
it's our business

newspad of the Employee Share Ownership Centre



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From the life president

The most impressive move in Chinese employee share ownership was made nearly ten years ago by Tencent leader Pony Ma (Ma Huateng) when he announced the gift of shares to all employees to celebrate the company's 18th anniversary in 2016. The value was about USD\$220 million. We commended it at the time, and it hasn't been matched in scale since.

However, last month's transfer of £7.26m of stock to its Esop by Ming Yang Smart Energy is a significant new move in the steps of Pony. It is equivalent to 0.43 percent of the total issued share capital.

The plan will run for up to three years and be subject to a phased lockup arrangement. Subject to conditions, half can be unlocked after a year and the rest after two years.

Like Tencent, Ming Yang is quoted in Hong Kong. With so many experts sitting on their hands at the moment, I am almost tempted to invest in Ming Yang myself! These are unprecedented times.

Malcolm Hurlston CBE



Share plans symposium—March 26 2026

Reserve your place

Esop Centre's **ninth Share Schemes Symposium**, will consist of two sections:

- ⇒ Background material: The speakers' presentations will be recorded during February and early March. They will be made available in advance.
- ⇒ Live session: face-to-face event to debate the presentation topics.

The live session will be in Baker McKenzie's central London offices from 13:15 on Thursday March 26 2026.

The keynote address will focus on the financial rationale behind **KKR's** substantial backing of employee share ownership, a trend now being followed by others in private equity. This will be followed by four interactive discussions. The symposium will conclude with the presentation of the 18th *newspad* all-employee share plan awards and a celebratory reception.

The programme of 10 to 12 presentations by employee equity experts will include developments and issues in all-employee and international share plans; share plans in SMEs and private companies; employee ownership and benefit trusts; executive remuneration within the employee ownership context; and case studies of employee share plans in action.

Presentations include speakers from: Baker McKenzie, CMS, Computershare, David Craddock Consultancy Services, Equiniti, Fieldfisher, JP Morgan Workplace Solutions, MM&K, Tapestry Compliance and Wealth at Work.

The Symposium provides an opportunity for people with a professional interest in all forms of employee share ownership to learn about latest legal, regulatory, governance and tax issues affecting employee share plans and to exchange ideas.

Admission rates:

*Delegates from **plan issuer companies** will be admitted **free** of charge.*

Practitioners: Members: £450; Non-members: £800

Trustees: Members: £400; Non-members: £650

Multi-booking discount: 50% off cost of ticket for your third delegate.

**All prices are subject to UK standard rate VAT*

There will be strictly limited opportunities to attend remotely for international members not able to travel to London.

To register a delegate, email: events@esopcentre.com



Thank you to our sponsors:

The Centre's 2026 symposium is hosted by **Baker McKenzie**



and the programme brochure is logo sponsored by **MM&K**.





Jersey share plans and trustees conference – May 22 2026

The Centre is set to return to the Pomme d'Or in Jersey for its **employee share plans and trustees conference** on Friday May 22 2026.

We are putting together a programme of talks from expert speakers, to update trustees and employee share scheme professionals. The programme provides technical information, which we trust will be acceptable as counting towards delegates' Continuing Professional Development or Continuing Competence.

Presentations will run from 09:00 to 13:15, followed by a networking lunch. The seminar will be held in conjunction with STEP Jersey.

Tickets: Book early to secure discounted ticket prices:

Esop Centre/STEP members: **£380/each**

(if booked before May 1. £450 thereafter)

Non-members: **£485/each**

(if booked before May 1. £548 thereafter)

