

it's our business

newspad of the Employee Share Ownership Centre



Z/Yen Group Limited t/a The ESOP Centre

1 King William Street, London EC4N 7AF

tel: 020 7562 0586 e-mail: esop@esopcentre.com www.esopcentre.com



In this issue

PRESIDENT'S COLUMN

TOP STORIES

AWARDS

EVENTS

MOVERS & SHAKERS

WORLD NEWSPAD

UK CORNER

COMPANIES

- [EXEC REWARD](#)
- [EO NEWS](#)



From the life president

For the first time we have the joy of a Labour government with a positive approach to employee ownership. Through the decades the negativity of Labour's partners in the Co-operative and trades union movements have prevailed. Now that has been overcome - not only with PISCES, a government initiative, but across the piste.

Unsurprisingly the advantages of the Employee Ownership Trust have been pruned. The EOT dates back to the days of Con-LibDem government: the EOT was the unfettered contribution of the LibDem fiefdom at Business. The Cons let it through without a second thought, a slapdash approach which has been sensibly amended.

Now we have several other parties in the game, all requiring a tailored approach.

Malcolm Hurlston CBE

Seasons Greetings: All at the Centre – president Malcolm Hurlston CBE; chairman Robert Pay; Z/Yen chairman Michael Mainelli and Juliet Wigzell wish members and friends the best of health and happiness in 2026.

A very joyful New Year to you all





Budget 2025:

A positive signal for growth through employee share ownership

In a tax-raising Budget, it is striking that employee share ownership has been effectively ring-fenced, a clear recognition that well-designed employee equity participation delivers corporate performance, investment and long-term economic growth, to the benefit of both businesses and the Exchequer. This is the first time a Labour government has launched a pro-Esop budget.

EMI is especially favoured with higher eligibility thresholds, a larger £6m company options limit, and an extension of the period during which an exercised option will qualify for relief. The CSOP/EMI alignment for PISCES liquidity shows that investment in share incentives recognised as growth-positive.

EMI eligibility is being widened significantly. The gross assets limit rises from £30m to £120m and the employee threshold rises from 250 to 500 staff. These reforms will help scale-ups recruit and retain talent, channel equity into productivity and turn more companies into long-term success stories.

The government might continue in this vein to ignite broad-based, sustainable growth. Alongside the focus on high-growth firms, the Employee Share Ownership Centre believes it is time to boost wider employee participation. One simple, low-cost step would be a £15,000 annual CGT allowance for gains arising from any tax-favoured employee share plan. This would be inexpensive for the Exchequer, high value for employees and simplify the message around the benefits of share ownership.

It is good to see EMI and CSOP being sharpened as tools of national competitiveness. The next step is to ensure all employees, not just executives, benefit from the growth they help create.





Budget 2025 *more*

For former *newspad* editor Fred Hackworth, standing out among the tax changes in the Budget was the halving of CGT relief, from 100 to 50 percent - effective immediately - for owners who sell all or most of the equity in their businesses to an employee trust - i.e. an EOT.

He commented *"This is a nasty blow for business owners who were considering joining the nationwide growth in the formation of EOTs. While a few owners stand accused of having gamed the system to avoid paying any CGT on the sale of their businesses, there will be many employees who will be saddened to see their chances of becoming part owners in the companies in which they work, seriously reduced."*

"The Treasury said that CGT relief on EOTs was "on course" to cost taxpayers £2bn - around 20 times more than what had been forecast when the EOT was announced in 2013."

"There were 2470 employee owned businesses in the UK last June and, of these, it is estimated that almost 2000 were EOTs - a huge increase during the past few years."



