



Case Study

- Employee Ownership Trusts (EOT)
- Enterprise Management Incentive (EMI)

Modernlogic Solutions Ltd

2022





ModernLogic

UHY Ross Brooke
Chartered Accountants

Modernlogic Solutions Ltd is a fast-growing specialist in Warehouse Management Systems with an established reputation for their in-depth expertise within the supply chain utilising Blue Yonder products. They provide a range of bespoke services to their clients from WMS implementation and integration to consulting, training and subscription services.

What business challenges did ModernLogic face?

The pandemic triggered an increase in activity and demand for Warehouse Management Systems, which presented both opportunities in terms of new business for ModernLogic Solutions Ltd and demands in terms of getting the right resource in a market where demand was exceeding supply. Taking a long term view on the business and creating both a direct and indirect ownership for employees has given everyone a significant stake in the future.

The Employee Ownership Trust aligns well with a Consulting business where employees are critical to the success of the business and creates a point of difference when pitching for new business and recruiting for employees.

How did UHY Ross Brooke help with this?



UHY Ross Brooke proposed several options, of which two employee incentives were adopted. They are both popular and tax efficient; namely Enterprise Management Incentive (EMI) and Employee Ownership Trust (EOT).

The EMI is a share option scheme aimed at employees in smaller companies and offers them equity in the business.

Employee Ownership Trust passes ownership of the business to employees through shares which are held in trust. Many companies use this model including the John Lewis partnership.



Helping you prosper

What our client says

“EMI is easy to understand. The employee gets a direct shareholding once they have exercised.

EOT – Alongside a real say at Board level, and an ultimate equity interest, there is a tax-free bonus scheme as part of the package. It is a point of difference which both new employees and prospects find interesting. The employee trust ownership has also been a good catalyst to push for more engagement with our valued team.”



What happened next?

Modernlogic Solutions were impressed with how UHY Ross Brooke handled the process and have now signed up with us to provide more business services including:

- Full accounting and tax compliance package;
- Tax consultancy along the way;
- Full share-scheme reporting pack

Final words

“Our staff retention initiative is all going very well. There is huge demand in the market for skilled staff and I think the EOT and EMI has been really helped in retaining and recruiting staff.

And thanks for the explanations David - that all makes sense, albeit more complex than I was expecting, so I am thankful we have the specialist advice!”

Result

Modernlogic Solutions’ employees are engaged and interested in the new schemes, and it will hopefully be more difficult for them to be tempted away to other companies.

By retaining good staff, Modernlogic Solutions is not facing recruitment and training costs and can continue to improve its offering to its clients.

With exciting benefits on offer, prospective employees are easier to recruit.

Local support, global capability

A Top 20 UK audit firm

UHY Ross Brooke is a member of a Top 20* UK network of chartered accountants, with 100 partners and 600 professional staff working from 23 offices, spanning England, Wales and Northern Ireland.

UHY Ross Brooke operate out of our Newbury, Swindon, Hungerford and Abingdon offices. Our 9 partners are supported by a team of over 100 professional and support staff with specialist teams spanning all areas of tax, VAT, and business advisory needs.

Our clients range from private individuals, charities and not-for-profit organisations to family owner-managed businesses, and large multinational organisations.

We work collaboratively with our clients to determine commercially viable outcomes and solutions, which comply with the relevant regulatory standards, but always with a degree of pragmatism.

We like to see ourselves as an ambitious firm of people who are open-minded and who seek means of achieving continual development and improvement. Our people are trained to deal with and embrace change, and are encouraged to challenge and promote it where they see perceived benefit.

With the world of business continually evolving and as the traditional and digital worlds meet, we combine our proud history with an uncompromising focus on the future, in order to achieve the thing that we do best: **helping you prosper.**

23
Offices

Top 20
UK network



100
Partners

Working with UHY globally

Our UK and US firms are the two founding members of UHY International, which was formed more than 30 years ago and is currently the 18th largest accountancy network globally.

UHY has grown to cover more than 330 business centres in 100 countries worldwide. UHY Ross Brooke support a portfolio of clients with international interests, whether as UK subsidiaries of global groups or with parent companies of global operations, and equally with businesses trading overseas. We are very accustomed to the coordination of global services for our clients and have a solid understanding of and commitment to the service levels, response times and timely delivery expected as part of our UHY membership standards.

We bring together the global expertise of independent member firms who are all highly regarded, professional and reputable in their own local markets. Our member firms know each other well; they are aware of each firm's specialist sector knowledge and about each other's individual expertise. Crucially, we are familiar with each other on a personal level through meeting and working together regularly.

Should you require support outside of the UK, we will be able to engage with our UHY colleagues in your relevant areas of interest, or can introduce you to relevant connections within the relevant offices.

For more information visit www.uhy-rossbrooke.com

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David has 30+ years experience in direct taxation, initially as Inspector of Taxes, and then for Big 4, Top 10, and smaller tax advisers along the M4 corridor.

He has a deep experience across a number of direct UK tax areas, particularly as they affect HNWI and their UK and offshore business interests. Common themes over recent years include tax-efficient design of bespoke (and more standardised) share awards; design and implementation of EOT structures; CGT planning and Family Investment Company design; UK and European tax implications of intangibles; direct tax DD work for a highly acquisitive group.

David also acts as UHY International Contact Director for individuals and businesses requiring accounting and tax services as they move in and out of the Thames Valley/UK.

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