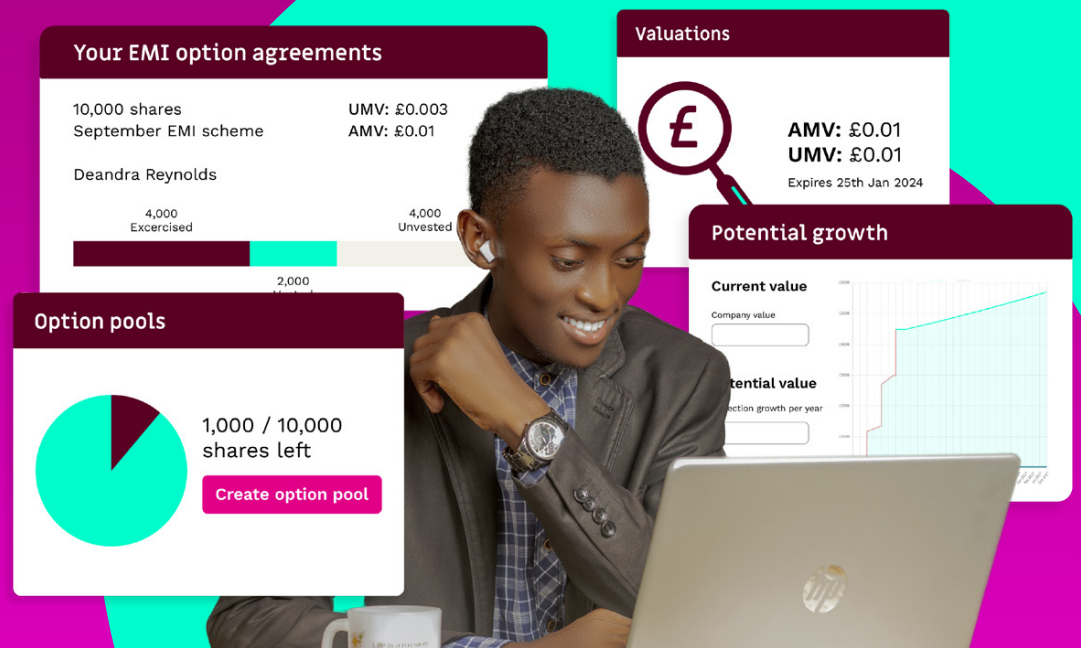


Equity Management Platforms

A buyer's guide



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Introduction

Vestd was the first share scheme and equity management platform of its kind in the UK. But it's not the only one anymore.

We're not afraid of some healthy competition. In fact it's further proof that there's a real need for platforms like ours.

However, comparing platforms can be difficult, so we've put together this buyer's guide. It outlines what you may need in terms of features and services, and what the various vendors provide.

Our mission is (and will always be) to make it easy for company leaders to give key people some skin in the game. We hope to be able to help you in the future. Good luck whichever path you take!

Ifty Nasir

Founder & CEO of [Vestd](#)



About this guide

Our researchers completed extensive competitor analysis to inform the writing of this buyer's guide.

To the best of our knowledge all of the information in this document is correct at the time of writing.

The guide is not an exhaustive list of features and services but covers off the main things you'll need to launch a share scheme and manage your equity.

The comparisons made in this guide are relevant for UK buyers, and apply to this particular jurisdiction. Some platforms may offer features to customers in other territories, which is outside of the scope of this UK-focused report.

