



UHY Ross Brooke

A Seamless Transition to Employee Ownership

A client case study



www.uhy-rossbrooke.com

Helping you prosper

Engineering the right solution

When the owners of a successful engineering firm sought a succession plan that preserved their legacy and rewarded their employees, they chose an Employee Ownership Trust (EOT) as the ideal solution.

We guided them through every stage of the process, from initial feasibility assessments and tax planning to structuring the sale and securing HMRC clearance.

The result was a smooth, tax-efficient exit for the vendors and a seamless transition of ownership to the employees. The business remained financially stable, the workforce was engaged and motivated, and the owners left knowing their company's future was in safe hands.



We couldn't have asked for a smoother transition.

From the very first conversation, the team truly understood what we wanted to achieve — not just a fair exit for ourselves, but a lasting legacy for the people who helped build this business. Their expertise in navigating the financial and tax complexities of the EOT was invaluable, and they guided us through every step with clarity and confidence. Seeing our employees' reactions when they learned they now owned a stake in the company was incredibly rewarding. We're proud of what we've built, and even prouder to know it's in the hands of those who care about its future just as much as we do.

An exciting new era

When the husband and wife owners of a successful engineering firm approached us, they were looking for a succession solution that would reward their employees, preserve the company's legacy, and ensure a smooth transition of ownership. After exploring various exit options, they became intrigued by the idea of an Employee Ownership Trust (EOT), but they needed expert guidance to navigate the financial and tax complexities. From our very first conversation, it was clear that their priority was to achieve a fair and sustainable transaction that worked for both themselves and the employees who had helped build the business.

Our initial discussions focused on understanding their motivations and long-term aspirations. They had a young child and wanted to step back from day-to-day operations without disrupting the company's stability, and they were keen to ensure their workforce felt motivated and secure in the transition. The company had a strong financial track record, but we needed to assess whether an EOT would be a commercially viable route. A thorough financial review confirmed that the business had sufficient profitability to support a deferred consideration model, allowing the vendors to receive fair market value while ensuring that payments could be funded from future company profits without putting undue strain on cash flow.

Once we established that the EOT was the right fit, we worked closely with the owners to determine the optimal structure for the sale. This involved valuing the business at a fair level, structuring a tax-efficient payment plan, and ensuring that the company would have the financial resilience to meet its future obligations. The owners were relieved to learn that, if structured correctly, they could qualify for full Capital Gains Tax relief on the sale, a major advantage of the EOT framework. We took the necessary steps to secure clearance from HMRC, giving them the certainty they needed before proceeding.

