

A photograph of two children, a girl on the left and a boy on the right, both wearing blue school uniforms with white collars. They are smiling and holding onto a thick green rope, appearing to be climbing or participating in an outdoor activity. The background is filled with lush green foliage.

WRIGLEYS

— SOLICITORS —

Case Study - Rowlinson Knitwear Ltd

Rowlinson[®]
smarter for longer™

EMPLOYEE OWNED

Background

From its early days in specialist ladies' fashion, corporate and schoolwear knitwear suppliers Rowlinson Knitwear Limited has truly been a family company.

They believed that a transparent and ethical approach made them a great business to work for, which was reflected in staff retention and numerous people management accreditations.

To coincide with 80 years in business, the second and third generations of the Rowlinson family took the decision to become employee owned, believing that doing so would "secure the longevity and security of the business."

The Process

An Employee Ownership Trust (EOT) was established with a corporate trustee, Rowlinson Knitwear EOT Trustees Limited, as the original trustee. An employee ownership trust is an employee benefit trust which satisfies the tax saving conditions of the Finance Act 2014.

The EOT entered a share purchase agreement with the family shareholders. The EOT now owns 51% of the shares. Members of the Rowlinson family still remain as directors.

Provision has been written in the Rowlinson Knitwear Limited Articles of Association for the formation of an Employee Council, which would facilitate communication and provide a forum for discussion between employees and directors.

Role of Wrigleys Solicitors

Wrigleys Solicitors LLP advised the EOT on the succession arrangements working with Rowlinson Knitwear Limited's company solicitors.

Financing

The share purchase by the Employee Ownership Trust was funded by a long-term loan from Rowlinson Knitwear Limited's bank. A proportion of the profits will be shared across all of the employees through a bonus scheme under which employees pay no income tax on bonuses up to £3,600 a year. The remainder will be reinvested to ensure a healthier future business.

After the conversion

In October 2015, Rowlinson Knitwear won the Stockport Business Awards "Employer Of The Year" category for the second year running; this is the first time that it has ever been awarded to a company twice.

Rowlinson was the first company in the local area to be awarded the Wellbeing Charter Certificate, demonstrating their commitment to the health and well-being of their workforce. They also have Investors in People Gold status.

Their drive for the future is to be "better in everything Rowlinson does".



Contact Us

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