Summary of the budget provisions on share scheme activities:

Enterprise Management Incentives:

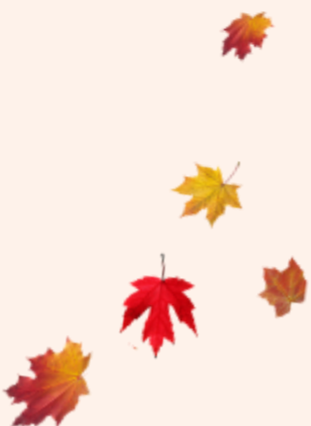
- ⇒ **Expansion of eligibility:** The asset limit for companies to qualify has been raised from £30m to **£120m**.
- ⇒ **Increase in value of company options:** raised from £3m to **£6m**.
- ⇒ **Increase in employee headcount limit:** raised from 250 to **500**.
- ⇒ **Increase of the maximum lifespan** of an EMI option from 10 to **15 years**
- ⇒ **Unchanged individual cap:** The maximum value of share options that can be granted to an individual employee under the EMI scheme remains at **£250,000** over a three-year period.

Employee Ownership Trust (EOT)

- ⇒ The **Capital Gains Tax relief for owners selling their businesses to an Employee Ownership Trust has been cut from 100 to 50 percent**, effective immediately.

Previously, business owners could sell their company to an EOT and benefit from 100 percent relief from CGT on the disposal. The change means that 50 percent of the gains will be treated as a chargeable gain subject to CGT. The Chancellor justified the change by stating that the original relief had created "a route for gains to go completely untapped when businesses are sold" and noted that the EOT scheme was on course to cost significantly more than originally estimated.

This change is distinct from Business Asset Disposal Relief ("BADR"), formerly known as Entrepreneurs' Relief, which has its own separate rules and a lifetime limit of £1m for eligible gains.





Call for Evidence outcome: non-discretionary tax-advantaged share schemes

In the Spring Budget of 2023, the previous Sunak government announced it would launch a Call for Evidence on SIP and SAYE. It asked for views and evidence on the use of the schemes and whether they were effective in achieving the policy objectives. It ran from June 5 to August 25 2023.

Thanking those who responded the government has summarised the replies: [SAYE and SIP CfE Summary of responses](#).

Tax support for entrepreneurs: Call for Evidence

The government has launched a Call for Evidence to gather views and evidence on tax policy support for investment in high-growth UK companies. It closes at midday on February 28 2026.

It seeks views on the effectiveness of existing tax incentives, and the wider tax system, for business founders and scaling firms, and how the UK can better support these companies to start, scale and stay in the UK. The government will consider responses when [developing further potential reforms to tax support for entrepreneurs](#).

PISCES alert

On November 26, HMRC published its updated policy paper on the tax implications for the Private Intermittent Securities and Capital Exchange System (PISCES), allowing existing Company Share Option Plan and Enterprise Management Incentives options to become exercisable at a PISCES trading event.

The exercise of the option will be on condition that the sale of the shares on a PISCES platform happens as soon as reasonably practicable following the exercise. The measure treats the inclusion of PISCES as though it was included in the contract from grant, which ensures that the amendment can be made without losing the scheme's tax advantages.

The amendment must be either agreed by the employer and employee option holder in writing or notified in writing to the employee.

The changes will ensure currently participating employees will enjoy the same opportunities with PISCES as newly participating employees, while retaining the tax advantages of both tax-advantaged schemes.

This measure will [apply to options granted before April 6 2028](#).





18th All-Employee Share Plan Awards

Time to submit your entries—December 17 2025

The 18th *newspad* all-employee share plan awards are *open for submissions*.

The *newspad* awards recognise the achievements of companies which offer employee share plans and hold up best practice models for other companies to follow.

If your company or client made a notable contribution to employee share ownership, issued an inspirational share plan, or showed excellence in its communication and presentation; has been creative in using share plans to overcome significant changes or challenging situations, increasing participation or using technology; or if the chairman, ceo, or share plan team leader has upped the game with enthusiasm for employee share ownership, why not take this opportunity to tell the world about it?

Either companies can nominate themselves or advisers can make submissions on their behalf. Entrants can apply for awards in more than one category. **Submitting nominations** is free and simple. Required information is kept to a minimum. Clarity matters more than length. The deadline for nominations is **17:00 on Wednesday December 17 2025**.

The awards present a great opportunity to celebrate your company's or clients' achievements.

The award categories for 2025 are:

1. **Best all-employee share plan**
2. **Best share plan communications**
3. **Best use of technology, AI or behavioural science**
4. **Best share plan response to significant changes or challenging situations**

Category descriptions and rules of entry are detailed on the [Awards webpage](#).

