



# WRIGLEYS

— SOLICITORS —

## Case Study - Jiffy Trucks Limited



### Background

Malcolm Grainge established Jiffy Trucks Limited as a manufacturer of purpose designed catering vehicles in 1974 in Shipley, West Yorkshire. Since the time the company was established, Malcolm Grainge had been the sole director. The Company had grown to 20 employees by 2015.

Malcolm Grainge had retired from the business in 1998 and left the day to day management under the control of John Briggs.

Contact was made in 2015 with the Employee Ownership Association on how to transition to employee ownership with visits to employee owned companies and attendance at regional meetings of the EOA.

## The Process

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Wrigleys were instructed to prepare the transition documents and assisted in obtaining a valuation for the Employee Ownership Trust.

An independent valuation of the business was obtained which indicated that it would be unaffordable to buy out the business in one go. It was decided that Malcolm Grainge would sell 51% of the shares in the business. He also decided to gift 8% of the shares in the company to certain employees.

## Financing the transition

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25% of the purchase consideration was paid on completion in 2016 and the balance was deferred to be paid over 10 years.

Employees have had the opportunity to participate in the income tax free bonus scheme because of the ownership by the Employee Ownership Trust.

After two years the EOT has made some payments in advance which may bring closer the purchase of the balance of the shares.

## After the transition

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John Briggs formerly became the managing director and a second director was appointed.

The Employee Ownership Trust has three trustee directors including an external trustee. The company continues to develop new manufacturing products for the vehicle catering market.

## Contact Us

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For more information about Employee Ownership Trusts, please contact a member of our team:



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