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Caley Timber and Building Supplies transition into employee ownership

There's another 24 employee owners in the Highlands and Islands as Caley Timber moves to employee ownership. Caley Timber and Building Supplies was established by Donald John Morrison in 2003, and with depots in Inverness and Uist has become one of the most trusted and respected building industry suppliers in the Highlands and Islands.

Now with Donald John opting for retirement he has rejected an open sale of the business, which would have undoubtedly achieved a higher-value price, and with his wife and co-owner Jennifer Morrison decided in favour of entering into an Employee Ownership Trust (EOT).

The move means there will be no disruption to normal business, and that the company will be placed under the stewardship of its 24 staff, with Ewan Urquhart, who has been with the company since its inception, promoted to the Board as Director.

Alistair Sim remains a Director and will assume more responsibilities as Donald John reduces his time with the company.

Owners Donald John and Jennifer Morrison cited several reasons for choosing the EOT route in favour of a traditional sale and described the process as "seamless".

He said: "An EOT was a less intrusive option and we did not have to share sensitive information with prospective purchasers, the timing has been controlled to suit the business, and it also avoided the risk of unsettling our staff who may have picked up that the business was for sale."

"We value the relationships we have built with our customers, their loyalty and support are what's made Caley Timber the very successful business it has become, and an EOT means business simply continues as is. I am confident our

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First Friday

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customers will notice absolutely no difference at all to the quality of service.”

The Caley Timber founder also revealed the EOT process removed any “guilt” that he may have experienced by selling to a third-party, and potential uncertainty that would have been introduced to the business.

The price was also right. “It may have been that if we had gone on the open market and a bidding war had ensued that I could have achieved a higher price, but this might not have been in the best interests of the business or its employees going forward,” said Donald John.

“I feel that shareholders have received a fair return on their investment, I am confident this is the right choice, and I feel very positive about Caley Timber’s future.”

The idea of the EOT solution was introduced by Donald Forsyth of the firm’s accountants, Saffery Champness. Donald Forsyth says, “A sale to an EOT is proving to be a popular option for Highland business owners. Caley Timber is an excellent example of a flourishing company serving the Highlands and Islands and the EOT has secured the future of the business as a locally owned company.” Donald Forsyth joins the Caley Board as Non-Executive Director.

Legal advice was provided by Harper Macleod. Partner Chris Kerr says, “Caley Timber is a great business. It was a privilege to support Donald and the team on this next stage of the company’s journey.”

News of the transition has been welcomed by staff and Archie McVicar, who manages the



Ewan Urquhart, Donald John Morrison and Alistair Sim

firm’s Benbecula site, said: “The news was a surprise, but a good one. Donald John has always done the company proud and we were wondering what would happen when he planned his retirement. This is a very generous gesture by Donald John and Jennifer and good news for us all.”

Donald added: “The employees embraced the idea wholeheartedly and grasped immediately that this was good news for them. I’m now even more convinced that the move to an EOT is a good one for the Caley team and for our customers, and I believe many businesses in the Highlands would also have taken this route had they been aware of it.”

A curious coincidence is that EOT legislation was first introduced in 2014 by former MP for Inverness, Nairn, Badenoch and Strathspey and ex-Chief Secretary to the Treasury Danny Alexander, who like Donald has strong connections with Uist.

CGCE celebrate World Engineering Day

Friday, March 4th was #WorldEngineering day. The brave and enterprising souls at Christie Gillespie Consulting Engineers opted to spend the day team building at the Escape rooms in Edinburgh. Covid put social and team building events on hold and it’s good to see companies beginning to mingle again.

Chris Scott, Principal Engineer says, “We took time out to spend time with each other; celebrating what we individually bring to the wider team. We all managed to escape at Escape Reality Edinburgh”



Kilmac now in employee ownership



Athole McDonald & Richard Kilcullen

ONE of Scotland's most successful civil engineering contracting companies is adopting employee ownership – guaranteeing the future of 130 jobs.

Tayside-based, Kilmac Limited, is being placed in an Employee Ownership Trust (EOT) by its founders Athole McDonald and Richard Kilcullen, 18 years after its inception.

With an annual turnover of £20m and current projects in its portfolio including the transformation of Perth City Hall and the latest development phase of the James Hutton Institute in Dundee, the transaction was supported by Kilmac's accountants Azets, legal advisors Thorntons Solicitors, and employee ownership specialists Ownership Associates.

Owners Athole and Richard, both civil engineers who started the business in 2004 after meeting earlier at Dundee Institute of Technology, plan to remain in place for at least the next three years.