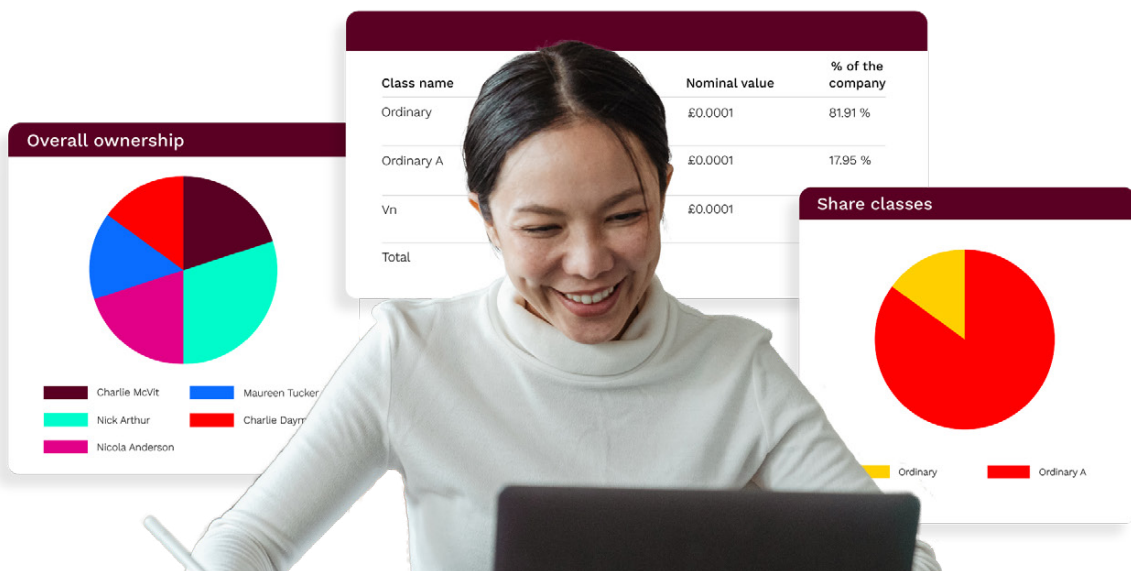


Vestd: the sharetech platform

Vestd is a purpose-built platform for one thing and one thing only - effective equity management.

It's the only platform in the UK with full two-way Companies House integration, which allows you to actively issue shares and keep your official records up to date. There's no need for paperwork or any third party help.

But what really makes Vestd stand out is its team, whose sole focus is helping UK business owners to unlock the power of shares and options. Professionals whose insight and support will give you the confidence to make informed decisions about your company's equity.



FCA authorised & regulated

What is it?

Authorised by the Financial Conduct Authority for the arrangement of transactions in and safeguarding of shares and share options.

Why does it matter?

A badge of honour for us and peace of mind for you - we take your company's equity very seriously.

What if it's not included?

If anything were to happen to your chosen provider, there is no guarantee of a smooth wind-down and that your company, shareholders and scheme holders would be looked after.

Platform	FCA authorised & regulated
Vestd	✓
Carta*	✗
Seedlegals	✓ **
Ledgy	✗

* Capdesk are now part of Carta.

** Only for certain activities.

Companies House integration

What is it?

The ability to issue shares, pass resolutions, complete company updates and send all relevant, legally required documents to Companies House at the push of a button.

Why does it matter?

Helps to ensure that there are no discrepancies between your records and Companies House, so what you see on the platform is accurate. And if it's not, Vestd will investigate and help you rectify that.

What if it's not included?

Do it yourself (and experience the hassle of preparing/submitting documents) or pay an accountant £500-£1,000 per year to do this for you.

Platform	Companies House integration
Vestd	✓
Carta	✓ *
Seedlegals	✗
Ledgy	✗

* SH01 only

In-house valuations

What is it?

When setting up both EMI and growth share schemes, a valuation of the company is usually carried out for HMRC. **Vestd does this in-house for no additional cost** (most competitors charge an additional fee). You will need new valuations as your company grows.

Why does it matter?

You want to give recipients tax certainty. And have one company supply all elements seamlessly.

What if it's not included?

Go to a specialist valuer/accountant, and pay £1,000-£2,000 per valuation.

Platform	In-house valuations
Vestd	✓
Carta	✓
Seedlegals	✓
Ledgy	✗

Guided scheme designer

What is it?

A totally guided workflow that helps you through all the key commercial decisions to make when creating the scheme you want. You can also set performance and/or time-based milestones and a vesting schedule.

Why does it matter?

It's important to design the scheme thoughtfully from the outset to make sure your organisation and share and option holders get the most out of it.

What if it's not included?

Seek support from a specialist consultancy and pay £2,000-£3,000.

Platform	Guided scheme designer
Vestd	✓
Carta	✗
Seedlegals	✗
Ledgy	✗

Share scheme documentation

What is it?

The necessary legal agreements that frame and implement schemes. This is a core part of Vestd's offering: we'll provide the documents needed to set up a scheme like EMI, for instance.

Why does it matter?

Without these documents there simply is no scheme.

What if it's not included?

Go to a lawyer or specialist accountant and pay £2,000-£10,000.

Platform	Share scheme documentation
Vestd	✓
Carta	✓
Seedlegals	✓
Ledgy	✗

HMRC notification support

What is it?