Multi-booking discount: 50% off cost of ticket for your **third+ delegate**

To reserve your place, email us at events@esopcentre.com



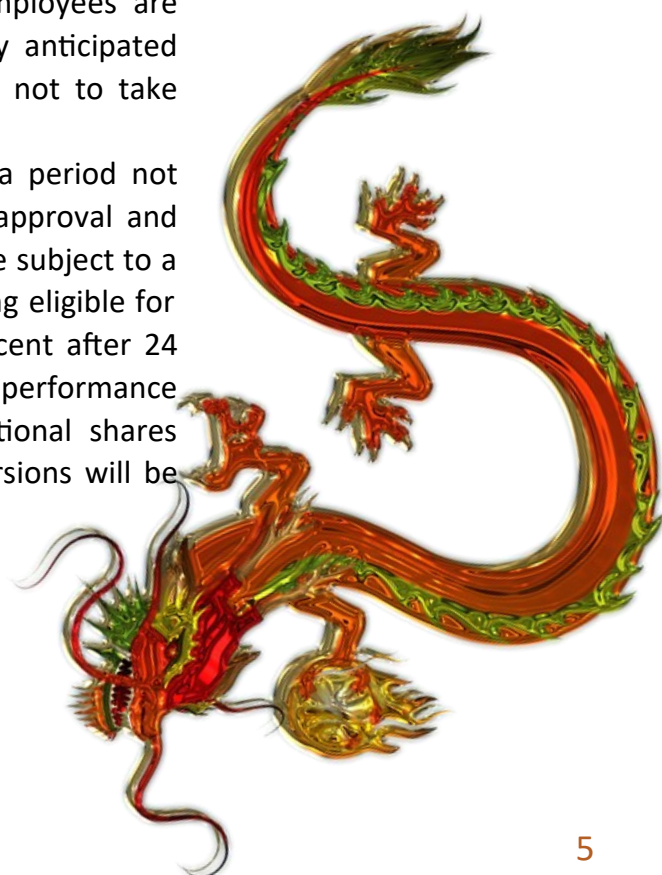


China

Energy group completes non-trading transfer for 2025 Esop

Ming Yang Smart Energy Group has completed the non-trading transfer of shares for its 2025 Employee Stock Ownership Plan, finalising the movement of 9.79m shares, equivalent to approximately 0.43 percent of the company's total issued share capital. According to a company statement, the transfer was completed on December 26 2025 at a price of RMB 7.02 (GBP 0.74) per share, with total subscription funds amounting to RMB 68.73m (GBP 7.26m). The shares were transferred from the company's dedicated share repurchase account into a designated securities account established specifically for the "Ming Yang Smart Energy Group Limited – 2025 Esop". Confirmation of the transaction was received from the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The Esop was formally approved at the company's third extraordinary general meeting held on October 20 2025 and is being implemented following earlier board approval on September 25 2025. A total of 107 employees are participating in the plan, slightly below the originally anticipated 110, after three eligible individuals voluntarily chose not to take part.

Under the terms of the Esop, the plan will run for a period not exceeding 36 months from the date of shareholder approval and announcement of the share transfer. The shares will be subject to a phased lock-up arrangement, with 50 percent becoming eligible for unlocking after 12 months and the remaining 50 percent after 24 months, subject to the achievement of company performance targets and individual assessment results. Any additional shares arising from stock dividends or capital reserve conversions will be **subject to the same lock-up conditions.**





EU

Inside the employee equity row at Astorg's IQ-EQ

According to *Financial News*, when a rising star of European private equity, Benjamin Cordonnier, addressed IQ-EQ staff on May 6 2021, some of the company's senior figures began to sense trouble.

Many employees at the fund services giant had invested their own money into the business and were hoping for a sale so that they could realise their equity.

But Astorg, the private equity firm that bought the business in 2015, had not found a buyer after more than five years of ownership. Cordonnier, who took over as ceo of Astorg earlier this year at the age of 38, told employees that the private equity firm was putting IQ-EQ into a continuation fund — then a novel and growing trend among buyout shops which allowed them to hold onto assets for longer.

The buyout shop offered its limited partners the chance to cash out fully during the process but IQ-EQ employees with shares in the company were told that the deal did not constitute an exit event.

