



ANNUAL REVIEW **2014**



BETTER BUSINESS TOGETHER



2014 was the most successful year ever for employee ownership in the UK and the EOA was at the heart of every significant development.

In 2014 businesses owned by their employees played a leading role in delivering the UK's economic recovery. The year also saw the total number of employee owned businesses rise by 9%.

As a direct result, a great many more people became aware of the higher productivity, innovation and profitability that employee owned businesses achieve. There was also a growing realisation in 2014 that because employee owners think and act for the long term, their businesses are a powerful antidote to the short termism that dominates business behaviours in our economy.

Employee owned organisations delivering public services proved throughout the year that they always provide better services and improved value for money for the public sector funders of those services.

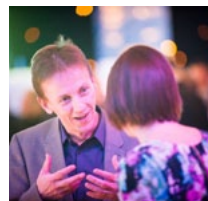
Throughout 2014 the EOA led the way from our co-ordination of the phenomenally successful UK Employee Ownership Day 2014 to our decisive, winning campaign for new tax incentives that were included in the 2014 Finance Act, and everything in between.

It was a brilliant, unprecedented year in what is becoming the decade of employee ownership.

2015 will see the EOA continue its mission, in partnership with our members, to bring about a revolution in how our economy is structured.

The year ahead offers a fantastic opportunity to make further progress towards our target of 10% of GDP being delivered by employee owned companies by 2020.

Employee ownership really is a movement for change. It absolutely is a better way of doing business.



MAKING OUR MARK

2014 saw the EOA deliver its most ambitious programme of events to date. In line with the EOA strategy the programme was targeted at celebrating and raising awareness of employee ownership amongst national and international audiences and providing support for those making the transition into employee ownership. The programme was enormously popular with 75 per cent of our members attending at least one of our events during the year.

EMPLOYEE OWNERSHIP AWARDS

The EOA annual conference 2014 provided the point in the year to celebrate the very best in employee ownership with a gala dinner incorporating the Philip Baxendale Awards, the UK's only awards for the employee ownership sector. Named after Philip Baxendale, a pioneer for the employee-owned movement, the awards provide a platform for celebrating what is increasingly recognised as a better way of doing business. Congratulations to winners: Teresa Gooch, East Coast Community Healthcare; Chrysta Dick, Turley; Mark Steeple, Gripple; Mary Knowles Healthcare; SEQOL; Circle and Fred Bowden of Tullis Russell.

ROBERT OAKESHOTT LECTURE

The Robert Oakeshott Lecture, held in tribute to Robert Oakeshott, the EOA's founder, brought employee ownership to national attention once again. Delivered by the Rt. Hon Francis Maude MP and Steve Melton, Chief Executive of Circle Partnership, in the historic setting of the Chartered Accountants Hall, the home of the ICAEW, a packed audience of invited guests were inspired by the calls that were made for more employee ownership in the delivery of UK public services.



SUMMER DINNER

150 leaders of employee owned businesses, employee owners and other partners gathered in the Members' Dining room in the House of Commons for the EOA annual summer dinner in July, kindly sponsored by CH2M Hill. Danny Alexander MP, Chief Secretary to the Treasury, delivered the keynote speech. A long-standing supporter of employee ownership, Mr Alexander said that he wanted to see the business model grow "further and faster."



CASS SYMPOSIUM

The year started with a gathering of EO businesses and interested parties at the EOA/Cass Business School Symposium. The audience were inspired by contributions from Handelsbanken and Sunderland Homecare Associates. New research about the resilience of EO businesses was released at the symposium, adding to the compelling economic evidence about the sector.

THE EOA ANNUAL CONFERENCE

Over 500 delegates from a diverse range of businesses and public service organisations gathered at the East Midlands Conference Centre in Nottingham for the UK's largest event dedicated to employee ownership. The event was generously sponsored by leading EOA members Arup and The Childbase Partnership.

Giving the opening keynote address at November's annual conference Iain Hasdell, Chief Executive of the EOA, highlighted the pivotal role the EOA and its members have continued to play in the country's economic recovery. The good news is that the employee ownership sector's contribution to UK GDP is now 4% - almost half way to the target set by the EOA in 2012, that has now been so widely endorsed, of 10% by 2020.