We look forward to your nominations.





Share plans symposium—March 26 2026

Esop Centre's **ninth Share Schemes Symposium**, will consist of two sections:

- ⇒ Background material: The speakers' presentations will be recorded during February and early March. They will be made available in advance.
- ⇒ Live session: face-to-face event to debate the presentation topics.

The live session will be in Baker McKenzie's central London offices from 13:15 on Thursday March 26 2026.

The keynote address will focus on the financial rationale behind **KKR's** substantial efforts to back employee share ownership, a trend being followed by others in private equity. This will be followed by four interactive discussions. The symposium will conclude with the presentation of the 18th *newspad* all-employee share plan awards and a celebratory reception.

The programme of 10 to 12 presentations by employee equity experts will include developments and issues in all-employee and international share plans; share plans in SMEs and private companies; employee ownership and benefit trusts; executive remuneration within the employee ownership context; and case studies of employee share plans in action.

Presentations include speakers from: Baker McKenzie, CMS, Computershare, David Craddock Consultancy Services, Equiniti, Fieldfisher, JP Morgan Workplace Solutions, MM&K, Tapestry Compliance and Wealth at Work.

The Symposium provides an opportunity for people with a professional interest in all forms of employee share ownership to learn about latest legal, regulatory, governance and tax issues affecting employee share plans and to exchange ideas.

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*

There will be strictly limited opportunities to attend remotely for international members not able to travel to London.

To register a delegate, email : events@esopcentre.com



Thank you to our sponsors:

The Centre's 2026 symposium is hosted by **Baker McKenzie**

Baker McKenzie.

and the programme brochure is logo sponsored by **MM&K**.

mm&k

EVENTS



Hold the day:

Jersey share plans and trustees conference – May 22 2026

The Centre is set to return to Jersey for its employee share plans and trustees conference on Friday May 22 2026.

We are putting together a programme of talks from expert speakers, to update trustees and employee share scheme professionals. Presentations will run from 09:00 to 13:15, followed by a networking lunch. The seminar will be held in conjunction with STEP Jersey.

To reserve your place, email us at events@esopcentre.com



MOVERS & SHAKERS

New member: Osborne Clarke joins the Centre

The Centre was delighted to welcome law firm Osborne Clarke as a new member at the start of the month.

Osborne Clarke is an international legal practice with over 330 partners and more than 1600 lawyers in 26 locations. Osborne Clarke's sector-based approach enables it to help clients tackle the issues they are facing today, and prepare for the ones that they will face tomorrow. The firm's specialist employee incentives team is led by partners **Michael Carter** and **Anika Chandra** and represents leading UK and global private and listed companies on the full range of employee share plans (including executive remuneration and corporate governance issues). It also offers a multi-disciplinary service advising on employee ownership trusts, which continue to increase in popularity.

Incentives partner Michael Carter said: *"We are delighted to join the Esop Centre, and look forward to working with the Centre and its members in continuing to promote share plans and employee ownership."*





Japan

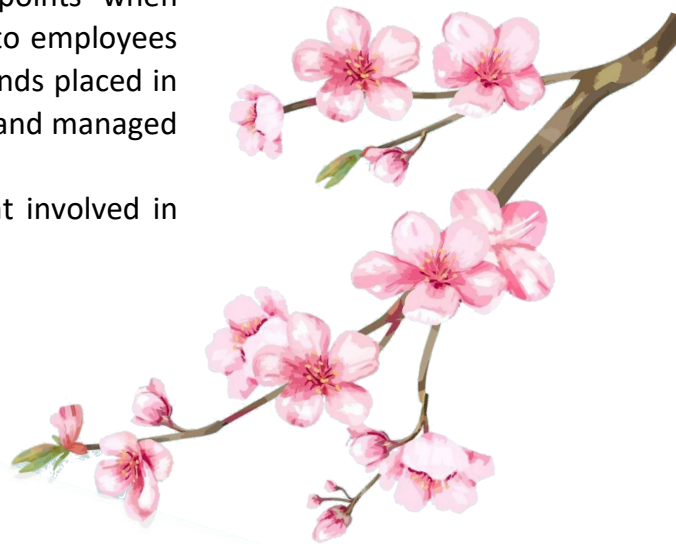
Nxera introduces J-Esop for employees residing in Japan