Instead, shareholder employees who had invested for three years or more were allowed to realise up to 25 percent, those for two years were permitted to realise 20 percent and those with one year were permitted to realise 15 percent.

A group of senior figures came together over the following months to take legal action against their employer. They hired a former Luxembourg minister-turned lawyer, Jean-Louis Schiltz, to weigh up their options, which included a potential complaint to the main financial regulatory authority in Luxembourg. The legal action was dropped and most of the signatories have since left the firm.

The internal friction underlines the discontent that can arise over employee equity, especially in last year's slower deals market where private equity firms have sat on over \$3.5trn of unsold assets and management investors are waiting longer for their payouts.

With employee ownership a common tool in private equity, buyout shops are looking to align and **incentivise portfolio companies by offering equity to staff.**





India

Startup issues for the Budget

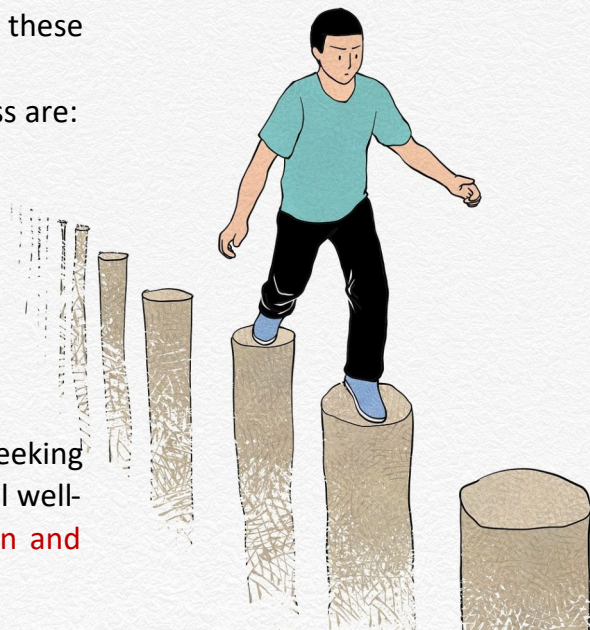
According to Anil Kumar of *TICENews*, with India approaching the presentation of the Union Budget 2026 on February 1, the country's startup ecosystem finds itself at a critical inflection point. After a prolonged funding correction, rising scrutiny around compliance, and renewed focus on sustainable growth, founders and investors are now looking beyond headline incentives towards structural clarity and policy stability.

While the government has already addressed some long-standing concerns – most notably the abolition of Angel Tax – several friction points continue to influence how startups raise capital, reward talent and plan exits. Ahead of the Budget, ecosystem stakeholders are closely tracking whether policymakers will address these unresolved issues.

The seven main issues that startups want the budget to address are:

1. Esop taxation that continues to weigh on startup talent
2. Persisting valuation scrutiny and compliance friction
3. Exit taxation and capital gains clarity
4. Buyback and secondary sale taxation challenges
5. Cross-border funding and structuring ambiguities
6. MAT and early-stage cash flow pressures
7. Sector specific support for deeptech and AI startups

As February 1 approaches, the startup ecosystem is not seeking sweeping policy overhauls. Instead, the focus is on incremental well-calibrated reforms **that improve predictability, reduce friction and support sustainable scale.**



Issue of fresh stock options to reward workforce

One97 Communications, the parent company of Paytm, has approved a fresh round of employee stock option grants, reinforcing its focus on rewarding and retaining talent amid evolving business priorities. According to recent regulatory disclosures, the company has issued 124,000 employee stock options under its Esop Scheme 2019, with the total value of the grant estimated at around Rs166m based on prevailing market prices.

