



## The Great Resignation – are share and share option schemes the answer?

7 April 2022



# Introductions

# Presenters



**Ifty Nasir**

Founder and CEO



**Victoria Templeton**

HR Knowledge Manager



**Sue Watson**

Head of Client Services





# Technical support



**Drew Nagys**

Digital Marketing Executive

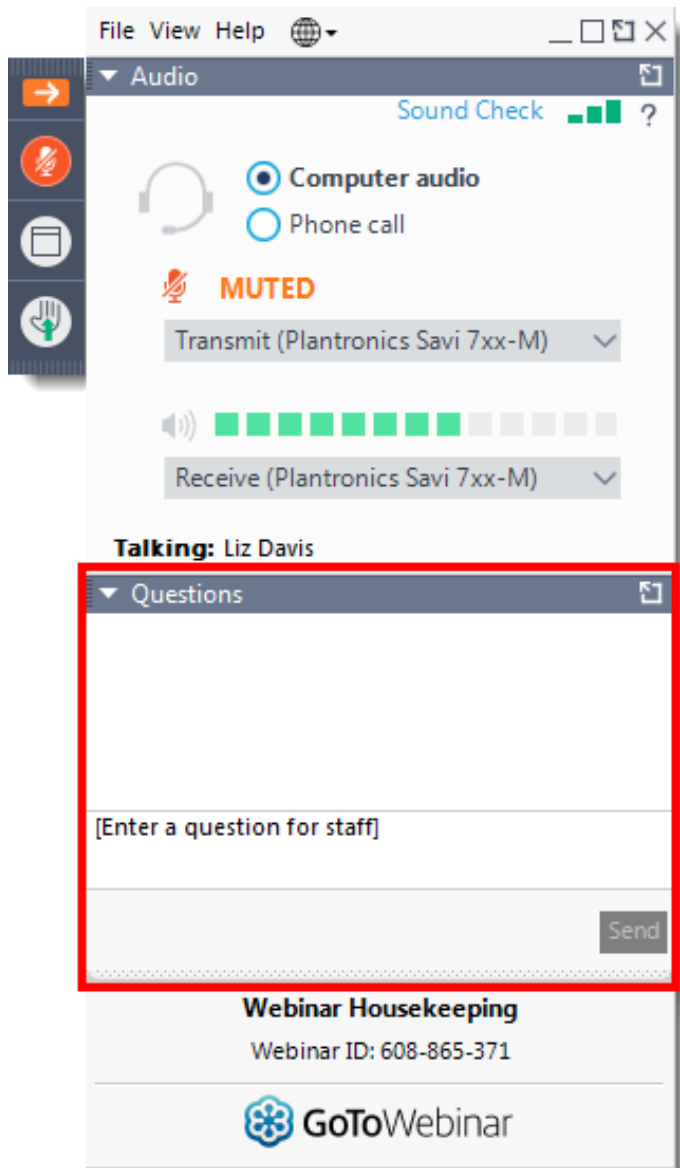




A group of diverse people, including men and women of various ethnicities, are seated in a classroom or meeting room. They are all looking towards the left side of the frame. In the center, a man with a beard and glasses, wearing a grey cardigan over a white t-shirt, has his right hand raised high. He is holding a notebook in his left hand. Other people around him are also holding notebooks or tablets. The background features a bookshelf with books and several large green plants. The overall atmosphere is professional and engaged.

# How to ask questions

# GoToWebinar Housekeeping: Time for Questions



## Your Participation

- Please continue to submit your text questions and comments using the Questions panel





# Agenda

- The Great Resignation
- Why employee retention is key
- How share and share option schemes can be the answer
- Q&A



# The Great Resignation

- The Great Resignation
- Recruitment challenges
  - Fewer candidates in the job market
  - Job vacancies outweigh the number of candidates
  - Immigration rule changes
- Employee retention strategy
- Good employee retention
  - Highly motivated workforce
  - Highly engaged workforce
  - Business success

# Why employee retention is key?

- Lowers your recruitment costs
- It brings stability to your business
- Builds specific knowledge, expertise and experience relevant to your business
- Increases loyalty
- Leads to a highly skilled workforce
- Improves and creates positive customer relations
- Leads to better brand reputation
- Creates deeper connections amongst staff
- Fewer transitions between employees as well as employment gaps





# The Great Resignation

## Are share schemes the answer?

# Who am I?

- Founder and CEO of Vestd, the UK's first and only regulated digital share scheme and equity management platform for SMEs.
- A strong believer in the 'Ownership Effect' and the transformative impact that sharing equity has.