Athole, 53, said: "We have to look to the future and by creating an EOT, Kilmac will be in the safe hands of our excellent senior management team. It's good news for Tayside, with the vast majority of our staff living in Dundee, Perthshire and Fife, and it ensures the company will continue to provide stability for our customers and job security for our employees."

Kilmac acts as the main contractor for local authorities, universities, local health services, road network authorities, council direct labour organisations and private clients, and is the

leading groundworks contractor for commercial, social infrastructure and housing projects.

From a first-year annual turnover of around £800,000, by 2018 Kilmac had achieved revenues of £10 million, and with a strategy of expanding its operational footprint beyond its traditional Tayside heartland, the company's next financial results will show profits of £1.3 million on a £20 million turnover.

Athole added: "We have come a long way from the days when our biggest headache was getting the photocopier to work and stop the kitchen worktop being covered in ink. We knew what we wanted to deliver and have remained true to our principles.

"We could have found a buyer for the business but we have an experienced and talented team who are more than capable of taking on the reins over the next few years. The structure is being created to take the business forward, provide clarity to our staff and customers and to avoid unnecessary disruption."

Kilmac joins a number of successful businesses in the area who have opted for an employee ownership trust structure and the move has been warmly welcomed by staff.

Finance manager Julie Scobie said: "Kilmac has always felt like a big family and it's comforting for everyone to know that Athole and Richard have full confidence in their staff to be able to hand the legacy of their company into employee ownership as they navigate their next steps."

OAUK News

Good to see the number of employee-owned firms continue to grow with March seeing number 130! The Highlands and Islands are coming out tops this month with three transitions to employee ownership all happening in the same week! This adds another 250 employee owners to our Scottish numbers. Of March's transitions only Caley Timber has gone public and you can read their story on page 1. It was a real delight working with the Caley Timber team, many of whom have worked with founder Donald John Morrison since he first started a business 30 years ago. A highlight was visiting the Benbecula location on what was one of the sunniest days this year.

It was also good to get the Kilmac story out at last and wow – did it make the news! Their move to employee ownership was widely publicised which is a testament to the company's reputation and the respect for the company's founders Athole MacDonald and Richard Kilcunnen. There have been a number of construction businesses moving to employee ownership and Athole and Richard were keen that their commitment to quality and health and safety was upheld as the company moves forward. By selling to an Employee Ownership Trust the company's ethos is preserved and the future is in the hands of the employees.

A low point in the month was the loss of one of the sector's greatest supporters in Scotland. Stuart Brown was Head of Retail Banking for Barclays Bank. Following a visit to Stewart Buchanan Gauges in Kilsyth, a manufacturing business that has been in employee ownership since 2009, Stuart was convinced of the value of growing employee ownership in the Scottish economy. Stuart did all he could to spread the message, generously allowing the use of Barclays' premises in Glasgow and Edinburgh to host events, and stepping in with advice when we ran into issues with banks. Sadly, Stuart was taken far too young by the cruel disease of stomach cancer. Sincere condolences to his family and colleagues. Stuart was a hero and will be sadly missed.

April's First Friday was low in numbers but high in content! Seems like many people had taken holidays, or alternatively, were snowed under and couldn't get away. We talked about the



business benefits of employee ownership, with one company reporting that they had very few quality issues because their workforce took such pride in their work. Another firm described how innovation was a key feature now with employees continuously assessing if there is a better way to do things and suggesting improvements. One company operating in a competitive sector said that the best benefit in their view was stability – they had lost very few staff over the years other than to retirement. We also noticed that the next First Friday is actually a bank holiday so we are going to defer a week and schedule for Friday 13th May. Do join us – we'd love to see you. Email me for the link to join. Remember we also have the slack channel; just get in touch if you want an invite. It's a space to chat to other employee owners, ask questions, propose ideas, find out what's on etc.

Hoping to bring you some exciting news of more transitions in the May edition. If you have any news to include, then please do email it to me at carole@ownershipassociates.co.uk

Until next time,

- Carole
01786 611066



New Directors for Microtech

Paul Mathewson, Anne Young & Nick Fernando

Microtech are pleased to announce three new directors appointed to the company's board. They are Paul Mathewson (Group Technical Director), Anne Young, (Financial Director) and Nick Fernando (Commercial Director).

Microtech transitioned to an Employee Ownership Trust in 2021, declining many competitive offers in order to secure the continued operation of the business in Scotland, and maintain job security for employees.

Following on from the Employee Ownership transition, Microtech has appointed the three new Directors to manage, coordinate and supervise the business activities of the company, with Chris McMail remaining as Managing Director.