The directors of Nxera Pharma Co Ltd plan to replace the current Restricted Share Unit Plan with an Employee Stock Ownership Plan. This Esop is to be established under a trust agreement to be concluded with Mizuho Trust & Banking Co and grants the Company shares to employees residing in Japan. This plan provides benefits based on points upon retirement etc., thereby providing employees with tax benefits and mitigating the concentration of sales of the company shares at specific points in time.

The Company decided to replace part of the RSU plan to further increase the interest of employees residing in Japan in share price and performance improvements, thereby contributing to more motivated engagement in their work. There are no changes though to the RSU plan for executives and employees not residing in Japan. The number of shares to be issued will not change as a result of the introduction of the plan.

The Esop is a trust-based arrangement modelled on the US Employee Stock Ownership Plan. It provides company shares and cash equivalent to the market value of such shares to eligible employees of the group, based on pre-established Share Benefit Rules set by each group company (e.g., upon retirement, etc.). Each group company awards points to employees and grants the company shares, etc. equivalent to the awarded points when vesting conditions are met. The shares to be granted to employees shall be acquired, including future allocations, using funds placed in a trust established in advance and shall be segregated and managed as trust assets.

The timing of the trust establishment and the amount involved in the **plan will be announced once determined.**





Netherlands

Airbus advances share buyback

Airbus has announced in a press release the second tranche of its share buyback programme as it continues to enjoy commercial success following a major deal announcement at the Dubai Air Show. The aerospace manufacturer, which operates large UK facilities in Broughton and Filton, is repurchasing shares to support future employee share ownership and equity-based compensation plans.

The initiative, approved by shareholders in April and running until January 16 2026, covers up to 4,140,000 shares, with the first tranche—totalling 2,070,000 shares—completed at the end of October. Airbus has appointed an unnamed investment firm to manage the timing and execution of the second phase of repurchases.

The announcement comes amid a commercial uplift for the company, highlighted by a Memorandum of Understanding signed two days earlier with flydubai for 150 A321neo aircraft, marking the airline's first order with Airbus. The MoU was signed by flydubai chairman Sheikh Ahmed bin Saeed Al Maktoum and Airbus commercial aircraft chief executive Christian Scherer, who welcomed the carrier as a new customer and emphasised the A321neo's strengths in range, efficiency and passenger comfort. With more than 7,200 A321neo aircraft ordered by nearly 100 customers globally, Airbus's newest agreement strengthens flydubai's long-term expansion plans and supports Dubai World Central's **ambition to become the world's largest airport**.



India

Safari Industries expands equity through Esop

Safari Industries (India) Ltd has approved the allotment of 1,200 equity shares under its Employee Stock Option Scheme 2016, marginally increasing its issued, subscribed and paid-up share capital. The move reinforces the company's commitment to rewarding employees and supporting long-term value creation. Safari, a major player in India's luggage and travel accessories market, offers products including suitcases, backpacks, and travel bags. The company's market capitalisation stands at ₹100.5bn (approx. £960m), with an average trading volume of 2,450 shares; current technical sentiment indicates a sell signal. By increasing employee ownership, Safari aims to enhance workforce alignment and stakeholder value while **strengthening its competitive position**.





USA

How employee ownership shapes the science

In an interview with *LCGC International*, Bill Arrowsmith, Restek's head coach and president, explains how the company's culture, focused on employees and employee ownership, has shaped the business as it marks its 40th anniversary. Restek is a developer and manufacturer of chromatography products for monitoring the quality of air, water, soil, foods, botanicals, pharmaceuticals, and chemical and petroleum products

LCGC: You emphasise that Restek is 100 percent employee-owned across eight countries. How does employee ownership concretely influence decision-making, innovation, or agility at Restek?