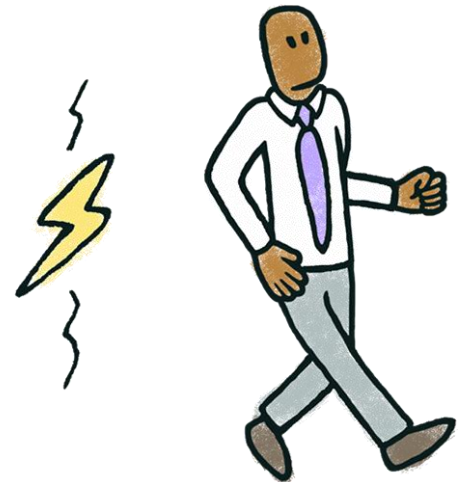
# The Great Resignation

## The facts



# The facts

- Employees are quitting their jobs across the globe.
- Many are switching jobs, becoming entrepreneurs or rethinking how they work altogether.
- Employees now demand more! Flexibility, benefits and a stake in the businesses success.



# Brits are resigning at the highest rate since 2009.

The Evening Standard

The cost of a team member leaving is greater than their annual salary.

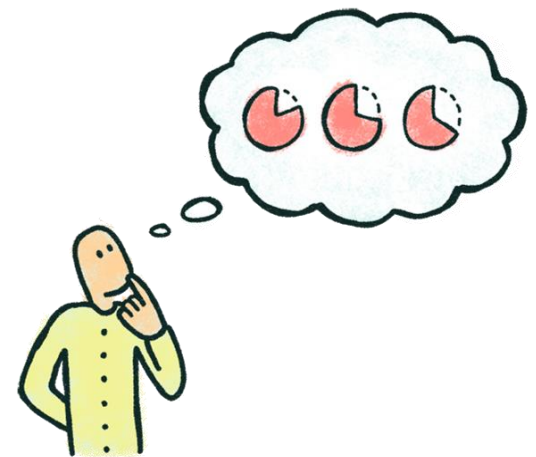
Oxford Economics and Unum

# How a share scheme could help



# What is a share scheme?

- Giving people a piece of the pie, a slice of the action, as an incentive and reward in the form of shares or options.
- There are various share schemes and option schemes in the UK.



# The 'Ownership Effect'

- The **Ownership Effect** is synonymous with equity inclusion.
- When an employee has a stake in a business, they're more inclined to contribute to the success of that business.



# Share schemes are proven to:

- Motivate teams
- Attract talent
- Reward loyalty
- Boost productivity
- Improve performance
- Align teams
- Engage teams
- Preserve cash flow
- Offer tax advantages
- Increase overall business value



# Ways to share equity

# Equity: most popular use cases

## Cash investment



Ordinary shares



Preference shares

## Non-cash 'investment'



Growth shares



EMI scheme



Unapproved options



Option Pool

# Not all Options are the same!

## EMI

Exercise Price	£ 1.00
Sale Price	£10.00
Gain	£ 9.00
ER CGT @ 10%	£ 0.90
Net to recipient	£ 8.10

Company can off-set  
whole £9 gain against  
Corporation Tax

## Unapproved

Exercise Price	£ 1.00
Sale Price	£10.00
Gain	£ 9.00
Income Tax	£ 3.60
(@ Marginal rate)	to £ 4.05
Net to recipient	£ 4.95

NO off-set against  
Corporation Tax

# Equity: most popular use cases

## Cash investment



Ordinary shares



Preference shares

## Non-cash 'investment'



Growth shares



EMI scheme



Unapproved options



Option Pool



# Launching schemes with ease

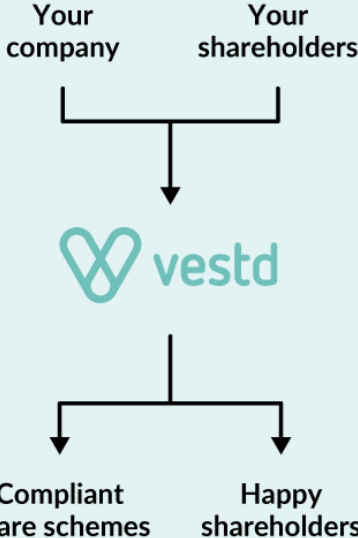
# It's easier than you think

## The old way

- Accountants & Lawyers 
- Set up fees **£££**
- Ad hoc fees **£££**
- HMRC submissions **!@#%&**
- Paperwork **⊙⊙⊙**
- People management **⊙⊙⊙**
- Spreadsheet hell **!@#%&**
- Compliance risk **£££££**
- Companies House filings **⊙⊙⊙**
- Inefficient scheme design **£££**

