BUSINESS FIRST

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EMBRACING DIVERSITY

MANAGING PERFORMANCE

NAVIGATING THE SIDE HUSTLE

BUILDING A FUTURE-PROOF TEAM

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Multigenerational teams

A NEW AGE OF ADVANTAGE?

The ability to manage a multigenerational team is no longer a niche leadership skill – it's become a business essential. **Manzurul Islam** outlines the challenges and opportunities this brings.

Ensuring you have a range of generations within your workforce can provide a major boost, fuelling innovation, better decision making and stronger team culture. Research shows that the most diverse businesses outperform their rivals by more than one third.

The power of a multigenerational workforce

BROADER PERSPECTIVES

Different life experiences shape more creative thinking and help to inform more well rounded strategies.

KNOWLEDGE TRANSFER

Experienced colleagues provide invaluable insight, while younger employees can offer more novel ideas and digital fluency. Facilitating collaboration between generations helps ensure experience and knowledge flow freely and is retained across teams.

STRONGER INNOVATION

Blending traditional expertise with new approaches and technological advancement drives continual innovation and improvement.

How to build an inclusive management approach

TRAINING

Multigeneration collaboration might not come instinctively to everyone, so give your team a helping hand by providing training on generational differences, breaking down prejudices and fostering understanding.

ADAPT COMMUNICATION TO FIT THE TEAM

Provide multiple communication channels and encourage colleagues to use the method that they find most effective, whether that's instant messaging, video calls or in person meetings – or a combination of all three.

UNDERSTAND INDIVIDUAL MOTIVATIONS

Create a supportive environment. Regular one to one conversations helps uncover personal goals, life stage pressures and development needs. Tailoring support that reflects this kind of understanding builds trust and reduces friction.

ENCOURAGE TWO WAY MENTORING

Gone are the days when older staff mentored the young. Today, it's very much a two-way conversation, with experienced colleagues sharing valuable insights and younger employees providing guidance on emerging technologies, trends and working styles. This collaborative approach strengthens respect, challenges assumptions and helps both sides improve and excel.

EMPHASISE SHARED PURPOSE

Focus your team on common goals rather than generational labels. Cross age project groups and open conversations about working styles help build cohesion.

Age inclusive management isn't about minimising differences – it's about shining a light on them and benefitting as a result. By embracing flexible communication, personalised support and continuous learning, leaders can turn age diversity into real strategic advantage. When every generation feels valued, empowered and heard, age truly becomes just a number.

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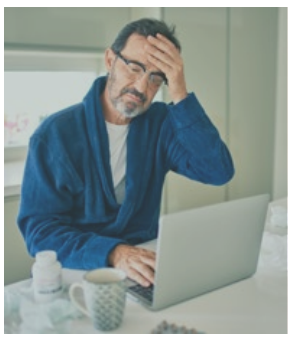
PEOPLE MANAGEMENT

EMPLOYMENT



STATUTORY SICK PAY
For small and medium-sized businesses, these reforms are more than an administrative tweak – they will affect costs, how an employer manages sickness absence, and how employers support an employee's return to work.
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THE RIGHT TO LIGHT
Right to light is an easement that grants property owners the right to receive sufficient natural light through defined openings, such as windows, skylights and glass roofs.
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EDITORIAL

STRONG TEAM, STRONGER BUSINESS

The world may be impossible to predict right now, but one thing remains constant: a motivated, empowered team can help calm even the stormiest waters.

In this edition of Business First we explore how to get the most from your people – from implementing new employment rights and managing underperformance to navigating sick pay, side hustles and contract changes.

We also dig into how diversity – from neurodiversity to age – can give your business a valuable edge. And we unpack how AI is transforming employment tribunal claims and what employers need to know.

Navigating change is vital for any SME. In this issue, we cover break clauses, subletting and lease law changes, as well as preparing a business for sale – and making the most of opportunities when they arise. Anyone negotiating a deal should take heed of our series on Contract Killers.

Rounding off this edition, we have articles on LinkedIn, insolvency, the world of Proptech and what AI means for search engine optimisation. There may be no 'I' in team – but there's plenty to think about.

