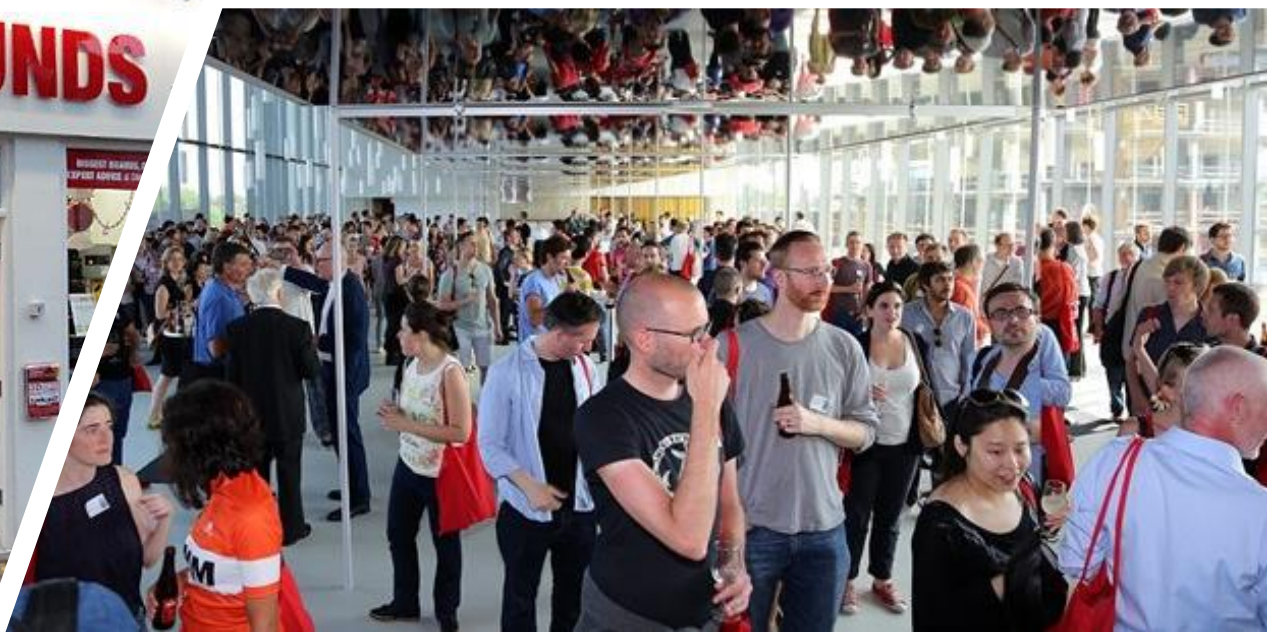


# EOT Survey 2019

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#employeeownership





# Summary

- As at 10 June 2019, there were 241 verified EOT-owned companies (“new EOTs”), plus a further 34 longer established EBT-owned companies (“deemed EOTs”) which qualify for EOT tax treatment.
- Together, the new EOTs employ 23,000 people.
- The EOT sector – including the deemed EOTs - is growing at 40% per annum and now represents three quarters of all employee-owned companies and half of all employees in the employee-owned sector. On current trends, there could be nearly 2,000 EOT companies by 2030.
- 55% of EOTs own the entire company; a further 40% are hybrid models in which the EOT is a majority owner alongside employee shareholders and/or founders.
- EOTs have had particular success in companies with between 50 and 250 employees, though penetration is still only 2 in 1,000 nationally.
- EOTs are over-represented in Scotland and London, and in the manufacturing and professional services sectors.

