

The **co-operative** loan fund borrower case study

Sutcliffe Play:

Employees buy play equipment business

The Co-operative Loan Fund worked with other specialist lenders to help the employees of a leading manufacturer of playground equipment to buy the business.

Sutcliffe Play, based in Pontefract, West Yorkshire, is well known for its design-led, child-centered, innovative outdoor play equipment. It supplies local authorities and other customers all over the UK and has distributors in various European countries and Japan.

Sutcliffe Play employs 90 people. It was set up as a family firm in 1947, but for many years the chairman and majority shareholder Robin Sutcliffe has been wanting to transfer ownership to the workforce.

"Employee ownership has been a dream for almost 50 years," said Robin Sutcliffe. "From the day I joined the family business my ultimate aim was to one day hand the reigns of our business to its employees.

In my experience, employees get as much satisfaction out of their jobs through meaningful involvement in a company as they do from financial gain. Employee ownership motivates and provides a level of commitment that is unusual in privately owned companies."

Co-operative and Community Finance, which manages the Co-operative Loan Fund, worked with Baxi Partnership to co-finance this employee buyout.

Ian Taylor of Co-operative and Community Finance visited Sutcliffe Play and assessed the proposal for the employee buyout in detail.

"I was impressed with everything I saw," he said. "Sutcliffe Play is a very professional and well managed business and I think it's going to get even better when it's employee-owned. It's my experience that manufacturing businesses in particular benefit from the greater trust and transparency that employee-ownership and co-operative management bring."



The transfer of ownership was completed on 8 April 2010 after complex legal and financial arrangements. The majority of shares are now held by an employee benefit trust on behalf of all the employees. In addition, most of the employees have personally invested in shares.

The board now includes an employee representative as well as the former directors. There is also a new employee ownership council comprising six elected workers (three shop floor and three office staff) and one representative from the board. The council meets regularly with the board.

For further information about Sutcliffe Play visit www.sutcliffeplay.co.uk

For more information about The Co-operative Loan Fund please contact the fund managers, Co-operative & Community Finance, on 0117 916 6750, email info@co-opandcommunityfinance.coop or visit www.co-operativeloanfund.coop