



Annual share plans symposium – June 5

The Centre's **eighth Share Plan Symposium** will be held at **Baker McKenzie's** London offices on the afternoon of **Thursday June 5**. The in-person session of the event will comprise four panel debates, running from approx. **13:45 to 17:15** followed by a reception, at which the 17th *newspad* Awards winners will be announced.

We are putting together a programme of talks from expert speakers covering: The executive remuneration landscape; Employee share and share option plans in SME and private companies; Trustees and employee equity; The future of all-employee share ownership plans; Global share plans.

The presentations will be pre-recorded and form the briefing material for lively panel and delegate discussions.

Centre conferences are equally celebrated for their level of speaker expertise and their quality of networking opportunities.

Admission rates:

*Delegates from **plan issuer companies** will be admitted **free** of charge.*

Practitioners-

Members: £450 Non-members: £800

Trustees-

Members: £400 Non-members: £650

Multi-booking discount: 50% off cost of ticket for your third delegate.

**All prices are subject to UK standard rate VAT*

If you would like to offer a presentation, or suggest a topic, contact Juliet at esop@esopcentre.com.

To register a delegate email events@esopcentre.com or phone the team on +44 (0)207 562 0586

The Esop Centre thanks Baker McKenzie for hosting the 2025 Share Plans Symposium

**Baker
McKenzie.**

The 17th *newspad* all-employee share plan awards

Photo by Myriam Zilles on Unsplash



The results of the 17th edition of the Centre's *newspad* awards will be announced after the symposium's closing remarks, when Centre president, Malcolm Hurlston CBE, and special guests will present awards to the winners, before a celebratory reception.



Esop Sofa webinar—May 1

What remuneration and share plan changes are AGM notices indicating?

The next Esop Sofa webinar will be at 11:00am on Thursday May 1. The Esop Centre's panel of experts will look at AGM notices which UK listed companies are publishing, to see the changes coming through in remuneration policies and share plan designed to reflect the updated guidance from institutional investors – and look at how those updates may be shaping the development of share plan implementation.

Centre chairman Robert Pay will moderate. There will be plenty of opportunity to put your questions to the panel. **Registration is now open.**



CENTRE AND MEMBERS NEWS

HMRC publishes its view on PISCES

Following a consultation in 2024, His Majesty's Revenue and Customs (HMRC) has published a technical note on the impact of the Private Intermittent Securities and Capital Exchange System (PISCES) on employee share plans. PISCES is a new type of stock market for secondary trading of private company shares.

HMRC's main conclusion is that, if there are arrangements for shares to be listed on PISCES, this will make shares readily convertible assets. This means that taxable events under an employee share plan will trigger Pay As You Earn withholding obligations and National Insurance contributions obligations.

Together these create a 15 percent cost for employers.

Baker McKenzie ran through key points giving details on Readily convertible assets; EMI and CSOP options; valuations; and annual reporting.

MM&K commented “HMRC has provided some helpful guidance on the interaction of shares being traded on PISCES and the taxation aspects of ERS, with particular reference to tax advantaged EMI and CSOP options. Given that the PISCES platform is a new ‘exchange’ which will provide liquidity, we hope that legislation is specifically brought in to allow existing CSOP and EMI option holders to exercise their existing options and sell their resulting shares on PISCES while retaining the relevant tax advantages, aligning their interests with the other shareholders.”



New income tax and social security regime in France

In *Lexology* and its [newsletter](#), **Baker McKenzie** responded to the new tax and social security regime established by the French Finance Bill of February 15 2025. The new regime will [affect the sale of shares acquired by employees in France](#) in accordance with management incentive plans and employee shares schemes “including qualified stock option and RSU sub-plans” with net gains to “be subject to taxation according to the rules governing salaries and wages”. Additionally, the February 28 2025 French Social Security Financing Bill has increased the “employer social contribution rate for French-qualified RSUs granted under certain Macron regimes” from 20 percent to 30 percent. Baker McKenzie advises applying the new 30 percent employer rate to “all French-qualified RSUs that vest on or after March 1 2025, regardless of when the RSUs originally were granted” as a conservative approach, and to contact a compensation attorney for further advice. The firm reported too on Czech tax treatment of stock options. Recently the [Czech Republic proposed an amendment to the New Tax Rules](#), effective January 1 2025 but retroactive to January 1 2024. The application of the new tax rules will be voluntary to companies employing award recipients in the Czech Republic.”