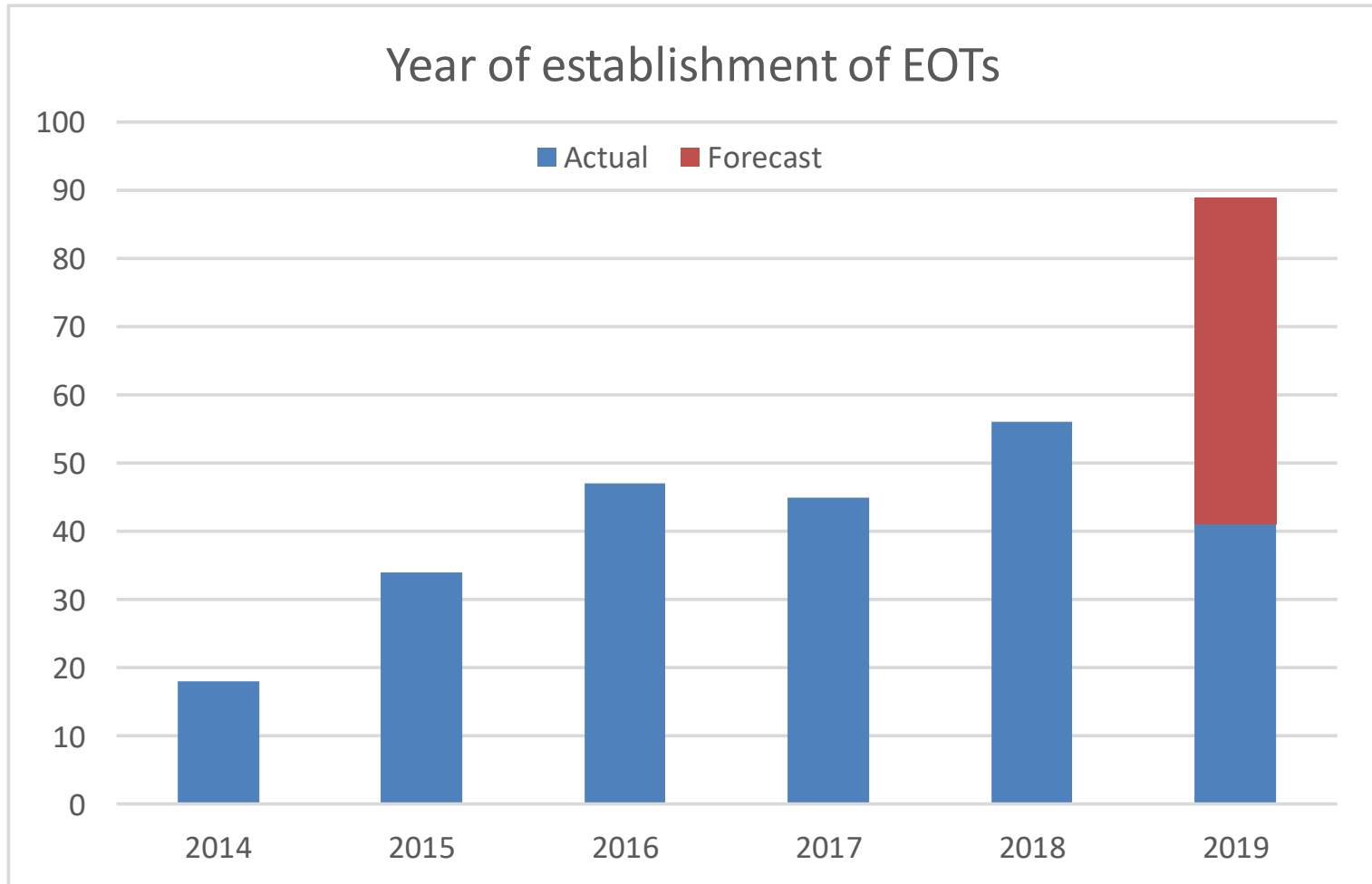


# Methodology

- EOT companies were identified from multiple sources: Companies House records, EOA member firms and internet searches. The list is definitive as at 10 June 2019.
- Percentage ownership and date of EOT establishment were obtained from Companies House records and verified with advisers where possible.
- Employee numbers for larger EOT companies were obtained from their latest accounts filed at Companies House. For smaller companies that are not obliged to file full accounts, employee numbers were estimated from total assets, which is disclosed for all companies.
- Location and trade sector were downloaded from FAME, a data service owned by Jordans.
- We are grateful to Field Fisher, Baxendale, Postlethwaite Solicitors and CDS Scotland for their help in checking the list of EOT companies.