Happy reading.
Tom Chesher
Editor

Untapped talent

HOW TO EMBRACE NEURODIVERSITY AT WORK

Embracing neurodiversity in the workplace enables organisations to access a wider range of talents, perspectives and ways of thinking – driving innovation, creativity and problem-solving. **Harry Durston** explains how organisations can make the most of this untapped talent while remaining compliant.

“Inclusion should extend beyond recruitment. Making some simple adjustments for your team can significantly enhance performance and wellbeing across the workforce.”

What is neurodiversity?

Neurodiversity refers to the natural variation in how people think, process information, communicate and experience the world.

It encompasses a wide range of differences, including autism spectrum conditions, ADHD, dyslexia, dyspraxia, dyscalculia and Tourette syndrome. For some, this may lead to functional issues that require workplace support or reasonable adjustments. For others, it may be simply a different way of thinking and working.

In the UK, it is estimated that at least one in seven employees are neurodivergent. However, the long waiting lists for diagnosis suggest that this figure is likely to rise. Despite this, data from the Office for National Statistics’ Annual Population Survey shows that disabled people with autism – and those with learning difficulties – remain among the least likely of all disabled groups to be employed.

Why neurodiversity matters to employers

Neurodivergent employees often bring strengths such as exceptional attention to detail, pattern recognition, analytical thinking and fresh approaches to complex challenges.

At a time when many organisations are struggling to address skills shortages, there's a risk that this neurodivergent talent can fall through the gaps. Traditional recruitment and people management practices may inadvertently filter out people who also bring highly sought-after skills, such as creative thinking, problem-solving and innovation. What's more, these outdated processes can also expose employers to legal action.

What are your obligations?

From a legal perspective, many neurodivergent people are protected under the Equality Act 2010. While the majority of neurodivergent people may not identify as disabled, the legal definition of disability is broad and includes conditions that have a substantial and long-term adverse impact on day-to-day activities. Importantly, a formal medical diagnosis is not required for protection to apply. The key consideration is the impact of the condition on the individual in the workplace.

Employers have a duty to make reasonable adjustments for employees and job applicants who meet this definition. Failure to do so can result in discrimination claims, as well as reputational damage and loss of trust.

How can you embrace inclusivity?

Inclusive people management does not need to be complex or costly. Simple steps include asking applicants and employees whether reasonable adjustments are required and, crucially, implementing those adjustments where possible.

Simple, low-cost measures that benefit all candidates include:

- Writing job descriptions that focus on essential requirements only
- Sharing interview questions in advance
- Ensuring hiring managers receive appropriate training.

Of course, inclusion should extend beyond recruitment. Making some simple adjustments for your team can significantly enhance performance and wellbeing across the workforce. For example, you could consider:

- Providing written follow-ups to verbal instructions
- Offering clear and structured feedback
- Enabling flexible working patterns
- Making physical or sensory adjustments – such as quiet workspaces or noise-reducing equipment.

How should you address performance management?

From an HR and legal standpoint, it's important you have clear documentation and consistency around performance management. Objectives should be transparent, role-specific and focused on outputs rather than informal expectations around communication style or behaviour. Regular, structured check-ins can help identify issues early and reduce the likelihood of escalation into anything more formal.

Recording meetings and sharing outcomes with employees not only strengthens legal defensibility but also builds trust, clarity and engagement.

Moving from compliance to inclusion

Building a neurodiversity friendly workplace can bring huge benefits for organisations of all sizes. To thrive – and remain legally compliant – employees need to embed neuro-inclusion into everyday people management practices.

Alongside this, managers who are equipped to have confident, lawful and empathetic conversations, are better placed to build inclusive, high-performing and legally robust organisations. Because embracing neurodiversity is not simply the right thing to do; it is a strategic advantage.

IN SHORT

Neurodivergent employees can bring unique strengths and talents

Employers have a duty to make reasonable adjustments for neurodiverse employees and job applicants

Inclusive people management needn't be complex or costly – simple steps can make a significant difference

Managers who are trained to be both empathetic and legally compliant are better equipped to build inclusive, high-performing teams.

Performance management

HOW TO ACT AND STAY LEGAL

Under performance is an issue that few business owners enjoy dealing with. But when concerns go unaddressed, two things happen: the employer becomes increasingly frustrated, and the employee is set up to fail. **Paul Reader** explains why early action matters – and how to take a legally safe approach.