Danish incentives law - gearshift since Tesla visit to the Supreme Court?

Bird & Bird has published an insight into [Tesla Motor’s recent Supreme Court case](#) concerning the handling of Restricted Stock Units (RSUs). Denmark's Stock Option Act (2004) protected employee equity rights upon termination by allowing unvested RSUs to be retained under certain conditions. In 2019 the 2004 Act was repealed and replaced to enhance “contractual freedom in the design of share-based remuneration plans”. In the Tesla Motors Denmark ApS case, concerning Tesla employees' options/RSUs granted after 2019, the Maritime and Commercial Court initially ruled in reference to the older framework. However, Tesla Motors managed to appeal the decision on February 21 2025 with the Supreme Court.

Bird & Bird commented: “*For options/RSUs granted on or after January 1 2019, this landmark decision by the Supreme Court brings Danish incentives law into line with the position in many other jurisdictions where equity incentives stock options are commonly operated, such as the UK and the US. For now, the old position remains for options/RSUs granted prior to the 2019 amendments to the 2004 Act but, given the usual ten-year lifespan of options/RSUs, the surprises for Danish employers should become fewer over time.*”



Image by Mohamed Hassan from Pixabay



Image by Elisa from Pixabay



What moves your people? Tapping into motivation at the unit of one

Deloitte has published an insight into the need for an **individualised approach to employee motivation** as people have varied rationales for working. Analysis of Deloitte's *2025 Global Human Capital Trends* survey data reveals that a third of employees work to support their life and loved ones, but 25 percent work for a higher purpose, 18 percent work for the intrinsic value of using their skills and capabilities, 11 percent to compete by becoming the best at what they do and 13 percent primarily for building wealth. However, a company often treats all employees with the same appraisal and compensation system.

Deloitte argues for employees to be able to access an individualised combination of rewards better tailored to personal preference as a more effective method of performance motivation. "Many organisations are already assessing motivations and aspirations at the highest levels, using leadership psychometric assessments to evaluate and cultivate leadership potential. However, advances in technology and data collection now give us the opportunity—and the imperative—to do so for individuals across the organisation, harnessing the data at our fingertips to advance outcomes for all workers."

Incentivising staff: EMI options and restricted shares in EOTs

As EOTs have become an increasingly popular business model, **Doyle Clayton** has outlined the further incentives a business can employ to reward and retain key employees after an EOT. EMI options and restricted shares both encourage retention and provide tax efficient financial rewards. However, there are challenges and requirements, such as the need to ensure the minimum **51 percent controlling interest of the EOT**.

Fieldfisher advises Attraction Tickets on employee ownership trust

As reported in *newspad*, Attraction Tickets has transitioned to an EOT, "the largest travel company in history to adopt this innovative ownership structure". **Fieldfisher** was commended by Attraction Tickets founder and ceo Oliver Brendon for its help in navigating a complex process. This was Fieldfisher's eighth employee ownership deal of this financial year, with the team providing timely specialist advice on a complex share ownership structure, **including share options to be exercised by employees**.

Employment tax update - March 2025

This month **Macfarlanes** has provided both a monthly and end-of-year tax update on UK employment tax deadlines as well as a summary of the key compliance and reporting **considerations for employers and individuals**.





