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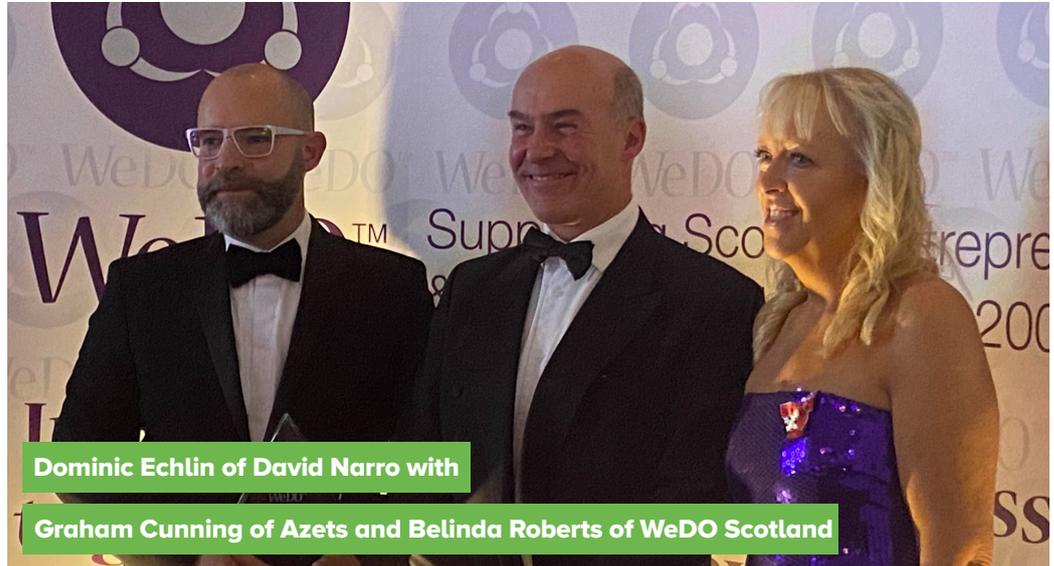
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First Friday
December 3rd

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November 26th
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Dominic Echlin of David Narro with

Graham Cunning of Azets and Belinda Roberts of WeDO Scotland

EOBs triumph in Business Awards

Employee-owned firms delivered a great showing in the recent WeDO Scotland Business Awards, announced at a glittering ceremony on Friday 5th November.

Congratulations to **David Narro Associates** who won the Employee Owned Business of the year award. The consulting engineering firm, employee-owned since 2014, beat off fierce competition in the category that attracted the most entrants. Close runners up were **Network ROI**. Both firms made excellent submissions, involving the wider employee groups in their videos. Network ROI were clear on the company's strong values and the need to promote understanding of the business financials. The David Narro team impressed with their passion for their work and projects, and the evidence demonstrating the strong ownership culture within the practice.

Employee-owned firms also won through in the other categories, testament to the success of the employee-owned model.

Both finalists in the International Entrepreneur Awards companies are owned by their employees. This was a very close call, with the judges having to reconvene, unable to agree which of the two strong contenders should win. **The TEFL Org** impressed the panel with their commercial success, leadership philosophy and culture. **Woollard & Henry** were announced winners on the basis of their ambitious strategy, their impressive growth, and their commitment to promoting Scotland's engineering skills across the globe.



Fred Bowden

(Continued)

Paul Heat Recovery picked up the Eco Award. The judges were bowled over by the achievements of the firm and the commitment of Founder and MD, Stefan Huber, to “never compromise on ethics.” The Dunfermline based company advises, installs and promotes energy efficiency, supplying solutions for heat recovery ventilation systems and indoor climate solutions for sustainable homes. The Paul team members spoke passionately about their work in the firm and how the company operated with a strong family ethos. Paul Heat Recovery has been in employee ownership since January 2021.