"Employee ownership has a significant impact on everything we do. It's a core part of our culture and influences our work deeply. Anyone who has owned a business—large or small—knows it drives you to take initiative and think long term. Even before we became employee-owned, we cared deeply about our customers, and ownership has only enhanced that. It allows employees to be closer to decision-making; they feel empowered to act on insights that improve their work and our customers' experiences. That creates agility and accountability—both for our customers and for each other—and it's helped us build a culture full of passion and care across our global team."

LCGC: How do you ensure the employee-owner ethos and culture are preserved and felt across geographies?

"Preserving our employee-owner ethos across geographies is a very deliberate process. We make sure to talk openly about our culture and ownership with employees and to embed these values in our systems. We stay connected through global discussions, and our footprint has grown significantly in the past decade. We're intentional about travel and interaction at all levels of the company, ensuring teams share ideas and stay aligned. We also focus on onboarding, leadership development, and ongoing communication to reinforce our shared values. While ownership may look slightly different locally, our culture—grounded in respect, care, and collaboration—is universal. **Employee ownership lets us all share in Restek's success.**"





USA

The critical role of business succession planning in preserving generational wealth

Gwyneth Galbraith, vice president for global small business philanthropy at JPMorgan Chase believes that small and mid-sized businesses are the backbone of the US economy, and owning a business is a powerful engine for building and sustaining generational wealth. For many small business owners, their company is more than a source of income—it’s a reflection of years of hard work, a commitment to employees and a cornerstone of their community.

Yet when the time comes to step away, too many owners find themselves unprepared for the transition, putting at risk not only their own legacy but also the financial stability of their families, employees and communities.

Over the next 10–15 years, as Baby Boomer business owners continue to retire, an estimated 12 million businesses—representing \$10trn in assets—are expected to change hands. Despite this massive transfer of wealth, nearly 60 percent of business owners have no formal succession plan, and only 30 percent of family-owned businesses successfully transition to a second generation.



The consequences of this looming “Silver Tsunami” are significant: businesses without a clear plan risk closing, resulting in lost jobs, diminished local economic activity, and a missed opportunity to build and expand generational wealth.

Business succession planning isn’t just a distant concern—it’s an ongoing process that ensures business continuity, protects jobs, and secures the legacy owners have worked so hard to build.

- ⇒ 75 percent of all business owners are looking to exit their business within the next decade.
- ⇒ \$10trn in assets are expected to change hands.
- ⇒ Nearly 60 percent of business owners have no formal transition plan.
- ⇒ 70–80 percent of businesses that go on the market will never sell.
- ⇒ Only 30 percent of family businesses successfully transition from first to second generation ownership.





USA

Why founders still believe in shared ownership

According to the *News Observer*, despite rising scepticism among startup employees, founders continue to view equity as fundamental to trust, motivation and collective success. Employees, facing longer liquidity timelines, volatile valuations and limited understanding of vesting and dilution, increasingly question the real value of equity, creating a perception gap. Founders, however, maintain that ownership is not merely a financial mechanism but a cultural pillar that reflects fairness, alignment and a belief that value creators should share outcomes.

Founders consistently emphasise equity's role in fostering stewardship, attracting talent and reinforcing long-term thinking. The challenge lies less in the principle of ownership and more in poor communication: when equity feels abstract or overly technical, its motivational power diminishes. Startups that prioritise transparency—explaining valuation, vesting and dilution in accessible terms—strengthen engagement and trust. Practical measures such as regular equity discussions, simplified explanations, celebrating vesting milestones and openly sharing company progress help make ownership tangible. Founders also reframe equity as part of the mission rather than a purely financial reward, reinforcing belonging and shared purpose. While equity has never guaranteed financial gain, its symbolic and cultural value remains strong; for many founders it continues to embody the essence of startup life, ensuring that **when the company succeeds, everyone succeeds**.





Employment related securities bulletin 61

HMRC's **November 2025 Employment-Related Securities Bulletin** explains how Enterprise Management Incentive and Company Share Option Plan rules interact with **PISCES**, a new framework that enables qualifying private companies to open short, regulated trading windows for investors to buy and sell shares.