Remembering to (and knowing how to) submit initial and ongoing annual notifications to HMRC for your scheme (if it is one of the HMRC tax-advantaged schemes).

Why does it matter?

Without these, the scheme is not valid with HMRC. Around half of all schemes we see are not compliant.

What if it's not included?

Pay an accountant £500-£1,000 per year to do this for you.

Platform	HMRC notification support
Vestd	✓
Carta	✓
Seedlegals	✓
Ledgy	✓

Shareholder portal

What is it?

A digital portal for shareholders and option holders. It allows scheme members to accept and monitor their conditional equity, along with vesting schedules, and value.

Why does it matter?

To maximise the impact of the scheme, it's vital that shareholders have sight of, and are reminded of, its value and how this grows over time.

What if it's not included?

They have paper agreements, which normally end up in a drawer and are forgotten about.

Platform	Shareholder portal
Vestd	✓
Carta	✓
Seedlegals	✓
Ledgy	✓

Digital cap table

What is it?

A cap table (short for 'capitalisation table') shows the equity ownership of a company. Plus the details of all shareholders and their holdings.

Why does it matter?

You need eyes on each person's percentage share of your company and what that's worth. Investors will want to take a peek too.

What if it's not included?

Use a spreadsheet (which leaves room for human error) and regularly update the cap table after each new share issuance.

Platform	Digital cap table
Vestd	✓
Carta	✓
Seedlegals	✓
Ledgy	✓

Scenario modelling

What is it?

The ability to look at returns to shareholders in diluted or non-diluted scenarios and under differing exit and investment scenarios.

Why does it matter?

As the capital structure of the business grows in complexity, you'll need to keep track of value returns for shareholders under different future scenarios.

What if it's not included?

The alternative is a spreadsheet, which can soon become unruly.

Platform	Scenario modelling
Vestd	✓
Carta	✓
Seedlegals	✓
Ledgy	✓

SEIS/EIS advance assurance

What is it?

Advance assurance allows you to check with HMRC that your company qualifies for the tax-friendly venture capital schemes, SEIS and EIS, before applying.

Why does it matter?

Investors love investing under SEIS and EIS as they benefit from tax relief. Advance assurance gives them reassurance that will happen. So, if you have it, your business is instantly more attractive.

What if it's not included?

Apply for advance assurance directly via HMRC's website. FYI it's not the most user-friendly workflow, which is why we designed ours.

Platform	SEIS/EIS advance assurance
Vestd	✓
Carta	✗
Seedlegals	✓
Ledgy	✗

Enterprise Management Incentives

What is it?

[EMI](#) is a highly tax-efficient share options scheme for employees of UK-based businesses.

Why does it matter?

To get the most out of your EMI scheme (including the tax benefits), first you need to:

- Set up your EMI scheme correctly (includes having [the right documents, which Vestd auto-generates](#)).
- Tailor your EMI scheme (includes designing a vesting schedule and [setting milestones](#) too).
- And then continue to manage your EMI scheme effectively to keep HMRC happy.

We estimate that over half of EMI schemes are not compliant and therefore not eligible for the [tax benefits](#).



Platform	EMI Setup	EMI Management
Vestd	✓	✓
Carta	✓	✓
Seedlegals	✓	✓
Ledgy	✗	✓

What if it's not included?

Pay a lawyer or accountant to set up your EMI and manage it too or take care of it yourself (and risk getting it wrong).



Company Share Option Plans

What is it?

CSOP is a tax-advantaged share option plan backed by HMRC. CSOP is often considered the next best thing for companies that don't qualify for (or have outgrown) EMI.

Why does it matter?

To get the most out of your CSOP, (particularly the tax benefits), you'll need:

1. Formal documentation.
2. A HMRC-approved valuation with an exercise price set at the fair market value of the shares.
3. The ability to design a vesting schedule and set conditions.
4. To manage the scheme and process leavers easily and quickly.

Not all platforms can help you with all of the above, but Vestd can. We can also digitise existing CSOPs and perform a health check.



Platform	CSOP Setup	CSOP Management
Vestd	✓	✓
Carta	✓	✓
Seedlegals	✗	✗
Ledgy	✗	✓

What if it's not included?

Pay a lawyer or accountant to set up your CSOP, manage the scheme and process every leaver manually.



Unapproved share options

What is it?

Super flexible share options that don't require HMRC approval or a formal valuation.

Why does it matter?