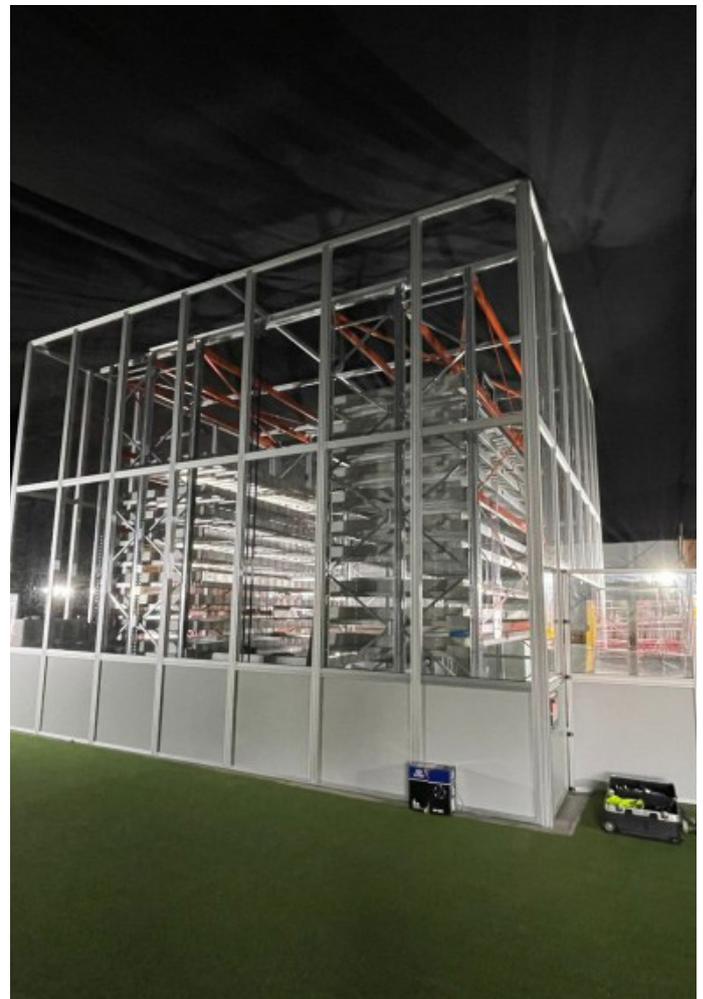
A massive well done to all employee-owned firms who participated. By doing so, you raise awareness amongst the mainstream business community and demonstrate clearly that employee ownership is for winners.



Christie Gillespie Combat Climate Crisis

Visitors to COP26 in Glasgow were able to see the innovative “Vertical Farming” system developed by Scottish firm Intelligent Growth Solutions (IGS). Employee-owned engineers Christie Gillespie Consulting Engineers worked with IGS to develop this innovative system that is designed to form part of the solution to climate change and more efficient food production.

Vertical farming is the practice of growing crops in vertically stacked trays. This minimises the amount of land required for cultivation, and can be located in brownfield or urban sites, even indoors, and brings production closer to the consumer. Waste is minimised and food miles are reduced. Clever irrigation means that 95%+ of water is reused and there is no need for pesticides, fungicides or herbicides.




CHRISTIE GILLESPIE
CONSULTING ENGINEERS LTD.

Scotland's first employee-owned accountancy practice

A HIGHLAND-based business has made history by becoming Scotland's first employee-owned full-service accountancy firm.

All shares of Reid & Fraser Chartered Accountants have now been placed into an employee ownership trust [EOT] marking a significant milestone within the sector which has recently seen several Scottish firms bought over by international counterparts.

Established in 1915, the accountancy firm has been a cornerstone of the Highland landscape with offices in both Thurso and Wick, and the move to employee ownership will allow the practice to continue its focus on delivering excellent services to its pool of local clients.

