

# Employee Ownership

fieldfisher

Fieldfisher is a law firm with extensive experience in supporting organisations, and their owners and stakeholders, as they seek real and exciting alternatives to traditional business structures.

Our work has focused particularly on creating and sustaining employee ownership solutions, and our employee ownership specialists have been at the forefront of the drive to make employee ownership mainstream in the UK and elsewhere. We have focused our work far and wide - we have assisted and are assisting clients in Australia, the US and Ireland in transitioning to this structure. We have also showcased our skillset in advising on those transactions which offer something different, be it the need for a reorganisation before the main transaction, the need to seek regulatory approval or consent under the National Security and Investment Act, or the need to structure the sale as a private offer due to the number of shareholders involved.

Whatever your sector or the size or complexity of your business, with over 25 years' experience of advising on the conversion of organisations into employee-owned businesses, or other forms of co-owned businesses, we are well-positioned to help you navigate the various complexities of your transition.

We are longstanding members and supporters of the Employee Ownership Association (EOA), the leading membership organisation for the sector focused on spreading the positive messages of employee ownership.

Employee owned businesses (EOBs) are 8-12% more productive than non-EOBs

EOBs return twice as much in bonuses and dividends to employees

EOBs tend to pay higher minimum annual wages and are over twice as likely to hold accreditation for fair pay

EOBs invest on average 12% per annum (£38,000) more in on-the-job training and skills

EOBs are over 50% more likely to expand their workforce than non-EOBs

EOBs make up just 0.1% of businesses but drive 0.8% of direct Gross Value Added and 1.7-2.1% of overall economic activity

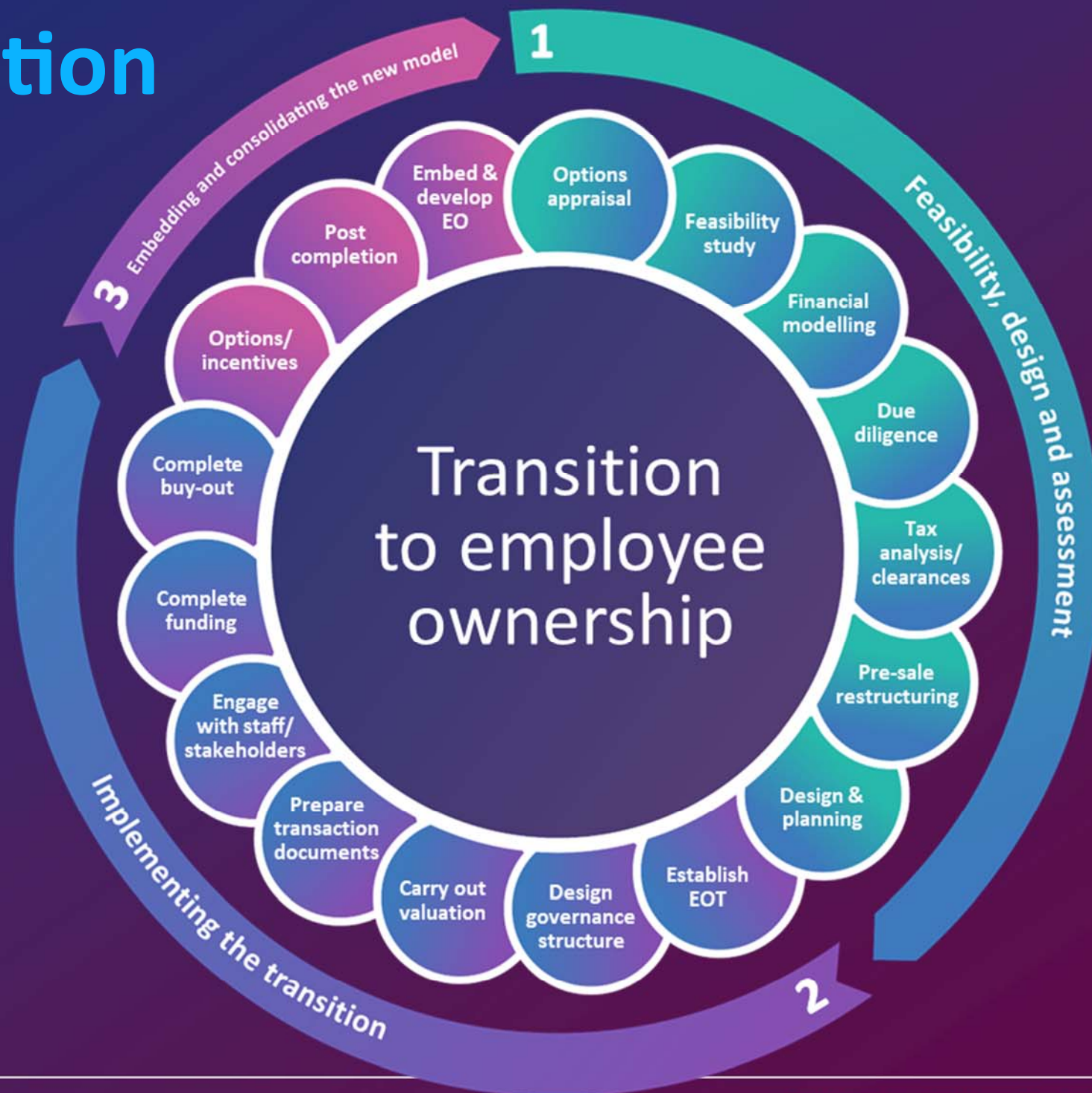
## Why adopt an Employee Ownership Model?