The Esops have been offered to eligible employees as part of Paytm's broader compensation and incentive strategy, allowing team members to benefit directly from the **company's long-term growth and share price performance.**





India

Esops tax pause may be opened to more startups

The Indian government is considering extending the four-year tax deferral on employee stock option plans to all startups recognised by the Department for Promotion of Industry and Internal Trade, a move that would significantly widen access to a relief currently limited to around 4,000 firms certified by an Inter-Ministerial Board. As of October 31 2025, nearly 197,000 entities were recognised as startups by DPIIT, highlighting the scale of the potential expansion. Introduced in 2020, the Esop deferral allows employees to postpone paying perquisite tax for up to four years, or until the shares are sold or employment ends, easing liquidity pressures created when tax is due at the point of exercise. Startups and investors have long argued that the current system results in double taxation, as employees pay income tax on exercise and capital gains tax on sale, unlike many overseas jurisdictions where Esops are taxed only on disposal. The issue has become more prominent as IPOs by new-age companies in 2025 unlocked Esop pools worth Rs87bn (nearly £720m), intensifying the tax burden on employees. Alongside the proposed expansion, startups are also seeking clarity on the deductibility of Esop costs as employee compensation and more flexible rules on carrying forward losses during restructurings, **as the government reviews the measures ahead of the union budget.**



USA

S Esop companies included in US exemption from global minimum tax

According to the NCEO, the Organisation for Economic Co-operation and Development has announced that a “side by side” arrangement will exempt all US companies from a new 15 percent tax on the global income of large multinational corporations. Senior US Treasury staff members have assured Employee-Owned S Corporations of America representatives that the US exemption will cover multinational US Esop-owned S corporations, which otherwise would be subject to entity-level taxes.

Originally, the OECD global minimum tax would have looked through foreign subsidiaries of S corporation Esop companies to tax their US income. The US ultimately reached an agreement to exempt US companies from the OECD tax, which the **Treasury Department announced on January 5.**





USA

EO funds could grow to \$1.5bn in the short term

Fundraising for employee ownership investments could reach \$1.5bn in the next few years and climb to \$10bn by 2040, building on the rapid growth of recent years, according to a 'roadmap' issued by Ownership Capital Lab.

Backed by non-profit organisation The Impact, Ownership Capital Lab tracked 29 specialised employee ownership funds in 2025. Sixteen of the funds are closed-end funds, while 10 are evergreen and three raise capital on a deal-by-deal basis.

While some mainstream private equity firms have begun to set aside some portfolio company equity for employees, the firms on Ownership Capital Labs' list aim to create at least 30 percent employee ownership within a few years of investment. The main forms of employee ownership are Esops, as well as worker co-operatives and EOTs. As of December 2025 the funds had \$865m in assets under management, a jump of 73 percent on the same time **the previous year, when 27 funds had raised \$500m.**

OpenAI's pay sets new benchmark for tech startups

The artificial intelligence company's stock-based rewards now average roughly \$1.5m per employee, a figure that places it well ahead of historical benchmarks. With a workforce of around 4,000 employees, OpenAI's equity payouts dwarf those disclosed by earlier tech giants at similar stages—more than seven times what Google reported in 2003, a year before its IPO.

A Wall Street Journal analysis of major technology listings over the past 25 years shows how unusual OpenAI's approach is. In the year before going public, large tech firms typically allocated about six percent of revenue to stock-based compensation. OpenAI, by contrast, is projected to spend 46 percent of its revenue on **equity pay in 2025, the highest among 18 companies reviewed**, excluding Rivian, which had no revenue prior to listing.





USA

Hidden impact of social media in the workplace

A Rutgers-led study, published in the *Journal of Organizational Behavior*, finds that perceptions of social media content – how we judge the posts we’ve seen – could affect how we interact with our co-workers and whether we accomplish our goals for the day.

“We’re usually on autopilot when we’re scrolling, but we need to be mindful at work,” said Rebecca Greenbaum, a professor of human resource management in the Rutgers School of Management and Labor Relations and lead author of the study. “Social media can either build us up or tear us down. During the workday, it could affect our motivation.”