Throughout the day delegates chose from a range of seminars chaired by leading industry experts, to advise employee owned businesses, or those considering a move to employee ownership, on taxation, legal, financial and communications matters.

EO DAY 2014 THE MOMENTUM BUILDS

Created by the EOA the second annual Employee Ownership Day on July 4 2014 was the most successful initiative ever mounted to profile the economic and social benefits of businesses being owned by their employees.

Thousands of employee owners and other partners took the opportunity to mark the day with over 400 celebrations and awareness raising events. Eighty percent of EOA members got in touch with us ahead of EO Day and used our campaign packs to support their celebrations.

The day started early with Sir Charlie Mayfield, Chairman, John Lewis Partnership, speaking to BBC Radio 4's Today Programme, BBC Breakfast and BBC Radio 5 Live. Coverage also featured in the Financial Times and in The Independent. Sean Eliot of Network ROI spoke to the BBC in Scotland about his organisation's move to employee ownership.

Many other members took the opportunity to speak to their local newspapers and radio stations about the benefits of being employee owners raising awareness across the entire country.



It was on social media that the day really took-off, with Twitter providing a practical platform for the EO community to connect and share their activity. Celebrations reached a huge online audience and the creation of a bespoke hashtag for Twitter #EODay

achieved almost 1,500 mentions on 4 July alone and 2,000 mentions in total, almost 150 images and videos were posted on Twitter, Instagram and Youtube.

As they did in 2013 for the inaugural EO Day many members

took the opportunity to celebrate with cake. Impressive pictures of EO Day cakes were posted on Twitter by CHCP, BE Group, Tullis Russell, The John Lewis Partnership, Care Plus Group, CSH Surrey and Prospects to name a few.



2,000
tweets sent
#EODay

**#EODAY
3 JULY 2015**

Next year's #EODay will be held on Friday 3 July 2015. EO Day is dedicated to celebrating the significant benefits that employee ownership delivers to the UK economy. Observed by business, an array of trade and industry groups and employee owned businesses of all shapes and sizes lets make EO Day 2015 bigger than ever.

www.eoday.co.uk
or join us on Twitter
#EODay.

BUILDING THE CASE...

In 2014 the EOA played a key role in commissioning research and publishing new data to demonstrate the compelling case for employee ownership. 2014 brought about collaborations with colleagues from Cass Business School, Edinburgh Napier University, Capital Strategies and the

White Rose Centre for Employee Ownership. This increasing collection of publicly accessible and meaningful data on employee ownership is key to the sector's credibility providing the necessary evidence to open a dialogue with the media and other influencers.

Operating profits of the top 50 employee owned companies are growing at an annual rate of more than

25%

55%

have reported better financial performance since becoming employee owned.

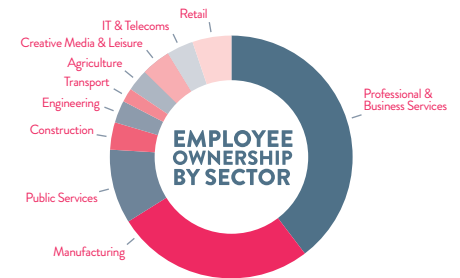
For the first time we published and distributed a toolkit Employee Ownership: The Economic Case, dedicated to spelling out the case for employee ownership. It comprises a compendium of compelling facts drawn from a range of our most recent research, about the contribution of employee ownership to the UK economy. It has proven to be a popular resource helping to raise awareness of employee ownership for a range of audiences.

In addition on July 4 2014, EO Day, with Capital Strategies we revealed the Employee Ownership Top 50 highlighting the outstanding performance of the largest 50 employee owned companies in the UK. The findings showed that operating profits of the top 50 employee owned

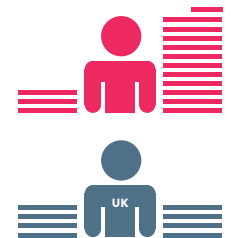
companies are growing at an annual rate of more than 25%.

The toolkit and all reports are available to download from our recently redesigned website www.employeeownership.co.uk.

