

CLIENT SUCCESS STORY

SALE OF M&E COMPANY TO EOT

THE SITUATION

The company was owned by a sole shareholder, owning 9%, and a holding company, who owned 91% of the share capital. The holding company was also owned entirely by the sole shareholder. The shareholder was preparing for his retirement, but wanted to exit the business in a way that would reward the employees for their decades of hard work and dedication. They also wanted a route that provided a transition period to gradually withdraw from the day-to-day activities, and hand down their vast knowledge to the next generation of management.

THE SOLUTION

Our involvement, in this case, included advising on the sale into an EOT. This offered the shareholder an optimal tax efficient direction whilst incentivising their employees to continue their hard work. We also advised on any essential requirements involved and delivered successful clearances to HMRC, therefore encompassing the entire lifecycle of the EOT.

THE OUTCOME

After a share exchange to restructure the company, we successfully advised on the set up and implementation of the EOT and actively navigated the legislative process to result in the sale of the shareholders entire share capital to the EOT. After the transition period, the shareholder would exit the business with cash and deferred consideration paid over a number of years.

NICK WRIGHT

HEAD OF CORPORATE TAX