# 2019 should be a record year for EOTs

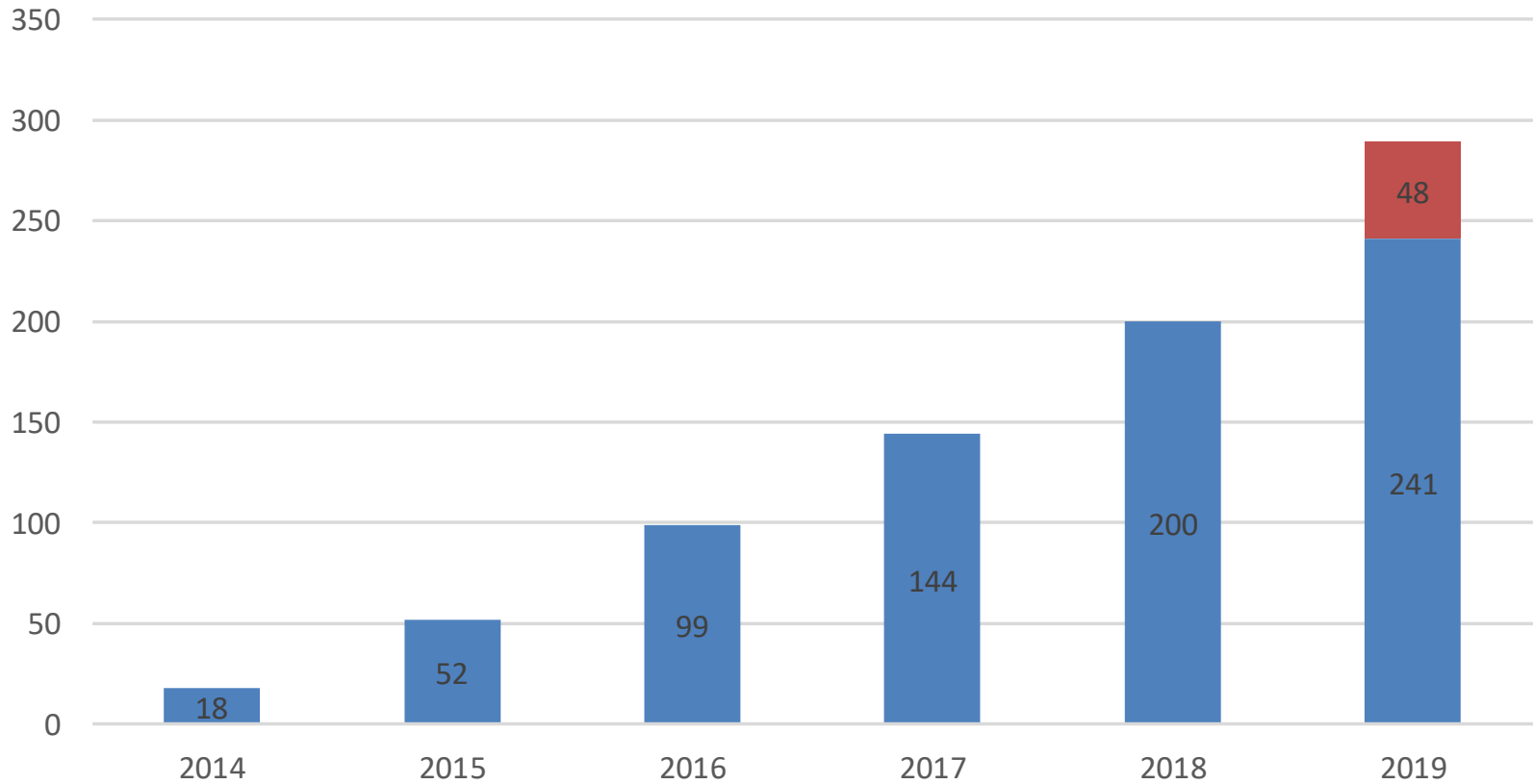


Year of establishment means the calendar year when the EOT first acquired shares, usually a controlling interest, in its sponsoring company.