Launched at the Employee Ownership Association's annual conference new research, published by the EOA and the White Rose Centre for Employee Ownership, provided the first definitive assessment of employee ownership in Britain. It revealed that 70 per cent of EO companies have significantly improved the quality of their products and services as a direct result of moving into employee ownership, 55 per cent have reported better financial performance since becoming employee owned.



PRODUCTIVITY* INCREASED 4.5% YEAR-ON-YEAR
IN EMPLOYEE-OWNED BUSINESSES
PRODUCTIVITY IN THE UK ECONOMY AS A WHOLE IS FLAT



Infographics taken from Employee Ownership: The Economic Case.

www.employeeownership.co.uk

GROWING MOVEMENT

EOA membership continued to grow during 2014 with a 25% annual increase and the EOA continued to be the place of choice for information and advice for most businesses considering employee ownership. As part of our UK-wide remit, partnerships with Cooperative Development Scotland and the Wales Cooperative Centre also flourished during the year with introductions, support and co-hosting of events.

Responding to growing demand from members we launched a programme of UK-wide regional networks in 2014 to provide more opportunities for members to network, share knowledge and trade. The networks are member-led and supported by the EOA. Now launched successfully and widely supported in the south-east and south-west of England and in Scotland, the final two networks in the north and midlands will be launched in early 2015.



“Employee ownership is gaining some serious momentum right now, the EOA are there at the forefront driving the movement.”

James Kempton,
Saxton Bampfylde

“The team at the EOA do so much to support our company and the sector as a whole and have been instrumental in our transition to employee ownership.”

Dan Knowles,
Mary Knowles Homecare Partnership



In support of the continued growth and development of member organisations, the EOA delivered a programme of events, including a range of learning events. Hosted by EOA members including Shakespeare's, Organisational Analytics and Dean Wetton Advisory, topics included funding employee ownership, pensions and the Great Game of Business. In addition members MPA, Pett Franklin, Postlethwaite and Shakespeare's also co-hosted a series of awareness raising events on employee

ownership with the EOA, aimed at inspiring explorers and new entrants to the market.

Along with the increase in membership, the year's Welcome to The EOA events proved very popular. Hosted by EOA members' Max Fordham, Capita, Grippe and Castlefield, they provided an opportunity for members to meet fellow new members, share knowledge and advice and meet the EOA team.

INFLUENCING THE INFLUENCERS

The EOA continues to be at the forefront of influencing policy makers. Spring brought celebrations as the eagerly anticipated announcement of tax incentives for employee owned businesses were confirmed in the Finance Bill. They are the most important fiscal changes relating to employee ownership ever created. The EOA and its members had campaigned long and hard for the measures which

signify tangible support from Government and recognise the contribution employee owned businesses make to the UK economy.

The EOA is incredibly proud of the role it played in securing the incentives on behalf of its members. The new measures provide business owners, especially those considering succession planning, yet further motivation to change the way they shape their business.



EMPLOYEE OWNERSHIP GLOBALLY

It has also been another very international year for the Association. As well as helping many EOA member companies with their overseas business relationships we have supported colleagues in our sister Associations in South Africa, Italy, the Republic of Ireland, Hungary, Spain, Japan and the United States in their work to assist UK employee owned businesses trade in those countries.

OUR REACH

At the heart of our work is getting our message across to the media. This year social media has played a pivotal role in raising awareness of employee ownership. On EO day alone more than a quarter of a million people were reached via Twitter. The EOA now has a Facebook page and our website has been redesigned. There are more ways than ever before to access news, developments and activity from the EOA. Throughout the year we have continued to feature in conventional media too, contributing to awareness and boosting membership levels. Coverage has featured on BBC Radio 4 Today, BBC Radio 5 Live, BBC East, The Financial Times and The Independent as well as various trade titles. We have been stunningly successful in collaborating with our members on their key announcements and securing press and TV coverage with them.





Dates for your diary...

Robert Oakeshott Lecture

March 20 2015

EOA Members' Summer Dinner

June 11 2015

Employee Ownership Day 2015

July 3 2015

EOA Annual Conference

November 2015

For more information about the EOA's events, latest news and membership please visit www.employeeownership.co.uk



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