

RECRUITMENT: TAX MARKET INSIGHT

[October 2026] Private Equity and Accountancy Firms: What's Really Driving the Surge in Investment?

Analysis of how institutional capital is rewriting the rules of ownership, value creation, and career progression across the UK mid-market.

AT A GLANCE

Private equity has become an increasingly prominent feature of the UK accountancy market, transforming traditional partnership structures. This insight explores the drivers behind this surge in institutional investment and examines what the shift means for partners and directors navigating their long-term career progression.

Private equity has become an increasingly prominent feature of the UK accountancy market. Over recent years, a growing number of firms — particularly across the mid-market — have attracted private equity investment or become part of PE-backed groups. For partners and directors watching the market evolve, it raises an important question: why is accountancy attracting so much investor interest, and what does it mean for the people building their careers within the profession?

Why is private equity interested in accountancy firms?

From an investment perspective, accountancy firms have several attractive characteristics. Many benefits from recurring or repeat revenues, established client relationships and relatively visible income streams. Services such as tax, audit, payroll, and outsourced finance are often compliance-driven, helping to provide a degree of revenue resilience.

The structure of the market is also important. The UK accountancy sector remains fragmented, with a significant number of independent regional and mid-sized firms. This creates an opportunity for investors to back an established business and provide the capital to acquire complementary firms. The strategy is relatively straightforward: invest in a strong platform, support its growth, complete further acquisitions and build a larger, more integrated group. But for investors, simply getting bigger is not enough. The aim is ultimately to create a more valuable business.

Why are accountancy firms accepting investment?

There are attractions on both sides of the transaction. The traditional partnership model has served the profession successfully for generations, but ambitious growth plans can require significant capital, particularly where firms want to make acquisitions, invest in technology, recruit senior talent, or expand into new service lines. Private equity can provide access to that capital. Depending on the structure of the transaction, it can also give existing partners an opportunity to realise some of the value they have built while retaining an equity interest in the enlarged business.

If the group subsequently increases in value and goes through another transaction, that retained equity can potentially generate an additional return, often referred to as a “second bite of the cherry”. For firms with significant growth ambitions, external investment can therefore provide a route to achieving them more quickly.



How does private equity create value?

Private equity investors typically invest with an eventual exit in mind. During the investment period, the objective is to increase the value of the business. Acquisitions are one part of that strategy, but they are not the whole story. Organic growth, profitability, technology, operational efficiency and expansion into higher-value advisory services can all play a role.

Technology and AI are likely to become increasingly relevant too. As firms automate elements of routine work and improve productivity, this can allow professionals to spend more time on complex and higher-value client work. The strongest investment cases are therefore unlikely to be based on scale alone. They are about creating a business that is more efficient, more profitable and better positioned for future growth.

What happens when the investor exits?

In a traditional private equity model, an eventual exit is part of the investment strategy. That does not necessarily mean the end of the firm's growth story. The next stage could involve investment from another private equity firm, a sale to a strategic buyer, further institutional investment or, less commonly, a public listing.

For partners who hold equity, the structure of that next transaction is particularly important. Their shares may be sold, rolled into the next ownership structure or dealt with through a combination of the two, depending on the terms of the deal. Understanding those mechanics is particularly important for anyone considering partnership within a PE-backed firm.

What about firms with audit practices?

There is an additional consideration where statutory audit work is involved. Audit firms operate within specific ownership, governance and independence requirements. Private capital investment therefore needs to be structured in a way that complies with the relevant regulatory framework.

This means the precise ownership model can differ between firms, particularly where audit represents a significant part of the business. It is an important reminder that there is no single model for private equity investment across the accountancy profession.

What does this mean for partners and directors?

For ambitious professionals, the growth of PE-backed accountancy groups is creating a different type of career proposition. Rapid expansion and acquisitions can create new leadership positions, broader responsibilities and opportunities to help integrate or develop new service lines. In some firms, senior professionals may also have the opportunity to participate directly in the equity of the business.

But the expectations can be different too. There may be greater scrutiny of commercial performance, profitability, growth and value creation, alongside different governance and reporting structures. For anyone considering joining — or progressing within — a PE-backed accountancy firm, understanding the wider proposition is essential. Who owns the business? What is the growth strategy? How are partners incentivised? Is personal investment required? How does the equity scheme work? What is the investor's likely exit strategy? And what happens to your equity when that exit occurs? These questions can be just as important as understanding drawings, remuneration or the route to partnership.

Private equity is neither inherently better nor worse than the traditional partnership model. It represents a different ownership structure, with different opportunities, risks and expectations. As investment continues to reshape parts

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of the UK accountancy market, understanding those differences is becoming increasingly important for partners and directors making decisions about the next stage of their careers.

At Maitland Kabir, we advise partners, directors, and firm leaders on strategic lateral moves and senior talent acquisition across PE-backed and traditional partnerships. If you are evaluating your career options or building out a leadership team, reach out for a confidential discussion.

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