order to ensure they are truly accessible.

What would you tell someone on the fence about introducing employee share ownership?

The highlight of my personal experience was making a gain on an SAYE which allowed me to plan a power proposal for my then girlfriend in Thailand, which included tandem power sailing, and huge words written on a beach – I now have a wife and wonderful daughter who bring so much joy to my life on a daily basis all thanks to a gain realised from an SAYE maturity.

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

I hope for a new type of HMRC approved all employee share plan.

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

Increasing of SAYE savings limits / SIP Investment limits and the Nuttall review.

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

A further increase in investment contributions for a schedule 2 Share Incentive Plan.

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

It is clear that Employee Share Ownership is a means to supporting wealth distribution; I am absolutely delighted when lower paid employees receive £30,000 after saving £250 over 3 years.

Which aspect of the Esop Centre do you most value?

Malcolm.

Which aspect of the Esop Centre would you most like to change?

TBC.

What is your idea of perfect happiness?

A post scarcity economy.

What is your most marked characteristic?

Dress sense (or lack of) and enthusiasm.

What do you consider your greatest achievement?

There have been so many – the one that stands out is supporting my mother and caring for my father following his stroke.

What historical figures do you most identify with?

Plato, William Wilberforce, John Maynard Keynes, Ingo Swann.

Which living persons do you most admire?

My mother, wife and daughter.

Who are your heroes in real life?

My mother, father, aunties and uncles.

Which word or phrases do you most overuse?

Can we take a step back.

What is your most treasured possession?

“You only live once, but if you do it right, once is enough.” — Mae West

When we hear the simple message that there is more joy in pursuing less, compared to pursuing more, it rings true in our hearts... because deep down, we already know it to be true. We know that possessions don't equal joy. And we know that our life is far too valuable to waste chasing them.

EMPLOYEE SHARE OWNERSHIP CENTRE

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