No bonus woe for John Lewis

Damian Carnell commented on the decision by John Lewis not to award staff bonuses for the third year in a row. His opinion is that “the decision may enhance long-term employee shareholding value **if the money is invested in strong growth opportunities.**”

Support for ethical businesses: grants and investments

A **Vestd** blog post has highlighted how environmental social governance (ESG) principles and B Corp certification create more opportunities for a company to secure funding through grants, ethical investment behaviour and government-backed initiatives. “Studies indicate that B Corp startups are more successful in securing equity finance, with 70 percent of those seeking investment reaching their funding targets, compared to just 56 percent of all SMEs.” Ethical investment funds and impact-driven platforms which focus on sustainability and social enterprise include **Triodos Bank, Ethex and Big Issue Invest.**



Photo courtesy of Ronita Edwards

M-Group becomes employee-owned

The Menke Group has advised Metropolitan Planning Group (M-Group), a leading San Francisco urban planning firm founded in 2006, in its transition to an Esop. “This transition secures the company’s future, rewards employees for their contributions, and ensures long-term stability for its customers and community.” M-Group wanted to keep the company locally owned and operated, for the benefit of **both employees and the regional economy.**

WA Bill would eliminate state’s employee ownership programme

The **NCEO** posted a call to action on its blog regarding a bill introduced in Washington that threatens the provisions of the 2023 act passed to expand employee ownership. A programme of outreach and technical services to help promote Esops, worker cooperatives and EOTs), costing \$900,000 annually, is set **to be terminated by the current bill.**

Bin strikes, Union might and the equal pay time bomb

Friend of the Centre, Prof Len Shackleton, editorial and research fellow at the Institute of Economic Affairs said that the mounting piles of rat-infested black rubbish bags in Birmingham, reminiscent of the chaotic squalor under another Labour government nearly half a century ago, are grim testament to the continuing power of trade unions, in this case Unite, in the public sector.

This power is likely to be enhanced in the next few years as the **industrial relations provisions of the Employment Relations Bill come into force.** Already some trades unionists seem to have anticipated the Bill’s relaxation of rules on picketing by blocking bin lorries staffed by agency workers from leaving depots.



Caution pays off for employee-owned specialist

According to an article in *Construction News* employee-owned Ground Construction Ltd has posted an increase in pre-tax profit despite challenges facing the construction sector. GCL became an EOT in 2021. Annual pre-tax profits trebled to £3.2m for the year ending June 30 2024, allowing the firm to pay £3.9m in dividends compared to £514,000 in the previous year.

Construction companies that couldn't survive in 2025

An article in *pbctoday* highlights the challenges facing the construction sector in 2025 with the forecast modest growth in the UK economy and supply chain pressure. Those that have been placed into administration include employee-owned mechanical and electrical specialist JS Wright. The company was investigated in the Grenfell Tower fire enquiry over the installation of smoke extraction systems but was not blamed in the final report. JS Wright transitioned to employee ownership in 2021. However, "project and payment delays led to the business' profits falling from previous multimillions to less than a million in cash liquidity and pre-tax profits in 2023. Loan repayments were pushed back to May of this year."

PE deals reach lowest level since 2020

UK private equity deals crashed to their lowest level since 2020 in the first quarter of this year. There were only 320 private equity deals in the first quarter of 2025, totalling £18bn, compared to 534 deals totalling £28.2bn in the previous quarter. A tepid IPO market and geopolitical uncertainty were credited, as they continued to hamper dealmaking, *City A.M.* reported.

SMEs sideline net zero

According to *City A.M.*, most small and medium-sized firms have sidelined net zero practices. A survey by Bionic of 500 UK business owners revealed net zero policies increasingly falling out of fashion. More than half have deprioritised green practices in the last year. As higher cost pressures bite, they are following a global trend away from prioritising climate change – which was triggered by US President Donald Trump's abandonment of Biden-era green policies.



Photo courtesy of Danist Soh on Unsplash



Canada:

Canadian employment case law

Writing for *yahoo!finance*, Howard Levitt and Stephen Gillman discuss recent Canadian employment case law regarding dismissed employees with ownership interests. In one case the court awarded \$1.8m in damages for a wrongful dismissal, “the vast majority of which was the fair market value of the former employee’s stock options, because the terms of the shareholder agreement were not clearly communicated”.