With guidance from Lindsays Solicitors and **Ownership Associates**, Reid & Fraser has been able to navigate the transition to the succession model -under the sector regulator ICAS – which will see all 17 of the business's employees own a stake in the company through the EOT.

Stuart Walker, Director at Reid & Fraser Chartered Accountants, believes the move towards employee ownership secures the future of the firm.

Stuart said: "We have loyal employees who have developed relationships with our clients, so adopting employee ownership felt like the obvious route to take. It was an easy decision.

"This move will hopefully give both our senior and our junior accountants, and perhaps those looking to make the move to Reid & Fraser, a clear path of progression to director level and a sense of stability that may not be present at other firms."

Having spent 25 years at the company, Stuart has seen other firms within the region being bought over and relocated, leaving local professionals with little options, and thus felt it was important to maintain the accountancy firm's independence.

Stuart added: "To think of selling or merging the practice didn't sit right with me because there would always be that uncertainty surrounding the future for our staff and clients should there be a



Stuart Walker



Douglas Roberts

merger or relocation. However, with employee ownership it shifts the control and emphasis of the business to those which matter most, the staff."

Director Stuart looked towards the professional accountancy body ICAS for advice on a succession plan as the 50-year-old began to plan his future exit strategy. Through discussion with ICAS Stuart found employee ownership to be the most viable succession route. Long serving employees Steven MacGregor and Linda Cameron will join Stuart in an enhanced management team.

Jeremy Clarke, Assistant Director, Practice at ICAS said: "Stuart contacted me in early February about his options and it was clear from the outset that employee ownership was the right route to go down."

Stuart then called on the help of experienced advisers to ensure that this historical transition would go smoothly.

Douglas Roberts, a Partner at Lindsays has advised on many employee ownership transactions. He said: "Reid & Fraser is a trailblazer, setting the path for other firms of accountants to follow. They are possibly the first full service firm of chartered accountants in the UK to move to employee ownership so we are sure that others in the sector will be watching with interest to see the benefits it brings, which are many.

"By opting for a sale to an EOT, Stuart has secured the practice in its local community, employment is protected and the firm's loyal clients will see no interruption to service.

OAUK News

Writing this the morning after the WeDO Scotland Business Awards and wow – what a night! It was so good to see so many employee-owned companies do well across the categories. This is the first – and perhaps only – mainstream business awards to introduce a category specifically for employee-owned businesses and it was great to hear it was the most hotly contested group. David Narro Associates, one of the first Scottish companies to adopt the Employee Ownership Trust was crowned winner. The Employee Owned Company of the Year Award was presented by Graham Cunning of leading accountancy firm Azets. It was encouraging to hear Graham say that employee ownership is the business model for the future, and his firm is proud to have supported several businesses who have made the transition.

It seems appropriate in the week of COP26 that the Eco Award went to Paul Heat Recovery, leaders in the promotion of sustainable housing and Passivhaus building. Stefan Huber was delighted to receive the award on behalf of the Paul team. Woollard & Henry, one of the oldest employee-owned firms in Scotland, was awarded the International Award. Commiserations to The TEFL Org who came an exceptionally close second. It was an exceptionally good evening and wonderful to be out networking face to face again.

The number of companies exploring and making the move to employee ownership continues to increase. Ownership Associates completed another 4 transactions in October, with a similar number scheduled to complete in November. We thought it might be fun to include a counter that shows the overall number for Scotland and you can see this month's on [page 8](#). There had been some concerns that the Autumn Budget might include some measures detrimental to the growth of Employee Ownership Trusts, not a view I shared. The Chartered Institute of Taxation (CIOT) proposals provide some comfort that the direction of travel is to reinforce the EOT rather than damage it. Indeed the increasing support from mainstream advisers suggests that employee ownership is here to stay although as



the CIOT warn, it must be the right kind of employee ownership and not a tax dodge!