From a survey repeated from two years previously, an interesting finding emerged regarding accomplishment posts. “We found that the competitiveness trait plays a big role in how people react,” Greenbaum said. “If you’re competitive by nature, seeing other people’s accomplishments on social media can fire you up to go out and take on the world. But **if you’re not competitive, you might pull back.**”



Planned EO expansion amid strong performance

Hedge fund Bridgewater Associates plans to expand its employee ownership programme in the coming year. Currently, only about one percent of employees hold equity, but this will increase to over 60 percent, according to an internal memo from ceo Nir Bar Dea. This initiative coincides with Bridgewater's 50th anniversary and follows the strong performance of its flagship fund, Pure Alpha, which achieved its best results since 2010.

Employee ownership is common in large tech firms but rare among top multi-strategy hedge funds, which typically prefer incentive programmes that tie compensation to fund performance. Bridgewater's Pure Alpha fund has returned over 26 percent in the first nine months of the year, **surpassing the S&P 500's 14 percent gain.**



USA

Philip Morris introduces employee share ownership

According to Sasha Jovanovic of *Simply Wall Street*, tobacco company Philip Morris International's late-2025 filing for an Esop-related shelf registration — issuing 500,000 common shares worth about \$80.5m — highlights how the company is increasingly linking employee incentives to its strategic pivot toward smoke-free and alternative nicotine products. However, analysts say this stock issuance does not materially change the core investment thesis, which remains centred on whether growth in smoke-free products can offset declining combustible cigarette volumes, intensifying regulation and illicit trade pressures. The Esop move underscores corporate confidence in the smoke-free transition and signals alignment between employee rewards and long-term strategic goals, but *Simply Wall Street* asserts that

investors still need to focus on operational execution, regulatory developments and capital allocation discipline.

Forecasts projecting around \$49.4bn in revenue and \$14.5bn in earnings by 2028 assume continued annual growth of roughly 8.2 percent, which depends heavily on sustaining momentum in smoke-free categories. While the Esop issuance strengthens internal alignment around the company's strategic direction, the key risks — particularly regulatory headwinds affecting both next-generation products and traditional tobacco — remain central to PM's investment narrative. Investors concerned about these dynamics may see widely varying fair-value estimates, underscoring that the Esop development complements but does not redefine **the broader long-term outlook**.

Early employee stock options: 'Now all my friends are too rich to work'

Technology company Palantir co-founder Joe Lonsdale has reflected on the company's early equity-first compensation model, arguing that generous employee stock options were central to its long-term success and to the personal wealth created for early staff. Speaking in an interview released by Heartland Ventures, Lonsdale explained that Palantir deliberately offered lower salaries paired with significant equity stakes, showing candidates scenarios of what their shares could be worth at different valuations, including a then-ambitious \$5bn (£3.9bn) outcome. Employees could choose between packages with different salary-to-equity ratios, encouraging long-term ownership while conserving cash during Palantir's formative years. According to Lonsdale, the

approach paid off handsomely: many of the first hires became wealthy as the company scaled, with Palantir valued at roughly \$20–25bn (£15.8–19.8bn) even before the recent AI boom. Joking about the consequences, he remarked that many early colleagues are now “too rich to work”, instead pursuing personal projects. Palantir's growth has accelerated in recent years, aided by AI adoption and defence contracts, with the share price rising about 140 percent in 2025. The company now has a market capitalisation of around \$423.5bn (£334.5bn), with shares trading between a 52-week low of \$63.40 (£50.1) and a high of \$207.52 (£163.9), underscoring how early equity incentives reshaped both employee **outcomes and the firm's investment story**.



SThree buys over 400,000 shares for employee trust

According to global STEM workforce consultancy SThree, its Employee Share Ownership Plan Trust (EBT) bought 400,478 ordinary shares between December 17 and December 30, 2025.

Centre member **Computershare Trustees** (Jersey) Limited, acting as trustee of the EBT, bought the shares at a total cost of £744,771. The average purchase prices ranged from £1.83 to £1.90 per share over the eight trading days.