However, another decision by the Alberta Court of Appeal in *Spartan Controls* had a different outcome as “the company ensured that the shareholder agreement was entirely distinct from the plaintiff’s employment contract” and ruled that the plaintiff’s “entitlement to profit sharing payments **was made in his capacity as a shareholder, not as an employee.**”

India:

Sebi may allow startup founders to retain Esops

SEBI has proposed allowing startup founders to retain Esops even after their companies go public. Currently, founders classified as promoters at the time of filing a DRHP are barred from receiving Esops, leading to forfeiture of benefits. SEBI argues this may be unfair, especially when promoter status results from shareholding changes. The proposal aims to keep founders incentivised despite stake dilution from funding rounds. SEBI also plans to clarify that equity shares converted from fully paid-up CCPS can be sold in an Offer for Sale without meeting the current one-year holding period. These changes are part of broader efforts to ease IPO norms, **support founder retention and boost startup funding.**

Guernsey:

Guernsey general election

Guernsey Press reported on the launch of a new political party, Forward Guernsey. It is the first and so far only party registered to endorse and support candidates at this year’s general election. The party’s leader, former Centre steering committee member, Gavin St Pier, explained the origin, purpose and objectives of Forward Guernsey. He said in the article, “it is time to take Guernsey forward”, adding later on social media, “if, as a community, we do not embrace a different approach, we should not expect **the outcome of the election to be materially different from the last.**”



Dezerv launches Esop buyback worth \$5.3m

Wealthtech firm Dezerv has completed an Esop buyback worth \$5.3m, allowing current and former staff to cash out vested shares. This follows its \$32m Series B round in July 2024 led by Premji Invest. Since launch, Dezerv has raised about \$60m, including a \$7m seed round. Key shareholders now include Elevation and Matrix with 15.28 percent each, Accel with 11.46 percent, and Premji Invest holding 9.84 percent. Founded in April 2021, Dezerv offers portfolio management services to top earners and claims to have delivered close to 30 percent returns.

Its revenue rose from ₹10.2 (£980,000) in FY23 to ₹26.25 (£2.5m) in FY24. The move aligns with a broader trend in Indian startups—Swiggy and Urban Company ran ESOP buybacks worth \$65m and \$24m respectively in 2024, **while Rapido and Even launched their first in 2025.**



USA:

Electric Power Engineers launches employee ownership programme

Electric Power Engineers has introduced *EPE MyShare*, a global employee ownership programme that gives all full-time team members an equity stake in the company. Launched on April 3 2025, the initiative is designed to align with EPE's mission of shared success and is offered at no cost to employees, complementing their salaries and benefits. The programme aims to foster a stronger sense of ownership and collective purpose as the company undergoes rapid international growth. Chief operating officer Stephanie Badr emphasised that *MyShare* reinforces EPE's collaborative culture and ensures employees are rewarded for their contributions. Developed with support from EPE's leadership, board, and private equity partner Berkshire Partners, the initiative positions EPE to strengthen long-term value creation while rewarding employees **shaping the future of the electric grid**.

Walmart makes star managers 'feel like owners'

A shareholding strategy to encourage motivation and prevent turnover has been adopted by Walmart, according to *Fortune*. Ceo John Furner said increasing 2024 compensation for top managers to \$620,000 yearly had contributed to employees feeling "like owners". The package included shareholding, which is considered to have had a meaningful effect on employee engagement with company profits and losses.

Walmart has more than 4000 store managers in the USA. Prioritising investment in its people has resulted in the company scoring the top slot in the Fortune 500 list in 2024, as well as receiving first place in **Fortune's Best Companies to Work For list in 2024 and 2025**.