The landmark completion for October was the transition of accountancy practice Reid & Fraser to an employee-owned structure. This breaks the ground for other accountancy practices to follow suit, and there has already been some enquiries from other Scottish firms. It was a delight working with the Reid & Fraser team and rewarding to see the amount of coverage achieved by the news of their new ownership.

November's First Friday was delayed this month and will take place on Friday 12th November at noon. The topic for discussion this month will be company communications and some companies have agreed to share their ideas on how to make information flow more effectively within the business. Get in touch if you want to attend and don't have the link.

As ever, thank you to all who share the newsletter, send news items and provide feedback.

Until next time,

- Carole

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GoApe goes employee-owned!

Outdoor adventure company Go Ape has transferred the majority of the company's shares to an employee ownership trust, allowing its workforce to have a stake in the company's success.

Ninety per cent of Go Ape shares have been handed over to staff, with the remaining 10% retained by founders Rebecca and Tristram Mayhew.

The forest activity business employs around 1,000 UK workers across 35 locations. It also operates in 16 US states. Go Ape has four locations in Scotland.

Rebecca Mayhew said: "Go Ape has always felt like part of our family. We knew deep down we would never be comfortable selling the business to investors."

Tristram Mayhew said: "We wanted Go Ape's employees to own and control this great company we are all so proud of."

Managing director Nick Hall added: "Tris and Becs have transferred the ownership of Go Ape to those who truly care about its values and future. Together we will continue to grow the business for the benefit of our employee co-owners, customers, environment, communities and partners."

Announcing the move last week, Go Ape said its employees were passionate about the company and its values and "best positioned to achieve success necessary to promote the company's values".

As well as the Trust Board, the company will have the Go Ape Tribe Council, a group of 12 employee representatives from across the business that will be tasked with ensuring that employee voice is heard in the organisation.



Tristram & Rebecca Mayhew

MSP takes the scenic route into employee ownership

A LOCAL campervan conversion company has welcomed a Member of the Scottish Parliament to its North Berwick workshop to learn about employee ownership.

East Lothian MSP, Paul McLennan, was given an insight into the succession model and the benefits it can have for businesses such as **Jerba Campervans** by co-founder, Simon Poole and his 14 strong team – who all share in the company profits.

Inspired by a presentation given by Simon in front of a panel of cross-party MSPs at Holyrood earlier this year, Paul was eager to learn more about the employee-owned firm and the way the business is run.

Following the visit, the East Lothian representative has shared plans to organise a Parliamentary Reception regarding the succession model with the view to introducing a Member's Debate in Parliament to further the employee ownership agenda.

Paul McLennan MSP said: "I was so impressed by Simon's presentation at Holyrood earlier this year that I wanted to visit the Jerba workshop to learn more about the team, and how employee ownership works for them.

"From my visit I could see everyone at Jerba is functioning as a cohesive and productive unit who have a real sense of pride in their work.

"It is obvious to me that, when implemented correctly, employee ownership can provide immense job satisfaction and growth opportunities for small firms and larger national firms alike.

"The idea of every employee having tangible investment in their company or firm is a model worth exploring, and I intend to bring my findings to Parliament to discuss with my peers."

Employee ownership gives each employee a stake in the business and an active say in how it is run – bolstering continuity and reducing risks commonly associated with more traditional succession options such as selling to a competitor.

Jerba Campervans made the switch to the business model in 2018, and has enjoyed an



Simon Poole (left) & Paul McLennan (right)

increase year-on-year in productivity following the move.

All employees at Jerba Campervans benefit from a yearly profit share meaning each staff member receives the same amount, regardless of their position.

Simon said: "While we already possessed a dedicated and motivated staff base, the accountability generated from our move to employee ownership has definitely motivated everyone to push on and deliver even better service for our customers.

"It's really positive to see figures in government taking a real interest in the way we do things. Since making the switch we've seen a host of huge benefits for staff, customers and the business generally and we're happy to be playing our part in encouraging more firms to follow suit.