Employers can usually spot the early warning signs of under-performance – slipping deadlines, inconsistent quality, or a drop in output – but hesitate to say anything. Yet, by not stepping in early, the employer unintentionally allows problems to grow, while the employee continues unaware that their performance is missing the mark.

THE RESULT IS A LOSE–LOSE

Eventually, the employer reaches the point of exasperation, at which point the employee is suddenly told there is a serious issue that has, from their perspective, appeared out of the blue. Neither feels the process is starting in the right place.

Addressing performance issues early solves many of these problems. And, if the employee does address the issues, the employer avoids the cost and disruption of having to find a replacement.

WHY EARLY INTERVENTION MATTERS

IT PREVENTS RESENTMENT FROM BUILDING

If concerns remain unspoken, the employee has no opportunity to improve. Meanwhile, the manager sees repeated issues and becomes slowly more irritated. By the time the conversation finally happens, emotions are already running high.

IT GIVES THE EMPLOYEE A FAIR CHANCE

Many performance problems have straightforward causes: unclear expectations, lack of training, unsuitable processes or personal pressures. A quick early chat often resolves the issue.

IT LAYS THE GROUNDWORK FOR A FAIR PROCESS

If dismissal ever becomes necessary, a tribunal will expect to see evidence of:

- Clear communication
- Support and time to improve
- A structured review process.

You simply cannot demonstrate fairness if setbacks have been left to run silently for months.

HOW TO TAKE A LEGALLY SAFE AND PRACTICAL PROCESS

1 THE INFORMAL CONVERSATION

This is the stage employers most often skip – and the one that can make the most difference.

A simple meeting to say, "I've noticed X, and I want to understand what's going on," can prevent months of difficulty. Keep it factual, supportive and focused on solutions. Afterwards, send a short follow-up email confirming what was discussed. It's still informal, but you now have a record.

2 THE FORMAL PERFORMANCE MEETING

If things don't improve, the next step is to instigate a structured process. This typically includes:

An invitation to a meeting: setting out the concerns, with specific examples, and confirming the employee's right to be accompanied to the meeting by a colleague or trade union representative.

The meeting: where you explore the issues, listen to explanations, and discuss any support needed. You should be ready to set out the expected standards, consider what support or training may help and look to create a Performance Improvement Plan.

A Performance Improvement Plan (PIP): setting out clear expectations, measurable targets, details of review meetings and realistic timescales for improvement (usually 4–12 weeks). The plan should include regular review meetings and confirm the potential consequences if improvement does not occur.

This is not a disciplinary process in disguise. It is a structured opportunity to turn performance around.

3 FINAL REVIEW

At the end of the review period, the employer must decide whether:

- Performance has improved sufficiently,
- An extension is appropriate, or
- The role is not the right fit and a capability dismissal is justified.

By following a well structured process, you can ensure and demonstrate that your decision is fair and defensible.

Managing under performance is ultimately about fairness, clarity and giving people a proper chance to succeed. So address concerns early, follow a structured process, and support employees along the way. If improvement doesn't happen, you will have taken a legally safe path – without the frustration that comes from leaving things unsaid.

> “What was once the domain of specialist advisers is now accessible to anyone with an AI tool.”

RIGHTS – AND WRONGS

How AI is reshaping Employment Tribunal claims

AI may be a familiar presence in the workplace, but it’s now starting to appear somewhere less expected: the Employment Tribunal (ET). **Grayson Stuckey** explores this trend – and what it means for employers.

Over the past year, employees have increasingly turned to AI tools to help interpret legal rights, navigate disputes and bring ET claims. What was once the domain of specialist advisers is now open to anyone who can use AI tools to generate arguments, summarise evidence, and understand the procedural maze – quickly and at no cost.

This shift is already reshaping the dynamic between employers and employees. Recent statistics from HM Courts & Tribunals Service (HMCTS) show ET claims have increased markedly. For example, the number received in the last two quarters exceeds that of the previous year, representing a 33% year-on-year increase in outstanding cases.

While there may be many factors behind this rise, it has coincided with widespread AI adoption. The difficulty is that AI struggles and often misunderstands key concepts of employment law in England and Wales, frequently misinterpreting case law or even inventing it.