The evidence\*

\* The Knowledge Programme October 2023 (EOA and Ownership at Work)

# The transition process

The transition to employee ownership should be well-planned and thought out, with plenty of time set aside to consider the various options and structures available. Implementation through detailed legal documents is really just the tip of the iceberg. What lies below the surface is a combination of detailed thought, planning, modelling and consultation. Set out alongside is a diagram which aims to illustrate the process, and which broadly breaks this down into three parts: **feasibility, design and assessment, implementing the transition** and **embedding and accelerating the new model**.



# The EO Universe



# Our recent experience



We advised **Pitch Marketing Group Limited**, a leading Soho-based marketing agency on its transition to employee-trust ownership (EOT).

Through the EOT, Pitch's 40-plus employees will indirectly own a **100% stake in the business**. The move will enable Pitch's employees to have greater involvement in the future success of the business and ensure the long-term growth of the agency.



Advised **Mapp (Property Management) Limited** on the transfer of the **entire issued share capital** by the founders to an EOT.

This was carefully planned to support the client's desire to implement succession planning measures, incentivise existing employees and ensure the continuity of the business for the future.



We advised the shareholders of **Blue Sky Financial Planning Limited**, an independent financial adviser on the **100% sale of its shares to an EOT**

As a regulated entity, change of control consent was obtained from the Financial Conduct Authority.

Two of the 4 sellers (who were directors of Blue Sky) exercised options under an EMI scheme in order to participate in the sale.



We advised a **Gloucestershire-based garden furniture retailer** on the **80% sale of its shares to an EOT**. The founders were motivated by a wish to plan for the future and embed a culture of employee ownership in this company. Several of the employees exercised options under a company share option plan and were able to participate in the sale.



Advised a **specialist building façade designer** on the **100% sale of its shares to an employee ownership trust (EOT)**.

The founders chose the employee ownership route as the succession strategy, after careful research and planning, as it placed ownership in the hands of the employees and provided solid foundations for future growth and success.



# What they say about us



The Fieldfisher team provides a high level of service and responsiveness.

**Chambers & Partners UK, 2023**



Fieldfisher has strong capabilities across all employee ownership matters.

**Chambers & Partners UK, 2023**



Neil Palmer has significant expertise in assisting companies with the creation of employee ownership models. His diverse client base includes architectural and financial services firms.

**Chambers & Partners UK, 2023**



All practitioners in the team are experts in employee shares schemes.

**Legal 500 UK, 2023**



Given that one of its partners wrote the Government report which led directly to the establishment of employee ownership trusts as a specific form of employee share schemes, the team's understanding and insight are unparalleled.

**Legal 500 UK, 2023**



The team is technically strong in handling complex tax and legal deal structuring issues.

**Chambers & Partners UK, 2024**



Neil [Palmer] was consummate throughout and steered me effortlessly through the process aided by his very capable team.

**Chambers & Partners UK, 2024**



Mark [Gearing] is knowledgeable on his subject and adopts a professional approach.

**Chambers & Partners, 2024**



We are also delighted to have been accredited as a Band 1 legal adviser for the fourth year running for employee ownership by the Chambers and Partners Legal Directory.

Both Neil Palmer and Mark Gearing are also ranked as Band 1 practitioners in Chambers 2024

# Your key contacts



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