In a piece for *Lexology*, Kathy Granby and Michael Birchall of Centre member **Lewis Silkin** suggest "if you would like employees to be able to exercise options and sell shares during one of these PISCES trading windows while keeping the tax advantages of EMI/CSOP, you need to make sure your plan rules allow it in the

right way. In particular, for any new EMI or CSOP options granted after the Finance Bill 2025-2026 comes into law, your plan rules will need to contain the right provisions from the start.

Other share plan points in HMRC's Bulletin include:

- ⇒ the treatment of managers' "sweet equity" in the light of the BVCA Memorandum of Understanding
- ⇒ how to handle shares held in a terminating Share Incentive Plan (SIP) when employees cannot be traced
- ⇒ reporting when personal representatives exercise share options after an employee's death.

UK borrowing overshoots expectations ahead of crucial budget

UK government borrowing surged past expectations in October, delivering an unwelcome setback for Chancellor Rachel Reeves just days before the Autumn Budget.

Public sector net borrowing reached £17.4bn, well above the £15.2bn predicted by City economists, driven by higher benefits spending and rising public sector wages. Total borrowing for the financial year has now climbed to £116.8bn, overshooting the Office for Budget Responsibility's (OBR) forecast by nearly £10bn.

Although the OBR will not factor these latest figures into next week's fiscal forecasts, the data underline the growing pressures on the public finances as Reeves prepares to finalise measures intended to plug a £20bn fiscal hole—widely expected to involve targeted tax rises.

Government borrowing costs for the month stood at £8.4bn, with debt interest payments still on track to exceed £110bn this year. Treasury officials are also scrutinising tax receipts amid speculation that the Budget will rely on a series of smaller revenue-raising measures rather than broad-based tax hikes that could breach Labour manifesto pledges.

Market unease has intensified following reports that planned income tax rises have been dropped, despite scepticism from independent economists and shadow ministers. With revised productivity forecasts and higher borrowing costs contributing to the widening gap, the Chancellor faces mounting pressure to balance fiscal credibility with political constraints as she prepares to outline her plan to cut debt, reduce the cost of living, **and support public services.**



Will the government’s price freeze make our railways worse?

In an opinion piece for *CapX*, Professor Len Shackleton, economist and research fellow for the Institute of Economic Affairs said: *“It appears that the government is going to freeze rail fares for the coming year. This is a strange policy. Economists should never be very happy with the strategy of holding down prices as a ‘cost of living’ or anti-inflation measure. It produces distortions which are difficult to address subsequently.”* This is sure to be of interest where employees have salary sacrifice or specific interest-free season ticket loans.

With the generous settlement with ASLEF made when Labour came into power and this week’s

freezing of prices to meet a short-term political objective, Prof Shackleton concluded, *“the echoes of the bad old days of British Rail reverberate.*

*“Labour promised that nationalisation would dramatically improve a railway damaged by the collapse of the Conservatives’ privatisation model. But this sort of response, together with the blandness of the new Railway Bill, suggests that little thought went into nationalisation. It may have pleased the Labour Left and the unions, but it is **as yet unclear that the public is going to get much from it.**”*

COMPANIES - EXEC REWARD

UK asset managers call for more tailored executive pay rationales

Investors are urging UK companies to provide clearer, more company-specific explanations for their executive pay structures, according to the Investment Association (IA), in reaffirming its flexible approach to remuneration for the 2026 proxy voting season. The IA noted that companies have broadly welcomed the increased flexibility introduced in last year’s revised Principles of Remuneration, which allow firms greater freedom to tailor pay structures—particularly when justified with robust explanations—to attract and retain senior talent.

However, investors believe further improvements are needed in several areas, including the quality of company-specific rationales, benchmarking practices, the design of hybrid incentive schemes, bonus deferral mechanisms and the handling of in-flight awards. The IA emphasised that these refinements do not require changes to the underlying framework, which it considers resilient and forward-looking. As companies prepare for the 2026 agm season, investors will continue to expect strong alignment between pay and performance, reinforced by transparent, tailored disclosures explaining why remuneration structures suit each business. Guidance on non-executive **director remuneration remains unchanged.**



UK boards adopt tougher stance on ceo pay amid global competition

UK companies have become markedly more assertive in raising chief executive pay. Dame Julia Hoggett, chief executive of the London Stock Exchange, claimed it was necessary at the FT's Future of Asset Management Europe conference. Remuneration committee chairs are not shy to argue for higher packages when rival employers in the US and Asia offer significantly higher rewards. Apparently shareholders have increasingly supported this shift.