[Unapproved options](#) can be granted to pretty much anyone! But as with EMI, you can design an unapproved option scheme with conditionality and a vesting schedule. Other platforms don't allow this but Vestd does.

What if it's not included?

Remember to include in your annual report to HMRC and be mindful of trip hazards to do with tax. Or pay an accountant to take care of it.

Platform	Unapproved option scheme set up	Unapproved option scheme management
Vestd	✓	✓
Carta	✗	✓
Seedlegals	✓	✓
Ledgy	✗	✓

Conditional growth shares

What is it?

A special class of ordinary shares with rights to capital only over a certain value, that can also be conditional on the achievement of time or other vesting criteria.

Why does it matter?

Incredibly flexible, [Growth Shares](#) allow real shares to be issued when a company has material value, but without tax implications for the recipient. A great way to reward key people (even if they're not on the payroll).

What if it's not included?

Pay a lawyer to amend your company's Articles of Association to allow growth shares (typically £5K+). And pay £1,000-£2,000 for a valuation.

Platform	Conditional growth shares
Vestd	✓
Carta	✓
Seedlegals	✓ *
Ledgy	✗

* Subject to additional costs unless the issuance is part of a funding round.

Issue ordinary shares instantly

What is it?

AKA 'common shares'. Ordinary shares are usually what people think of when they think of shares and typically issued in return for investment in the company.

Why does it matter?

If you do decide to issue ordinary shares for investment you want to do so with minimal fuss.

What if it's not included?

On most equity management platforms, you can record ordinary share issuances but not necessarily issue ordinary shares directly. With Vestd, you can do both.

Platform	Issue ordinary shares instantly
Vestd	✓
Carta	✗
Seedlegals	✗
Ledgy	✗

Restricted Stock Units (RSUs)

What is it?

RSUs are shares that almost act like options. Shareholders are only taxed when the shares vest, not when the shares are issued.

Why does it matter?

RSUs are another way to compensate and reward key people in the business over time.

What if it's not included?

Design a vesting schedule, set conditions and issue RSUs manually to each person or pay a lawyer or accountant to do it.

Platform	Issue ordinary shares
Vestd	✗
Carta	✓
Seedlegals	✗
Ledgy	✗

Quickly compare

Platform	Vestd	Carta	Seedlegals	Ledgy
FCA authorised and regulated	✓	✗	✓	✗
Companies House integration	✓	✓	✗	✗
In-house valuations included	✓	✓	✓	✗
Guided scheme designer	✓	✗	✗	✗
Share scheme documentation	✓	✓	✓	✗
HMRC notification support	✓	✓	✓	✓
Shareholder portal	✓	✓	✓	✓
Digital cap table	✓	✓	✓	✓
Scenario modeling	✓	✓	✓	✓
SEIS/EIS advance assurance	✓	✗	✓	✗
Agile Partnerships	✓	✗	✗	✗
EMI scheme: set up	✓	✓	✓	✗
EMI scheme: management	✓	✓	✓	✓
CSOP: set up	✓	✓	✗	✗
CSOP: management	✓	✓	✗	✓
Issue ordinary shares	✓	✗	✓	✗
Unapproved option scheme: set up	✓	✗	✓	✗
Unapproved option scheme: management	✓	✓	✓	✓
Conditional growth shares	✓	✓	✓	✗
Restricted stock units	✗	✓	✗	✗

Final word

Some platforms provide more of a passive record of historical equity movements, rather than being **truly active equity management tools**.

Just one of the things that sets Vestd apart.

Together we'll explore

- Your company structure
- What you are looking to achieve
- The best scheme types for your needs
- And much more!



[Book a free no-obligation consultation today](#) to take a tour of the platform and discover how you can unlock the power of equity.

Free resources

- [The Complete Guide to Setting Up a Share Scheme](#)
- [The SEIS/EIS Playbook](#)
- [The Joy of EMI Share Option Schemes](#)
- [A Beginner's Guide to Growth Shares](#)
- [The Business Case for Launching a Share Scheme](#)
- [Digitise an existing company share scheme](#)
- [Handy calculators](#)
- [Is your company eligible for an EMI scheme?](#)

Vestd is the platform of choice for UK SMEs issuing shares and options. We help businesses create, execute and manage shares & options schemes simply and affordably.

Vestd Ltd is authorised and regulated by the Financial Conduct Authority (685992).

All information correct at the time of publishing.
See a mistake? **Give us a shout**, we'll sort it.