Despite this, defending a claim in the ET is expensive and employers should take steps to tighten internal practices.

WHAT CAN EMPLOYERS DO?

1. Tackle the grievance process early on. Encourage informal resolution and use face to face meetings where possible. Focus on key concerns and avoid taking the written grievance line by line.
2. Update HR policies to address AI use including acceptable use, and, crucially, confidentiality and data protection.
3. Ensure HR teams and managers receive training to intervene early and handle issues consistently.

The use of AI will only increase. With the Employment Rights Act 2025 lowering the qualifying service for unfair dismissal claims (effective 1 January 2027), employers should act now to reduce risk and prepare for a new wave of AI-enabled employees.

SIDE HUSTLE

How to manage employees with another income

Side hustles are becoming increasingly common, especially given the rising cost of living. **Rizwana Akhtar** outlines how employers can manage this potentially thorny issue proactively and fairly.

It is lawful for an employee to have a side hustle. However, there are a number of legal, operational and reputational factors to bear in mind, especially if there are competing interests at play. In extreme circumstances, a side hustle could be grounds for dismissal.

The key to managing side hustles is transparency – from both an employer and employee perspective.

HERE ARE OUR TOP TIPS FOR EMPLOYERS

Check contracts of employment

Add a clause to employment contracts requiring employees to notify you of any side roles and provide sufficient information to assess potential risk. This may include whether it's in direct competition with your services, the hours involved and any impact on performance or fatigue.

Confidentiality and intellectual property protection

Irrespective of the side job, it is important to remind employees of their confidentiality and intellectual property obligations.

Conflicts of interest

Declaring conflicts of interest is crucial, as it promotes transparency and trust. Regular documented reminders can help reinforce these obligations and encourage open communication.

Working time limits

You must ensure that any employees with a side job are not breaching the Working Time Regulations 1998. If they work over 48 hours a week on average, the employer and employee have to sign an opt-out agreement.

Employers should remain vigilant and ask employees to keep them informed of any increase in hours. Even if the employee has signed an opt-out, employers should still seek reassurance that the employee is getting enough rest and that their performance and wellbeing are not affected.

Managed carefully, side hustles needn't be a source of conflict. With clear policies, good communication and transparency, employers can manage the risks while supporting their employees' other ventures – and maintaining trust, performance and compliance.

CHANGE READY?

Preparing for the Employment Rights Act

The Employment Rights Act is expected to affect over 15 million people across the UK – but what will the changes mean for business owners and managers? **Emma Allen** outlines the main impact areas.

“One of the Act’s major impacts is the reduction in time an employee has to wait before they enjoy certain rights.”

While the Act, which received Royal Assent in December 2025, is being introduced over two years, the first wave of transformation is set for April 2026. This includes, but is not limited to the following:

EMPLOYEE RIGHTS – FROM DAY ONE

One of the Act's major impacts is the reduction in time an employee has to wait before they enjoy certain rights. From 6 April 2026, staff will have the right to Paternity Leave and Unpaid Parental leave from day one of their employment.

This means that staff you have employed already can give notice that they wish to take paternity leave, provided they meet certain conditions. For example, the employer should be told at least 15 weeks before the expected week of childbirth, provide 28 days' notice and state how much leave they intend to take.

COLLECTIVE REDUNDANCIES AWARD DOUBLES

At the moment, an employer that fails to comply with collective redundancy consultation (CRC) requirements can be ordered to pay a protective award of up to 90 days' pay. From 6 April 2026, this will double, to 180 days' pay.

Although the award is at the discretion of the Employment Tribunal – and the maximum award would only be made when an employer is at serious fault – because it applies to each affected employee, the cumulative effect could be very significant.

Changes to the threshold for CRC are also on the horizon. Right now, CRC is required if 20 or more redundancies are proposed at a single establishment. In 2027, an organisation-wide threshold will be introduced: if an employer intends to make more than the threshold number of redundancies across the whole of its operation, CRC will be required, even if fewer than 20 roles at any one site are planned.

This change is one that larger employers should bear in mind when planning redundancies in their workforce.

FAIR WORK AGENCY ESTABLISHED

A new Fair Work Agency ("FWA") will be established to act as an enforcement body for employment rights. In due course, the FWA will be able to inspect workplaces and require production of documentation to demonstrate an employer's compliance with employment law.