The transactions were executed on the London Stock Exchange. Daily purchase volumes ranged between 14,000 to 80,223 shares. The EBT now holds a total of 977,032 ordinary shares, representing 0.76 percent of SThree's issued share capital. These shares will be used to satisfy awards **under certain employee share schemes**.



UK savers face four pension changes in 2026

A report in the *Daily Mirror* suggested that the UK's private and state pension systems are set to undergo significant transformations and long-awaited reforms this year. The majority of the rule changes are designed to simplify pension systems, making them more accessible and comprehensible, while giving savers greater authority over their funds and retirement planning.

However, people unaware of these changes may find themselves caught off guard. Centre member **WEALTH at Work** identified the four

most crucial changes that people need to be aware of for 2026 and clarified their implications.

Jonathan Watts-Lay explained: "The upcoming pension reforms offer a great opportunity for savers to better understand their pensions, become more empowered, and ultimately achieve the retirement they want.

"By engaging with your pensions and savings, asking questions, and using the support available through your employer, you can make **smarter decisions and achieve better retirement outcomes**."

UK economy showing signs of 'zombie apocalypse'

City A.M. reported that the UK economy faces a "zombie apocalypse" in the coming year, as years of tough trading conditions force thousands of unproductive firms to the wall.

The Resolution Foundation forecasts that a "triple whammy" of multi-year increases in interest rates, energy prices and the minimum wage will lead to the collapse of low-productivity firms, which will be replaced by more productive equivalents.

It comes after the share of jobs destroyed by closing firms reached its highest level since 2011 with the number of **company insolvencies annually rising 17 percent to 2,029 in October 2025**.





Fast-paced rise of cost burden on firms

Cost burdens on firms rose at their fastest pace since May as bosses dealt with wage growth pressures and sky-high energy prices, new data have indicated.

S&P Global's latest purchasing managers' index (PMI), which tracks monthly hundreds of companies' performances, showed that cost increases became heavier at the end of last year. Researchers said the jump in costs in December came as a result of higher fuel prices and demands from workers for higher wages.

Higher input costs resulted in stronger inflation for products, a month after November's output price growth reading was a **near five-year low**, reported *City A.M.*



Opinion: Government's 'cack-handed' policy choices hits jobs

Commenting on last month's labour market figures, Professor Len Shackleton, editorial and research fellow at the free market think tank the Institute of Economic Affairs, said:

"Today's labour market figures show a predictable deterioration. The headline is the 5.1 percent unemployment rate, which, apart from a brief blip for Covid, is the highest in a decade. It is worryingly high for new entrants to the jobs market – 13.4 percent for 18-24 year-olds. If you are effectively locked out of a job in your first years after graduation or leaving school, it is very difficult to build a sustainable career in the years ahead. No wonder mental health problems are surging for young people.

"Most of the other indicators are also going in the wrong direction, with the total of those in employment falling. Small changes in these figures are not very reliable, and come from three separate sources, but it's difficult to deny that it's a gloomy picture for the private sector, where employment is falling overall and particularly amongst the woefully neglected self-

employed. Public sector employment, however, continues to expand, albeit slowly. Caveats apply, of course, but the public sector also appears to be doing better in pay, with earnings up by 7.6 percent on an annual basis, as against just 3.9 percent in the private sector. Vacancies are down again.

"None of this is surprising, given the increase in employers' national insurance contributions, the rise in minimum wages (especially sharp for younger workers) and the looming regulatory changes in the Employment Rights Bill. This last week, a further worry for employers is the lifting of the cap on compensation for unfair dismissal, purportedly a quid pro quo for the concession over Day One rights, but which may, in the longer term, be even more problematic.