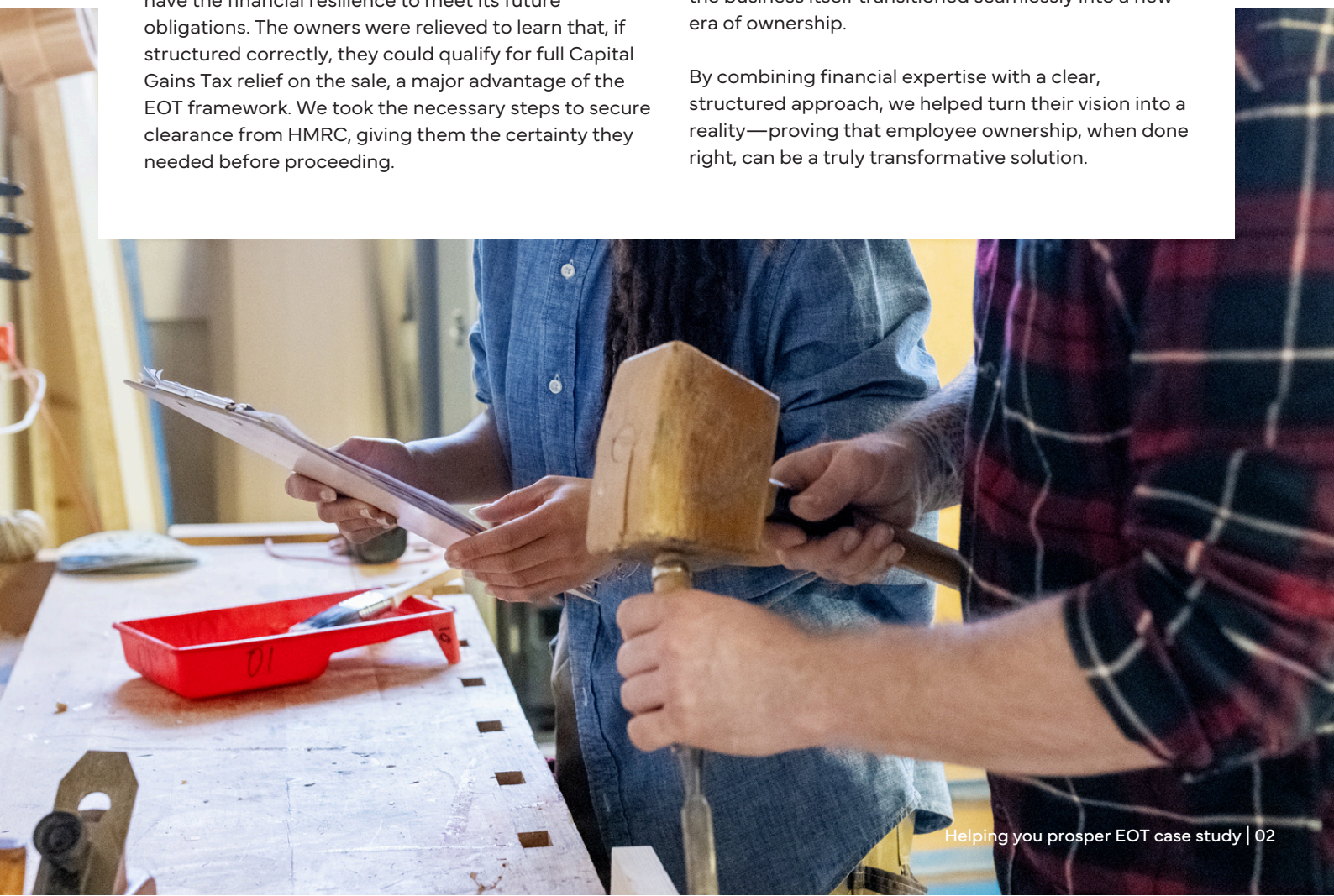
At the same time, we worked with the company's senior management team to ensure a smooth handover. Although the owners were transitioning out, they were keen to leave the business in capable hands. We advised on the selection and structuring of the EOT trustees, balancing the need for independent oversight with the involvement of employee representatives. It was crucial that the workforce felt informed and engaged throughout the process, so we played a key role in developing a communication strategy that explained the benefits of employee ownership in clear, tangible terms.

As the legal process progressed, we continued to work with their legal team to oversee the financial aspects of the transaction. On the day the deal was completed, there was much excitement among the employees. The vendors were thrilled not only to have secured a tax-efficient exit but also to have created a lasting legacy, handing ownership over to the people who had helped them build the company.

Post-transaction, we continued to support the newly established EOT, ensuring compliance with tax regulations and providing ongoing financial oversight. With the right structures in place, the business has remained stable, profitable, and motivated under employee ownership.

This case was a perfect example of how a well-planned EOT can benefit everyone involved. The vendors achieved a smooth, tax-efficient exit, the employees gained a meaningful stake in the company's future, and the business itself transitioned seamlessly into a new era of ownership.

By combining financial expertise with a clear, structured approach, we helped turn their vision into a reality—proving that employee ownership, when done right, can be a truly transformative solution.



The next step

The UHY Hacker Young Group is one of the UK's Top 20 accountancy networks with 95 partners and 640 professional staff working from 20 locations around the country. The offices within the Group provide a wide range of accounting, tax and business advisory services.

At UHY Ross Brooke, our team is driven by our purpose of helping you prosper. We see ourselves as more than just accountants. Whether you are a client, a team member or part of the community local to our firms, our goal is to understand your definition of prosperity and to work out how we can help you in your pursuit of that.

Read more about us on our website at www.uhy-rossbrooke.com

UHY Hacker Young Associates is a UK company which is the organising body of the UHY Hacker Young Group, a group of independent UK accounting and consultancy firms. Any services described herein are provided by the member firms and not by UHY Hacker Young Associates Limited. Each of the member firms is a separate and independent firm, a list of which is available on our website. Neither UHY Hacker Young Associates Limited nor any of its member firms has any liability for services provided by other members.

UHY Ross Brooke (the "Firm") is a member of Urbach Hacker Young International Limited, a UK company, and forms part of the international UHY network of legally independent accounting and consulting firms. UHY is the brand name for the UHY international network. The services described herein are provided by the Firm and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.



This publication is intended for general guidance only. No responsibility is accepted for loss occasioned to any person acting or refraining from actions as a result of any material in this publication.

© UHY Ross Brooke 2025

UHY Ross Brooke
Helping you prosper

www.uhy-rossbrooke.com