Microtech started out in 1986 as a professional IT Support and Maintenance company based in the West of Scotland and now has an extensive customer and contracts base, including a long-standing partnership with NHS Scotland. With sustained and continuous growth, Microtech is one of the largest professional IT support and maintenance companies in Scotland, with over 40 staff, including a full-time fully staffed service desk with field engineers based throughout Scotland and the UK.

Following the EOT transition, Microtech has great ambitions for 2022/2023, developing innovative solutions and technology for IT support and healthcare while continuing to provide excellent value and support to customers. Anne Young has been with the company for two years. She says, "I am delighted to have been asked to join the Board of Directors at Microtech Group. This is

such an exciting period for the team of employees as we transition to an Employee Ownership Trust. I, along with the Board of Directors, will now be part of the development and the future success of the organisation, where we will have a real sense of ownership and accountability in how the company evolves.

I look forward to working closely with the Trustees and hope we can continue to grow and develop Microtech, building on the successful brand that founder Chris McMail has created over the last 35 years."



Chris McMail



New Managing Director for TEFL Org

Language teaching business TEFL has brought in Andy Healy as managing director to drive its growth ambitions – a year on from becoming an employee-owned firm.

Mr Healy (pictured) joins with over 20 years' experience in the publishing sector, most recently building consumer brands for Immediate Media and BBC magazines.

He plans to use his expertise to grow the business across international markets, particularly in the US.

His appointment comes 12 months after the Scotland-based business adopted employee ownership under founders Joe Hallwood and Jennifer MacKenzie.

He previously held the role of MD at Immediate Media Company – home of Radio Times, Good Food and BBC magazines – for five years where he headed up global verticals such as history and sport as well as the digital editions and podcast divisions covering 40 different brands including HistoryExtra.



Mr Healy said: “Joe and Jennifer focused the business on providing high quality courses with unrivalled customer service and the mix has driven huge success. I’m looking forward to building on that legacy as we set our sights on the next phase of ambitious growth.”

Jennifer MacKenzie said: “Andy comes with a tremendous amount of experience and knowledge in managing teams and growing the reputation of some of the country’s biggest brands.

“We have every confidence he will help The TEFL Org reach new audiences and bring fresh, vibrant ideas to the business and the way we operate.”

Phil Jefferies appointed to the Board of 20/20

Phil Jefferies is a well-known face at our First Friday events and has been generously sharing his knowledge and experience at our regular meetings. It’s just brilliant to see that Phil has received a well-deserved promotion and assumes the position of Director of Sales and Marketing from April 1st. Phil has been Business Development Manager with the project management specialists and has served as Trustee on the 20/20 Trust for three years now. In his time as Trustee he has introduced a number of initiatives to reinforce employee ownership within the company.

Chief Executive of 20/20 Business Group, Tony Marks says, “It’s always rewarding to promote from within and Phil is an obvious candidate for a Board role. I believe his commitment to employee ownership, together with his obvious leadership and commercial skills will be a hugely valuable addition to our Board.”



Jude Barber honoured as RSE Fellow

The Royal Society of Edinburgh (RSE), Scotland's National Academy, has announced its 2022 intake of Fellows, with 80 names from the arts, business, public service, and civil society as well as academia from Scotland and beyond. They will be joining the RSE's current Fellowship of around 1,700 Fellows, who are recognised as being some of the greatest thinkers, researchers and practitioners working in or with Scotland today.

This year sees Jude Barber, Director of employee-owned Collective Architecture, receiving a Fellowship. Jude Barber is a key founding member of Collective Architecture, and one of Scotland's leading architectural figures. She is a passionate champion for inclusive design and placemaking - and brings this to her work within Collective Architecture and beyond. Her influence in promoting these views within the architectural profession is evident everywhere, from her wider involvement within the industry as a RIAS Council Member and Fellow, to teaching and lecturing at various Schools of Architecture and Events across the UK and internationally.

This fellowship recognises Jude's continual efforts to achieve positive benchmarks in design and equity, which have pushed at the boundaries of the Architecture profession. There is no formula to her success; it is the result of her hard work and determined, engaging personality.

Her unique combination of design ability and social awareness linked with her constant effort to pursue all forms of equality is evident in projects she has instigated with co-creators such as; The Empire Cafe, exploring Scotland's involvement in the Slave Trade, the on-going 'Voices of Experience' project that shines a spotlight on key female figures who have often been overlooked in society; and 'The Better Days' solo exhibition, which called on politicians to recapture post-war optimism and put quality architecture and the built environment back at the heart of Scottish life. Jude's exceptional ability to work collaboratively and produce unique and distinctive architecture with clients, consultants, and local communities.