"The last government did many things wrong, but its employment record – in particular the surprisingly rapid recovery after Covid – was not at all bad. The current deterioration, which may herald a real recession, is down to this government's cack-handed and doctrinaire policy choices. **They will have to own it.**"



Revolut clashes with former staff over tax on share awards

Revolut has spent the past decade redefining European fintech: moving fast, expanding across borders, and building a multibillion-dollar valuation. But a dispute with former employees over unexpected tax liabilities linked to share awards has shifted attention from growth metrics to a less visible yet critical challenge: managing internal processes and policies under rapid expansion.

The disagreement, **first reported by the *Financial Times***, stems from Revolut's practice of compensating employees with company shares rather than cash payments. Former staff who had received these shares were later given the opportunity to sell them back to the company through an internal buyback programme. After completing the sales, many were surprised to learn that the profits from their shares were taxed as income, rather than the capital gains tax they had expected, resulting in personal tax bills in some cases reaching six figures. Former employees told the *Financial Times* that they had been led to believe their share awards would be taxed as capital gains and only discovered the change after selling. Some also criticised the valuation used in the buyback relative to Revolut's private market valuation. The dispute centres on whether Revolut had adequately communicated the potential tax implications of the share awards while employees were still at the company. Revolut has stated that it acted in accordance with the law and that employees are ultimately responsible for their own tax obligations.



At the centre of the dispute is the structure of Revolut's share-based compensation. Like many fast-growing fintechs, Revolut compensated employees with equity instead of cash, promising upside if the company succeeded. The complexity arises because Revolut remained private. Shares could not be freely sold on public markets, and liquidity events were limited to internal buybacks. When Revolut offered to repurchase shares from former staff, employees discovered that the tax treatment differed from what they had been told internally. Gains they had assumed would be taxed at the lower capital gains rate were instead classified as income for tax purposes. The result was unexpected, and in some cases substantial, liabilities. According to the FT, some former employees have contested the outcome, claiming Revolut did not clearly communicate the risk. The company disputes this characterisation, noting that all employees received guidance and that tax outcomes depend on individual circumstances.

While this situation is specific to Revolut, it highlights a systemic challenge for late-stage fintechs. Private companies often issue equity to align employees with long-term growth. But when those companies grow large, operate across multiple jurisdictions, and delay IPOs, **internal complexity can escalate into tangible financial risk for staff.**



Time to get relaxed about high executive pay?

In an opinion piece for *City A.M.*, City editor Simon Hunt suggested that last month Anglo American walked back on a plan that would have seen its chief executive handed a tasty bonus for the completion of its merger with Teck after investor backlash.

Shareholders may have had well-reasoned objections to a scheme that would have dealt boss Duncan Wanblad an award amounting to almost two-thirds of his long-term incentive package. But the objections – valid or not – belie a deeper problem: London spends too much time fretting over executive pay.

A report by the High Pay Centre in August found that FTSE 100 executive remuneration had reached “the highest level on record”, as though it is unusual for someone’s pay to be higher than it was the previous year.

Paul Norris of Centre member **MM&K** commented that the piece brought to mind the view of the London Stock Exchange ceo that higher ceo pay would improve the competitiveness of the UK in the global war for talent. The piece noted that average UK FTSE 100 ceo pay is 122 times the average full-time UK worker’s pay, while in the S&P 500 the multiple is 285. It also pointed out that UK ceo tenure lags the US experience; five to six years on average in the FTSE 100 compared to 8.9 years in the S&P 500.

“The issue of tenure is interesting. Why are UK companies not retaining their ceos for longer periods? It is likely that there are numerous reasons, which might include: investors dissatisfied with performance or links between pay and performance; executives dissatisfied with their pay; or a better offer.

“Executive packages have fallen into a standard, arguably tired, model and, particularly in the FTSE 100, there is little to differentiate one from another. Performance measures and targets taken from the income statement dominate the annual bonus landscape. Long-term incentives focus on (principally, shareholder) returns and EPS. That said, in general UK productivity is not racing ahead.

“To encourage and reward increased productivity, incentives would need to be focused transparently on the drivers of growth and not the results of it. Moreover, productivity growth requires the integrated, co-operative action of both management and workforce working together.