# There could be 300 EOTs by the end of 2019

Cumulative number of EOTs (excl. deemed EOTs)

Actual Forecast

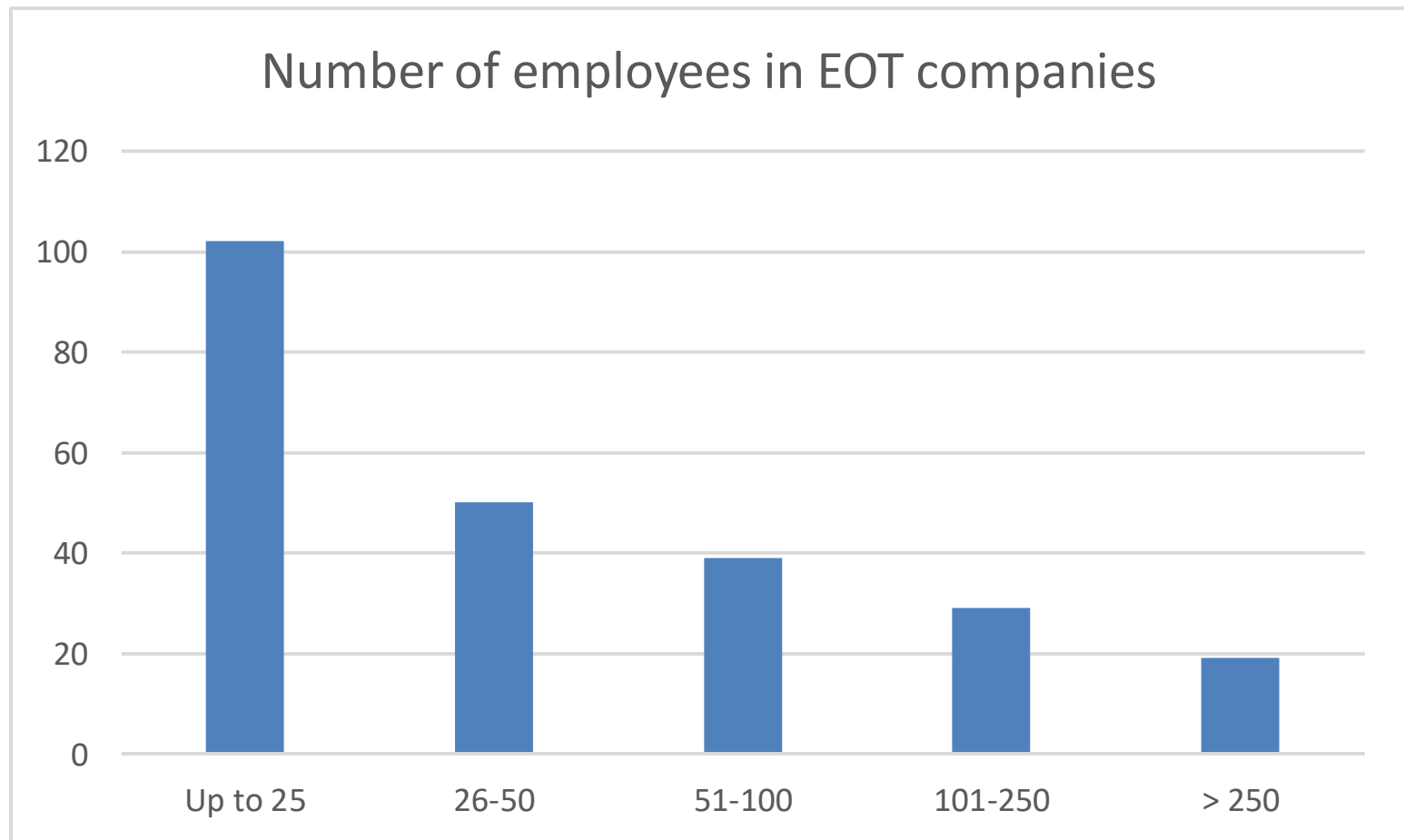


# EOTs now represent over half the EO sector

	New EOTs	Deemed EOTs	Total EOTs	Total EO sector	EOTs as % total EO sector
No. of companies	241	34	275	370	78%
Employees	23,000	87,000	110,000	190,000	58%

1. For smaller companies that publish abbreviated accounts, employee numbers were estimated from total assets, which is disclosed for all companies, however small.
2. The total number of EO companies is conservatively estimated by EOA and the White Rose Employee Ownership Centre to be c. 370.
3. Employee numbers for the total employee owned sector were extrapolated from the data compiled by RM2 for the annual Top 50 list of employee-owned companies.