Jude Barber

This is particularly evidenced in this series of extraordinary recent projects as follows:

- Granton Waterfront, Edinburgh: Jude is a leading practitioner in the field of strategic planning and urbanism in the UK. She led the Granton Waterfront design team with Studio for New Realities to develop a Strategic Plan and Development Framework for City of Edinburgh Council and Partners, winning the 2021 UK Pineapple Award for Best Future Place. <https://www.collectivearchitecture.com/projects/granton-waterfront>
- Water Row Masterplan, Glasgow: Project Director for Glasgow's most exciting upcoming regeneration site in Govan's historic centre overlooking the River Clyde. More info <https://www.collectivearchitecture.com/projects/water-row-masterplan>
- Larick Centre, Tayport: Project Director for new community building for the Tayport Community Trust, shortlisted for the forthcoming 2022 RIAS Awards.
- Glasgow Women's Library: Project Director for this carefully crafted library which was shortlisted for Art Fund 'Museum of the Year' 2018 and awarded the title 'Recognised Collections of National Significance' by Museum Galleries Scotland.

More info - <https://www.collectivearchitecture.com/projects/glasgow-women-s-library>

(Continued)

This year's cohort represents the diversity of expertise within Scotland and the UK, with academics, leaders from business, Scotland's tech sector, the legal sector and arts and culture industries being inducted to the Fellowship. With a more diverse Fellowship, the RSE hopes to make even more of an impact across its policy, research and engagement work which seeks to address the key contemporary issues of the day.

Speaking about her Fellowship, Jude said

"I am honoured to have been elected as a Fellow of the RSE, joining the company of such remarkable people. I'm also delighted to see other architects, designers and change makers being recognised including Dr Adele Patrick, Janice Kirkpatrick, Neil Gillespie and Daisy Narayanan. I look forward to working with the Society and Fellows across a range of sectors, to further establish Scotland as a global centre for ideas, action and excellence."

Shore marks two years of employee ownership with strong growth and four new employees

Shore transitioned to employee ownership in March 2020 to futureproof growth and maintain the strong team ethic and culture.

The transition was part of a succession strategy, devised by founder Nick Foley, as a way of carefully planning to ensure successful business continuity if he were to one day step down as Managing Director.

Unknown at the time of planning the transition was that the pandemic was about to hit. Employee ownership in the UK reached a record high during this time, with over 250 employee-owned companies created since March 2020. With employee wellbeing, increased profitability, increased productivity, and business resilience as recognised benefits of employee ownership, it's a welcome strategy for a business wanting to maintain growth and act in the best interests of employees.

Shore, however, had already successfully made the transition to employee ownership with 100% of employees agreeing, during the midst of the pandemic, that it was a great direction to take. The way we worked with our global clients hadn't changed as that was already largely being done remotely, but with employees now having a tangible stake in the business, the change notably increased motivation and productivity, despite the unprecedented times and shift to home-working.



Two years on the employees are reaping more of the tangible benefits as the company returns to a more structured approach to hybrid working. In the last few months Shore has welcomed 4 new members of staff ranging in roles from mechanical engineering to marketing, taking the company to over 30 people with more opportunities being advertised. Shore's services are expanding and client portfolio is increasing, adding to their long-standing partnerships with some of the world's leading medical and pharmaceutical companies.

Nick Foley, Founder and Managing Director: "Changing to employee ownership wasn't just a succession strategy, it was an acknowledgement of the talent of Shore employees. Now when customers engage with any of the Shore team, they're in fact working with a partner of the company, which is incredibly valuable.

We're not just a medical design company, we are a team of passionate people based in one of the most vibrant and beautiful cities in the world. We create award-winning products, share in our success, and have fun along the way."

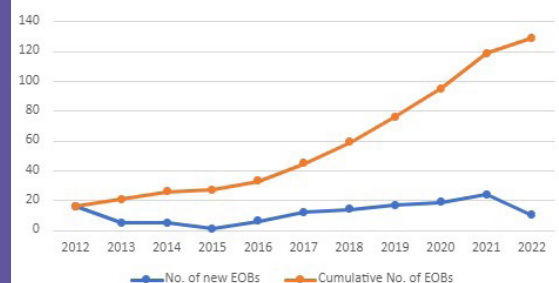
Employee Ownership in Scotland

There are now **130 employee-owned businesses** headquartered in Scotland... and counting!

OA Ownership Associates uk
let's make it happen



Growth in Scottish HQ EOBs 2012 -March 2022



Trustee Training - April 29th

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