“The article also brought to mind conversations within remuneration experts over the years postulating that executive pay is not the problem but, conversely, the levels and **structures of workforce pay are of greater concern.**”



Air New Zealand grants 22.4m performance-based share rights to executives

Air New Zealand has granted 22.4 million share rights at no cost to its chief executive and selected senior executives under its Long-Term Incentive Share Rights Plan, reinforcing a remuneration framework in place since 2015 that tightly links pay to performance. The newly issued rights represent around 33 percent of the total share rights currently on issue and will vest only if demanding performance conditions are met over a multi-year period. Vesting depends on the airline delivering a positive total shareholder return (TSR) across the performance window running from September 2025 to after the release of its June 2028 results, alongside relative performance hurdles benchmarked against both the NZX 50 index and the Bloomberg World Airline Index. This dual-benchmark approach is designed to ensure executives are rewarded only for outperforming both the domestic market and global airline peers. The structure reflects lessons from earlier incentive cycles, several of which failed to vest due to missed targets, and underscores the board's emphasis on aligning executive rewards with sustained shareholder value creation **rather than short-term outcomes**.

COMPANIES - EO NEWS

Employee-owned firm reports profit boost in first full year

According to the *Law Gazette*, one of the biggest firms to have opted for employee ownership has revealed significant increases in profit and turnover under the new model. Hudgell Solicitors, which was sold to an employee ownership trust in December 2023, last month published its accounts for the year to March 2025, showing pre-tax profit rising by 10 percent to £5.6m and turnover jumping by 46 percent to £21.1m.

Neil Hudgell, who remained a director following the sale, said the business had been **boosted by its first full year of employee ownership**, as well as the handling of high-profile group action cases such as the Post Office and acting for victims of the Manchester terrorist attack.





EOT tax change ‘will hit succession planning’ in coach industry

The reduction of tax relief on disposals to employee-ownership trusts, which had been becoming increasingly popular, is set to impact its appeal, coach and bus industry figures have said.

In her Budget speech on November 26, Chancellor Rachel Reeves announced that EOTs would qualify for only 50 percent capital gains tax relief rather than full exemption. Kevin Wilde, senior transport consultant at 21point5, which advises coach and bus operators on exit strategies, says: “The reduction in the effective CGT relief from 100 to 50 percent for EOTs, although understandable from a revenue-raising perspective, will be a block on transferring a potentially stable business from the owners

to the staff and maintaining the business on a stable footing.”

The former md of Mitcham Belle Coaches adds: “Without doubt, EOTs will be affected after implementation with owners who have taken many years to build their businesses looking for the most effective means of exiting while maintaining the stability of the organisation.”

Bill Hiron, who owned Stephenson’s of Essex and NIBS Buses parent Eastern Transport Holdings before its sale to an EOT in 2024, says: “Some people will still feel it’s a worthwhile venture, but in other cases, it will be the deciding factor for people to think **the sums don’t quite stack up so I won’t do it.**”

EOT round-up

- ▶ Connectivity specialist **Adder Technology**
- ▶ Retail loss prevention specialist **Agon Systems**
- ▶ Digital marketing agency **Artemis Marketing**
- ▶ Coach and bus operator **Berrys Coaches**
- ▶ Building contractor **Emanuel Whittaker**
- ▶ Food processing equipment provider **Flo-Mech**
- ▶ Budget health and wellness chain **Grape Tree**
- ▶ Global recruitment specialist **i-Pharm Consulting Group**
- ▶ Landscape construction and garden aftercare provider **Landscape Associates**
- ▶ Creative agencies Lane and Lane Media, integrated as **Lane Group**
- ▶ Digital image transfer technology specialist the **Magic Transfer Company**
- ▶ Freight forwarding company **Publiship**



The Employee Share Ownership Centre is a membership organisation which lobbies, informs and researches on behalf of employee share ownership.