"We look forward to working with Paul to better share the message of employee ownership amongst Scottish businesses."

Jerba Campervans specialise in converting Volkswagen Transporter T6.1 Models and is officially recognised by Volkswagen as a converter of the model. In 2015, Jerba Campervans gained a patent for their unique pop-up roof, which they add to all of their Volkswagen conversions.

Jerba's employees are passionate about adventure and travel so they convert vehicles that they use regularly.

The conversion company continues to keep their customers and staff at the heart of their business.

Architects' rebrand is a blueprint for continued expansion

Firm that helped shape Edinburgh looks outward for next phase of growth

AN ARCHITECTURE practice that has helped shape modern Edinburgh through several major city-centre developments is rebranding, as it eyes continued expansion throughout the UK.

Founded in 1994, AMA Studio (formerly Allan Murray Architects), has overseen high profile and award-winning projects including the £1bn St James Quarter, New Waverley and the new Boroughmuir High School.

It became employee-owned in April 2020 and sees the rebrand as reflecting the increased teamwork which has developed since then.

Following a robust financial year given the challenging conditions of the pandemic, the practice is targeting a period of sustained growth, with an expected pipeline of projects spanning the length of the UK, from Aberdeen to Bristol and London.

Conor Pittman, Managing Director, believes the timing is right for the business to evolve, as it increasingly sets its sights further afield from Scotland's capital and the city-centre, mixed-use developments the practice has carved a reputation for.

He said: "The core of the business will always be in Edinburgh, working on the integration of contemporary design within an historic setting, for which we've become renowned.

"That work is now being recognised on a national level, which is helping us expand outward from our traditional 'urbanist' label and secure more varied work across the UK - in rural and urban areas and across leisure, office, retail and residential.

"Rebranding as AMA Studio reflects not only this change in direction for the company, but our more collaborative way of working since becoming employee owned.

"Our team has positively embraced employee ownership and continues to rise to the challenge, everyone is taking more responsibility than before."

AMA Studio has secured a major residential commission in Glasgow in addition to a significant rural project in the North of England.



Meanwhile, Director Kenny McNally continues to oversee the next phase of St James Quarter where the cinema, hotel, aparthotel and housing will join the retail offering to provide a truly mixed-use environment.

AMA Studio is also investing more into the practice and the development of its team, with a view to becoming leaders in 3D visualisation and virtual reality, working to improve how designs are shared with clients.

Kenny added: "We've been working in 3D since I joined the practice in 1997 and it was great to partner with virtual reality experts on the St James Quarter Masterplan, where the ability to show retailers what the scheme would look like was critical.

"Getting the capacity to deliver VR in-house and as standard on our projects is a major focus and something we're looking to offer in the not-too-distant future.

"Likewise, our ambition is to become a leading practice in the delivery of net zero, sustainable buildings and spaces with a long-term view of minimising energy consumption.

"As a practice we are continuing Passivhaus staff training and exploring how our BIM expertise can enable us to continue to deliver high quality projects while reducing carbon emissions."