# EOTs are popular in smaller companies

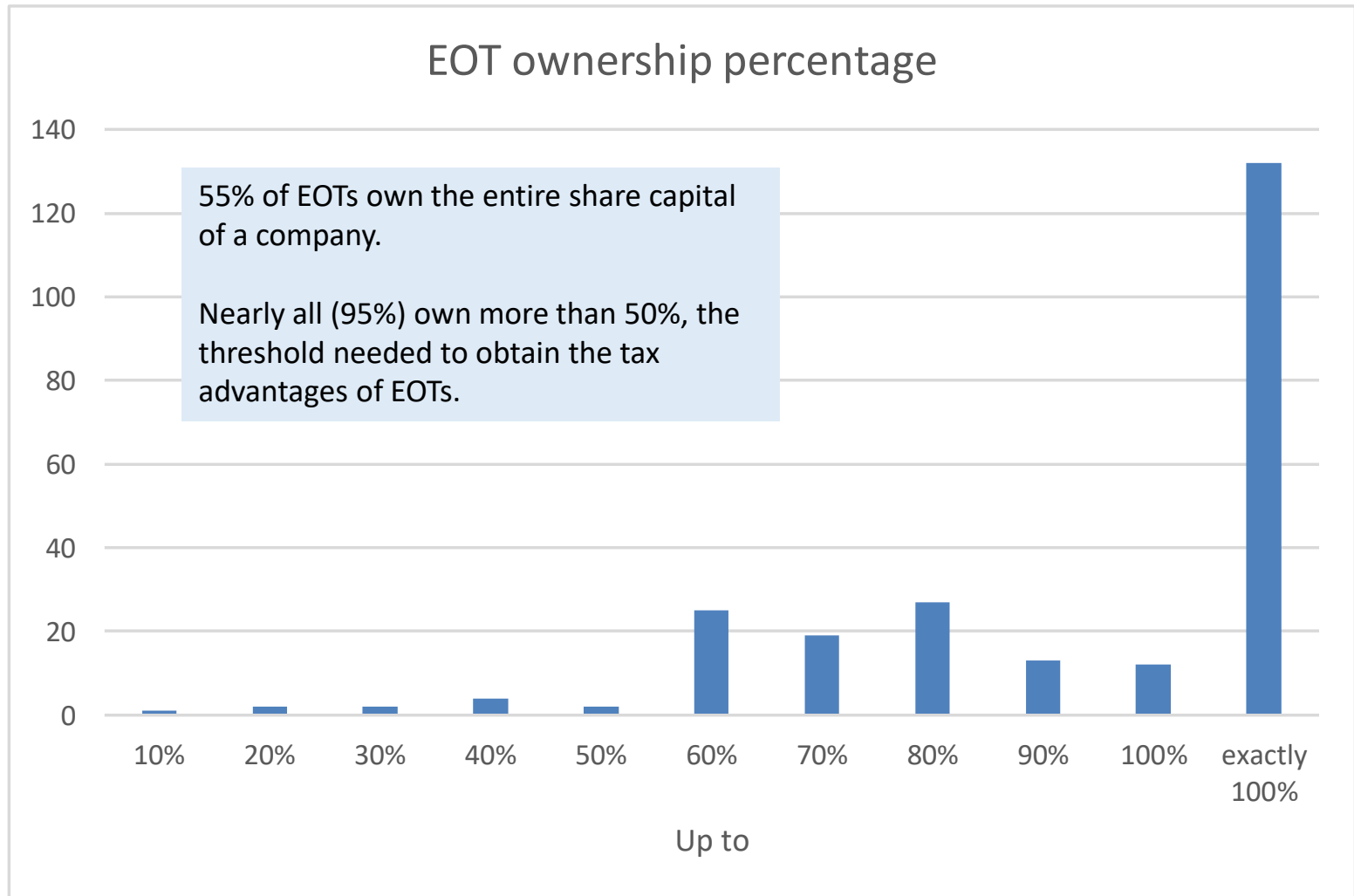


Penetration of EOTs is biggest in companies with between 50 and 250 employees (2 in 1,000).

