

# Capital for Colleagues

Backing Better Business



## Capital for Colleagues Case Study

TG Engineering Limited



Engineering

### Overview

TG Engineering is a world class supplier of electro-mechanical assemblies, especially for vacuum industries. It supplies precision machined and fabricated components for renowned companies and institutions, principally in the aerospace and scientific sectors. It produces components to incredibly tight tolerances in materials including most ferrous, non-ferrous and specialist materials used to customers' build-to-print requirements.

Their mission is:

*"to be a leading high quality, high precision engineering business dedicated to helping our customers achieve their goals whilst promoting the benefits of being a successful employee owned business."*

With over 30 years management experience and an extensive, well equipped workshop including 5-axis CNC machines, Clean Room Assembly, fabricating capability and expert engineering knowledge, they are able to produce top quality products for their long standing customers.

TG Engineering incorporates **NTE Vacuum Technology** which is a long established and respected specialist manufacturer of bespoke High and Ultra High Vacuum Chambers, Cryostats and Vacuum Beamlines. These are made from aluminium alloy, stainless steel and copper for leading research institutes, universities and businesses in the UK and Europe.



### The Story Behind the Company

TG Engineering was formed in 2002 by bringing two existing companies together that predominantly served the aerospace sector and its ability to supply and serve these existing aerospace companies has been built on and is still the case today. In 2007, Enco Engineering was incorporated into TG which was a highly regarded supplier in the scientific and semi-conductor sector and these sectors are still served today. NTE became part of TG in 2012 and continues to offer specialist vacuum chamber products. TG has consistently provided enhanced solutions for customers, such as assembly and supply chain management.

### Employee Ownership Structure

In March 2018, an Employee Ownership Trust (EOT) was established which resulted in management and employees holding 30% of the shares in the company. The balance of the 70% shareholding is held by the exiting owners and Capital for Colleagues. As the loans from the external investors are paid off over the next three years, it is anticipated that the directors and employees will own 50% of the shares. This could rise even further thereafter, provided the company hits certain performance targets.

TG Engineering is a member of the Employee Ownership Association.

PROUD TO BE A MEMBER OF



BETTER BUSINESS TOGETHER

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### C4C's Role

In March 2018, C4C invested £600,000 in TG Engineering by way of a secured loan. This investment entitled C4C to 35% of the equity, alongside the exiting owners, management and employees who own the remaining 65%.

Besides making this capital investment, C4C and partners from its agent Castlefield, are working closely with management and employees to help develop the employee ownership culture in the company. This is focussed on day to day and longer term active engagement activities, the meaningful sharing of information and in particular the financial performance of the company.

Castlefield is also providing company secretarial services, as well as helping to design and implement a Share Incentive Plan (SIP) scheme to give employees the opportunity to directly own shares in TG Engineering.

### Culture

Whilst TG Engineering only introduced employee ownership in March 2018, The management have led the company through a detailed, engaging exercise to develop the vision, purpose, values and annual business plan and all employees are involved in monthly "all hands" meetings to discuss business performance. This has been well received and it complements the evident pride and craftsmanship that is displayed by all.

### Key Successes:

TG Engineering is an approved supplier to the following companies:

- Thermo Fisher Scientific
- Airbus
- Dowty
- GE Aviation
- BAE Systems

The company also has achieved the following accreditation:

- AS 9100 Rev D

### Contact Details:



## Engineering



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