Lawsuits call attention to Esop cash holdings

According to Remy Samuels in *planadviser* a growing number of lawsuits draw attention to how cash is managed within Esops, marking what some legal experts describe as a new litigation trend. At least four companies: Aerotech, Aluminum Precision Products, Pride Mobility Products, and Wilson Electric Services, have been hit with class action lawsuits alleging that Esop fiduciaries failed to invest non-stock assets prudently. Traditionally focused on company stock, legal scrutiny now appears to be shifting toward Esop cash holdings. In Aerotech's case, plaintiffs argue the company's exclusive use of cash equivalents such as money market accounts and short-term CDs since 2009 was imprudent for long-term retirement growth. A federal court allowed the case to proceed, citing Aerotech's unusually high cash levels, reportedly 200 times more than comparable Esops. While Aerotech claims its approach ensured liquidity for repurchase obligations, plaintiffs insist that more balanced investment strategies could have offered better returns. Meanwhile, although Pride Mobility's case settled in February, other lawsuits remain active. The Department of Labor attempted to clarify valuation standards for Esop stock in January, but its position became uncertain **following the reinstatement of Hillary Abell the DoL director**.





USA:

GreatLIFE announces transition to employee ownership

Golf, gym and fitness company GreatLIFE has become 100 percent employee owned through transitioning to an Esop. *Sioux Falls Business* reported that “to become fully vested in the Esop, team members must average more than 1,000 hours per year, have at least six years of service and be 21 or older. There are approximately **500 team members at GreatLIFE, including seasonal employees**”.

Vermont software company gives co-op twist to employee ownership

The *Manchester Journal* reports that Vermont-based Green River Data Analysis has transferred to employee ownership, 25 years after being established by founder Michael Knapp. The company adopted an unusual model by combining the legal structure of an Esop with cooperative model governance, to allow for **greater engagement by employees in the company’s future**.



Why I sold my family’s century-plus-old company to my employees

Writing in *Fortune* William Stockwell, former president and ceo of Stockwell Elastomerics, revealed why he sold a company his great grandfather founded to his employees. Stockwell Elastomerics has been a successful business in Philadelphia for 105 years. Stockwell wanted to develop a business succession plan that “honoured the hard work and contributions of the men and women on the production floor who made us successful. I thought about what would happen to my employees if I sold to a strategic buyer or private equity firm for top dollar and they moved the factory and stranded the employees who made that very sale possible. It happens all the time. I have known several former business owners who did that and came to regret the decision. I wasn’t going to be one of those owners who held out for the top dollar while putting my people at risk.” Initially the company transitioned to a 30 percent Esop in 2017 with the aim of working towards 100 percent ownership. After expert consultation a model was adopted that would “make it almost impossible for the company to be sold to a third party”. By 2021 the company was 45 percent employee owned, transitioning to 100 percent in 2024.

Stockwell now supports the **engineering and production teams on a part-time basis**.



Employee ownership a cracking idea

In interview with *HR Grapevine* David Sproxtton, co-founder of Aardman Animations (claymation creators of Morph, Creature Comforts, Shaun the Sheep and Wallace & Gromit), revealed how strongly he believes in the employee ownership model. Aardman Animations has seen continued success, winning multiple Oscars over the years, and transitioned to employee ownership in 2018. Sproxtton confessed that had he known about employee ownership sooner, he would have set up the limited company in the 1990s with that business model from the start. He stated, “it resonated with us that the people who make us **the business we are should also be rewarded.**”

Marketing agency achieves best year ever

Poole-based Coda, a specialist marketing communications company, has transitioned to an EOT as an exit strategy for founder Chris Lawrenson and to secure its long-term future. Ceo Jen Swain credits the employee ownership model with helping the company achieve 105 percent of its 2024 turnover target, owing to “a sense of shared initiative... and increased motivation and drive.” The EOT model was seen to meet Coda’s business ethics in creating a better world. Lawrenson said of the exit process through an EOT, that “what could have been emotive and stressful was instead a satisfying and happy exit, with the bonus of the business I had built now being **owned by the people who deserved it most.**”

EOT round-up

- ◆ Building fit out firm **BW**
- ◆ Apprenticeship and vocational training provider **Cambrian Training Group**
- ◆ Architectural practice **Crawford Architecture**
- ◆ Law firm **Family Law Partners**
- ◆ Car dealership group **Furrows**
- ◆ Architecture, landscape and interior designer **HLM Architects**
- ◆ Law firm **Holden Smith**
- ◆ Online pest control retailer **Pest Control Supermarket.com**
- ◆ Tech recruitment firm **Searchability**
- ◆ Livestock auctioneer **United Auctions (UA)**
- ◆ Financial services firm **Westerby Group**

