

STONEFLEX

Disposal meets everyone's objectives

Dafferns' partners Martin Gibbs and Brian Jukes played a key role in the successful completion of a complex transaction which led to the restructuring of a longstanding client's various business interests, and the multi million pound sale of one of its core divisions.

Stoneflex, a cladding panel manufacturer based in Ruabon, North Wales, has been sold to Norwegian-owned Steni, one of its main competitors for an undisclosed sum as part of a major corporate restructuring.

Dafferns' client John Dominy, who engineered the disposal while managing director of the former parent group, Stoneflex URP, has retained the roofing division in conjunction with its original shareholders.

United Roofing Products operates from Dunkeswell, near Exeter in Devon and, like Stoneflex, is currently expanding its workforce.

Throughout the six months of the transaction Dafferns provided support to the client's in-house accounts department, producing monthly management information despite a serious software failure and the resignation of the company's in-house accountant.

Says Martin, who with Brian advised the vendors and dealt with HM Revenue & Customs to achieve both sides' tax objectives: "It was an interesting transaction because although the businesses concerned are located in Wales and Devon, all the professional advisers were based in Leamington. The solicitors acting for the sellers were Wright Hassall".

The Stoneflex disposal was achieved with no loss of jobs, and the new owners are continuing to operate from the same location.

"One factor in the sale was that there was a mix of shareholders in the company whose interests had to be considered - new management, old management, and a third tier of sleeping partners", says Martin.

"In addition, two of the three parties were looking for exit routes. There were different objectives for different vendors".

"We managed to help them all to achieve their objectives - and on favourable tax terms".

John Dominy comments: "The deal was quite fraught, and extended over a long time, because of tax implications. We were led through the process by Martin and Brian, who were great to work with".

"One of the shareholder's key considerations was to ensure that the Stoneflex business would have a future in its existing location, and Steni have demonstrated their intentions by recruiting more people".

"It's been a success all round," he adds.