vs

## The Vestd way

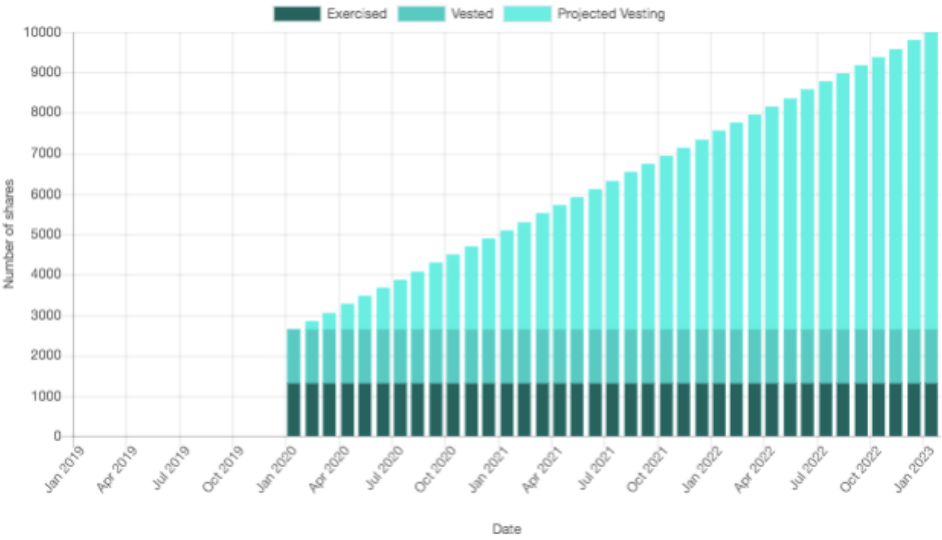


Weeks of time and effort managing people and paperwork. Tens of thousands of additional

Tax-efficient employee share schemes from £125/month. Vestd is the all-in-one equity management platform.



# Digital equity management



**Company Valuation** <sup>i</sup>  
 £10,000,000

**Shares Issued** <sup>i</sup>  
 2,270,000

**Share Price** <sup>i</sup>  
 £4.41

[Detail view of your options and shareholdings](#)

	Award (number of shares)	Total value <sup>i</sup>	Exercise price <sup>i</sup>	Profit <sup>i</sup>	Net of tax @ 10% <sup>i</sup>
<b>Exercised</b>	1,326	£5,841	£0.0001	£5,841	£5,257
<b>Vested</b>	1,326	£5,841	£0.0001	£5,841	£5,257
<b>To vest</b>	7,348	£32,370	£0.0001	£32,369	£29,132
<b>Total</b>	10,000	£44,053	£0.0001	£44,052	£39,647

Projected valuation per share? £

# Equity made simple

- Vestd is the UK's first digital equity management platform for SMEs, startups and scaleups.
- FCA-regulated with two-way Companies House integration.
- 5-star customer reviews on Capterra and G2.



# Q&A



vestd

[vestd.com/free-consultation](https://vestd.com/free-consultation)  
or email [mike@vestd.com](mailto:mike@vestd.com)





# UPCOMING HR WEBINARS

**Disciplinary process – how to write legally compliant conduct allegations**

14 April, Thursday | 10am – 11am

**Disciplinary process – what makes a fair dismissal?**

12 May, Thursday | 10am – 11am

**Dismissals – what did P&O get wrong?**

9 June, Thursday | 10am – 11am

**Immigration – the latest developments**

14 July, Thursday | 10am – 11am

**Trans Equality at Work**


11 August, Thursday | 10am – 11am

**Save your spot!**

**HR Knowledge Base | Events**

<https://hrsolutions.microsoftcrmportals.com/events>

[www.hrsolutions-uk.com/upcoming-webinars](http://www.hrsolutions-uk.com/upcoming-webinars)



**Further questions?**

**0844 324 5840**

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**[www.hrsolutions-uk.com](http://www.hrsolutions-uk.com)**



**YOUR**

**FEEDBACK**

**MATTERS**

**TO US**

**After the webinar, we shall be sending a short survey to capture your feedback, it would be appreciated if you could complete this survey so that we can constantly improve.**





[www.hrsolutions-uk.com](http://www.hrsolutions-uk.com)