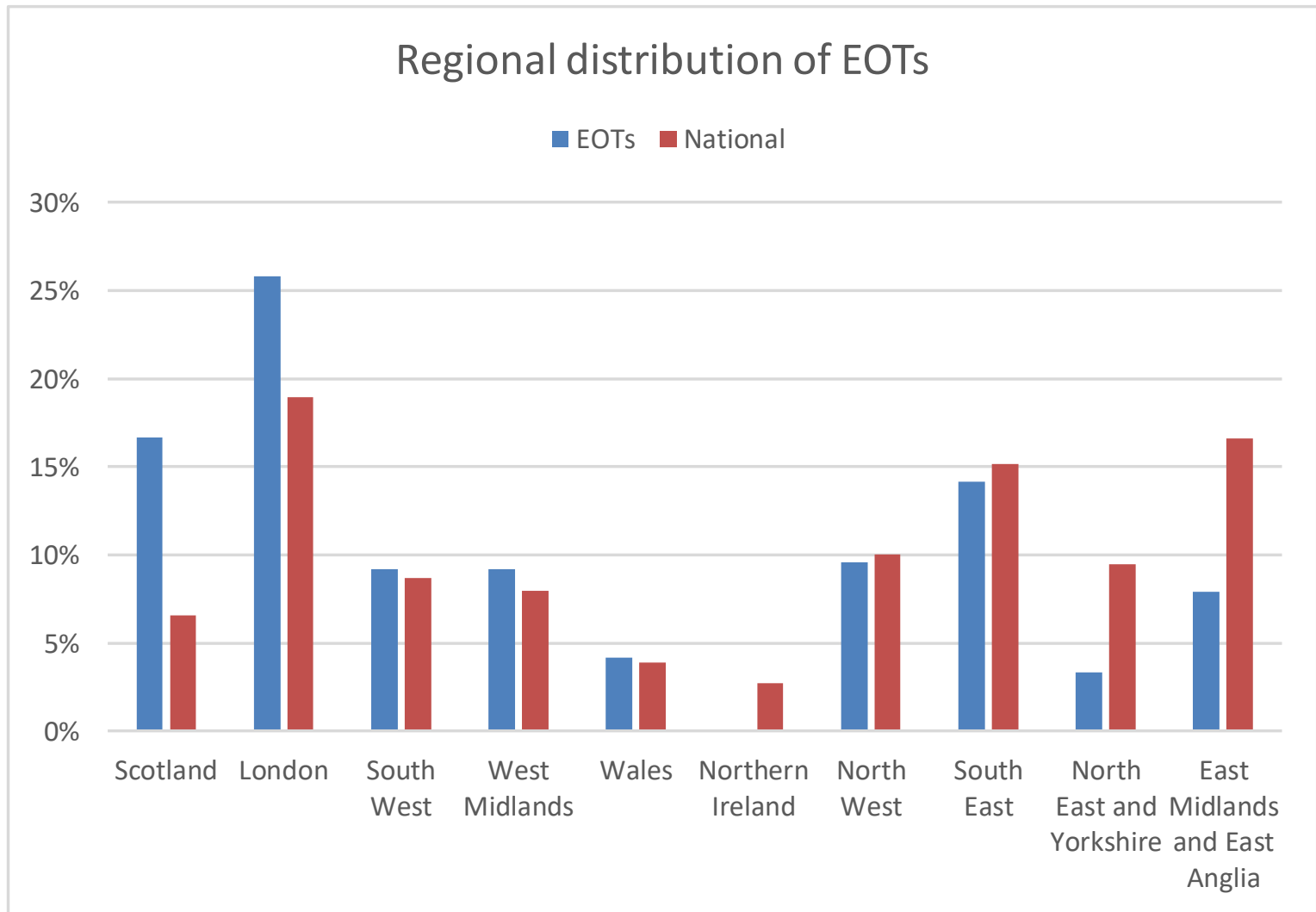
Source: BEIS Small Business Survey 2017



# Most EOTs own between 75% and 100%



# EOTs are over-represented in Scotland and London



Source: ONS, number of VAT and/or PAYE registered businesses by region.