Median ceo pay at FTSE 100 companies rose 11 percent last year to \$6.5m (£5.1m), outpacing the 7.5 percent rise for American counterparts, though US median packages still stand far higher at \$16m (£12.6m).

Hoggett noted that UK corporate governance rules—requiring companies to engage with shareholders if less than 80 percent back pay proposals—have inadvertently created a “naughty step” stigma, though widespread engagement is now normalising such discussions. Stressing that the UK is not veering into “Elon Musk-style” territory, she argued that competitive pay remains essential for strong leadership and shareholder value. Her comments come as public markets face declining IPO activity, with London listings hitting a 30-year low, prompting measures such as a three-year stamp duty holiday for **new flotations in the Autumn Budget**.

Executive pay in Europe: trends, challenges, and opportunities

According to Willis Towers Watson, executive compensation across Europe is entering a period of heightened complexity as companies prepare for the 2026 AGM season, with global competitiveness, economic volatility, and stricter disclosure expectations reshaping remuneration strategies. Firms are increasingly revising pay structures—particularly long-term incentives—to secure top executive talent in a market where leadership mobility and international benchmarks continue to rise.

At the same time, assessing performance has become more challenging amid geopolitical tensions, fluctuating economic conditions, and rapid technological disruption, prompting companies to rely more heavily on derogation and discretionary clauses to ensure pay outcomes reflect both results and strategic judgement. With transparency also moving to the forefront, this shift is driving organisations to refine the clarity, consistency, and comparability of their remuneration reports to meet regulatory demands and maintain investor confidence. Together, these developments underline a broader recalibration of European executive pay, where competitiveness, fairness, and accountability must be balanced more carefully than ever, offering both challenges and opportunities for boards **navigating the evolving governance landscape** according to a paper by Dr Richard Belfield and three others.



Employee ownership trust: a growing trend within coach and bus

According to Tim Deakin, editor of Coach One, more coach or bus operations are being sold to employee ownership trusts. At least four transfers have taken place since 2020: Creigiau Travel, Shuttle Buses, Stephenson's of Essex, and recently Berrys Coaches. Others have held that status for longer, Alfa Travel among them.

The structure of an employee ownership trust is clear; shares are held in trust and do not become the 'property' of staff, although dividends are forthcoming once the previous owners have been paid out of profits.

Many independent coach and bus businesses execute succession planning. But others have not been in that position. Around 10 years ago, a string of disastrous sales to a long-defunct Midlands buyer which also supplied new coaches

showed what can happen in the worst of cases, and disposal to a large group is not for everyone. Moves on a 'coaching cooperative' look likely to increase options in that field, however.

The employee ownership trust approach is cited as having benefits to succession in how it engenders belonging and pride among staff. Dividends (once they come) without having to put up capital in the first place will always be a strong incentive to remain with an employer.

The natural conclusion to be drawn there is that staff will stay around for longer, giving greater scope to mould them into the leaders of tomorrow. And a stable workforce with no revolving door means **a stable business that is well placed to seize opportunities.**

EOT round-up

- ▶ Technical injection moulded product manufacturer **Advanced Plastics Group**
- ▶ Press tooling manufacturer **APS Metal Pressings**
- ▶ Veterinary practice **Brookend Veterinary Practice**
- ▶ Construction and manufacturing group **Central Insulations**
- ▶ Electrical and mechanical engineering firm **Darke & Taylor**
- ▶ Care home operator **HomeTrust Care**
- ▶ Specialist crisis communications consultancy **Insignia**
- ▶ Independent jeweller **Robert Gatward Jewellers**
- ▶ Events agency **Rapiergroup**



The Employee Share Ownership Centre is a membership organisation which lobbies, informs and researches on behalf of employee share ownership.



The Z/zen Group