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Esop Sofa 2024 Review: Budget & PISCES; The Employee Voice; The Role Of Direct Employee Share Ownership In Market Economics; Esop Sofa: Hot Topics In Employee Share Ownership – Newspaper Review VIII ; Esop Centre *newspad* Online Round-table; Esop Sofa: Esop Round-Table *newspad* Review VII; Esop Sofa: Hot Topics In Employee Share Ownership – *newspad* Review VI; Employee Share Plans & The Benefits For SMEs; Employee Share Schemes, Levelling-Up & Social Mobility; Why Employee Share Ownership Matters; International Share Schemes: Exporting the Vision; Esop Sofa: Hot Topics In Employee Share Ownership – *newspad* Review V; Share Schemes And The Impact Of Inflation; The Future of Gig Working As A Dynamic Economic Alternative; The Employee Voice: Share Plan Votes ; Esop Sofa: Hot Topics In Employee Share Ownership – *newspad* Review IV; Innovative Tax Techniques For Employee Share Schemes; Share Schemes For Non-Employees & The Gig Economy; Esop Sofa: Hot Topics In Employee Share Ownership; Building Back Better With Your Employees Through Shared Ownership ; EOTs: The Credible Alternative To Succession; The Role of Employee Share Schemes In Achieving The UN Sustainable Development Goals; Esop Sofa: Hot Topics In Employee Share Ownership - *newspad* Review ; Beyond Brexit: EU-UK Social Security Contribution Rules; Esop Sofa: Hot Topics – *newspad* Review; The Share Valuation Worked Examples Group In The Changing Valuation Landscape ; Looking Ahead To 2021: Moving Beyond Brexit In Financial Services Regulation; Insights Into Share Valuation for Employee Share Schemes: Revealed Through Dynamic Case Studies;

Lessons From Lockdown: Re-Assessing How You Manage Share Plans In A Digital Way; Employee Share Schemes: Innovative Communication Strategies Guaranteed To Increase Employee Take-Up ; Selling Your Company To An EOT - How It Differs From An MBO; Institutional Investors' Views On The Use Of Share Plans; Esop Sofa – Hot Topics; Employment-Related Securities: The Complexity Unravelling Into Practical Application; Employee Ownership & The Future Of Capitalism; Could Equity Be Used To Replace A Portion Of An Employee's Salary?; The Case For Employee Share Ownership: The Heart Of The Matter Revealed; Esop Sofa Lockdown Stories; Share Valuation: The Wisdom On Price-Setting For Your Employee Share Schemes; Tools Of Engagement: The Power Of All-Employee Plans; Awarding Shares To Employees In A Covid-19 World; The Employee Share Trust: Establishing A Dynamic Market For Your Employee Share Schemes; How To Ensure All -Employee Share Plans Remain Relevant; Esop Sofa - What Are Today's Big Employee Share Ownership Questions?; Enterprise Management Incentives (EMIs) – Powerful Lessons From Five Practical Case Studies; Enterprise Management Incentives (EMIs) – Igniting Your Business By Sharing Success; Esop's Tales: The Foundation Of The Esop Centre.

Broadening horizons, Z/Yen Group is hosting a range of webinars over the coming weeks. For a full listing of Z/Yen, Long Finance, FS Club, and Esop Centre webinars look here - <https://fsclub.zyen.com/events/webinars/> - or sign up for mailings - <https://fsclub.zyen.com/#Subscribe>



Z/Yen Group Limited t/a The Esop Centre. Registered office:
1 King William Street, London EC4N 7AF. Company number
2965552 England

+44 (0)20 7562 0586 | esop@esopcentre.com |
www.esopcentre.com

ABOUT NEWSBRIEF

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To submit a story for the next issue of newsbrief, sponsor the publication, or to propose someone for a member profile, contact Juliet Wigzell:

T: +44 (0)20 7562 0586

E: juliet_wigzell@zyen.com