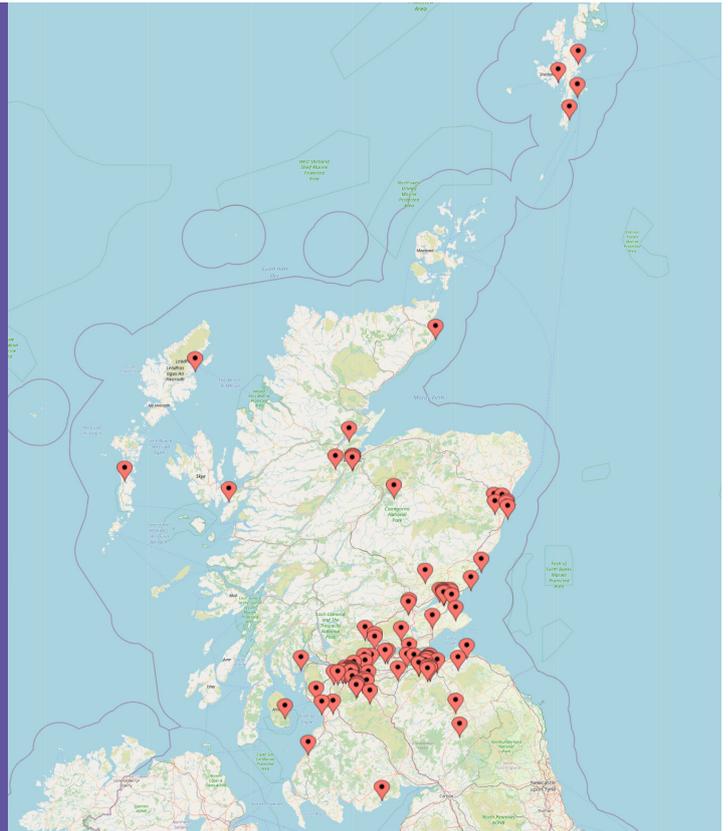
AMAstudio
architecture

Employee Ownership in Scotland

There are currently **112 employee-owned businesses** headquartered in Scotland... and counting!

You can take a closer look at our map on the right.

OA Ownership Associates uk
let's make it happen



Tax Institute calls for enhancements to EOT legislation

The Chartered Institute of Taxation (CIOT) is calling on the Government to review the tax regime for Employee Ownership Trusts to encourage take-up and discourage their abuse.

Pete Miller, Chair of the CIOT's Owner Managed Business Committee, commented: "The Employee Ownership Trust model allows shares in a company to be held collectively on behalf of its employees. There is clear support for the principle and the broad outline of the EOT tax regime to support this model but there are certain aspects that do not work as well as they could and should do. Removing unnecessary costs from the process of transferring a company into employee ownership should be a priority."

Mr Miller raised some concerns that the EOT legislation is open to abuse. He says, We are also concerned that some advisers seem to be recommending EOTs as a tax planning measure without any real commitment to employee engagement.

"In particular, we have heard of advisers recommending EOTs simply as an interim



**Chartered
Institute of
Taxation.**

tax-saving step where the intention is, in the relatively short term afterwards, to sell off or float the company. This suggests a lack of genuine commitment to employee engagement. We think it is worth exploring ways to guard against this outcome – and the consequent loss of tax revenue. One option would be to require EOTs to be resident in the UK as a condition of accessing the favourable tax treatment.

"Fundamentally, promoting employee engagement is at the heart of the purpose of EOTs, achieved mainly through the trustees' and directors' abilities to influence the company's conduct. More could be done to enhance that engagement through options such as requiring a majority of trustees to be independent of the original owner."

Upcoming Events

Want to hear about other employee-owned businesses? Swansons and Woollard & Henry are participating in a Scottish Enterprise webinar on November 16th at 10am. Find out more [here](#).

Support from your bank is important throughout the move to employee ownership, and also when running an employee-owned business. Andy Scott, Relationship Director for RBS, is the lead speaker in the November Employee Ownership Explained webinar. This takes place on Thursday 25th November at 10am. More details [here](#).



Employee Ownership
Explained



Webinar Series 2021

Trustee Training - November 26th

This two hour session aims to equip Trustees to fulfil what is a pivotal role within the employee-owned company. The session is in two parts and is delivered over Zoom. You can join for both parts, or if you have already attended Part 1 or a previous session, you're very welcome to join only for Part 2.

Part 1: Information giving – legal duties of trustee, responsibilities, the Trust deed, the Trustee role. 9.30am – 10.30

Part 2: Case Study – group work on a trustee dilemma in an employee-owned company. All groups work on same case study, come together to report on discussions. Everyone says this is tremendously useful. 10.30 - 11.30

To register your interest email carole@ownershipassociates.co.uk