While the FWA's powers will expand over time, the body's creation signals a shift towards more proactive enforcement. This makes it all the more important that employers comply with pay, working time and contractual obligations, to avoid the imposition of civil penalties, and awards of retrospective pay.

UNFAIR DISMISSAL RIGHTS EXTENDED

While this is not the 'day one' right that the government intended, employees will now be able to claim unfair dismissal once they have been employed for 6 months – a sizeable reduction from the current two-year qualifying period.

What's more, the cap on compensatory awards for unfair dismissal is to be removed. Although these changes will only apply from 1 January 2027, employers should factor them in when planning their workforce strategy, to avoid expensive awards being made against them.

After many years of debate, the Employment Rights Act will bring far reaching changes that require employers to adapt their practices. To reduce the risk of employment tribunal claims and ensure compliance with all upcoming employment right changes, employers should seek expert advice early.

IN SHORT

The Employment Rights Act introduced phased reforms from 6 April, 2026

Some rights are now awarded from day one, such as Paternity Leave

Unfair dismissal rights will apply from 6 months, rather than two years

A Fair Work Agency will proactively enforce employment rights.

Statutory sick pay

YOUR GUIDE TO THE CHANGES

From April 2026, Statutory Sick Pay (SSP) reforms mean that new regulations will come into force for all UK employers, including SMEs. **Katie Ash** explains what the changes mean for employers.

“The key message is simple: sickness absence policies written even two or three years ago are unlikely to be fit for purpose.”

For small and medium-sized businesses, these reforms are more than an administrative tweak – they will affect costs, how an employer manages sickness absence, and how employers support an employee’s return to work.

The key message is simple: sickness absence policies written even two or three years ago are unlikely to be fit for purpose.

What are the Statutory Sick Pay changes?

Significant reforms take effect from 6 April 2026, under the Employment Rights Act 2025. The key changes are:

- SSP will be payable from day one of sickness absence. Reforms remove the current three unpaid 'waiting days'
- All employees will qualify for SSP, regardless of how much they earn. The lower earnings limit is being scrapped
- The rate of SSP will increase to £123.25
- SSP will be calculated differently for lower earners. Employees will receive either 80% of their average weekly earnings or the statutory rate – whichever is lower.

This means that many people who were previously not entitled to sick pay will now qualify, including part-time and lower paid staff.

What does this mean for SMEs?

For smaller employers, the cost impact is an obvious concern. Paying sick pay from day one may increase short-term absence costs, particularly where employers pay only SSP and there is no enhanced contractual pay for sickness absence.

But there is also an opportunity. Research consistently shows that people recover better – and return to work sooner – when employers handle absence proactively and supportively. Poorly managed sickness absence, on the other hand, often leads to longer absences, disengagement, and disputes.

Managing return-to-work

Alongside SSP reform, there is a growing government focus on helping people stay in work where possible. Fit notes increasingly emphasise what someone can do, rather than simply signing them off completely.

This puts the spotlight firmly on return-to-work processes. To make this transition as successful as possible, employers should:

- Hold return-to-work conversations after every period of sickness
- Consider temporary adjustments such as reduced hours, amended duties or phased returns
- Keep clear, supportive records of discussions and agreed actions.

For SMEs without HR teams, this can feel daunting – but a simple, consistent approach is usually enough.

Why policies must be updated now

Many sickness absence policies still refer to waiting days, earnings thresholds, or outdated fit note processes. From April 2026, those references will be wrong.

Out-of-date policies increase the risk of employers:

- Paying sick pay incorrectly
- Treating employees inconsistently
- Employee complaints or grievances
- Experiencing reputational damage if staff feel unsupported.

Policies should clearly explain:

- When sick pay starts
- How sick pay is calculated
- What employees need to report, when and to whom
- How return-to-work will be managed.

Just as importantly, managers need to understand those policies and apply them fairly.

How should you respond to these changes?

With the changes coming into effect in April 2026, it's important to act now. By reviewing sickness policies, training managers, and tightening return-to-work processes, you can control costs while staying compliant.

Handled well, these reforms are not just about legal compliance – they are about building healthier, more resilient workplaces that support people to stay in work and perform at their best.

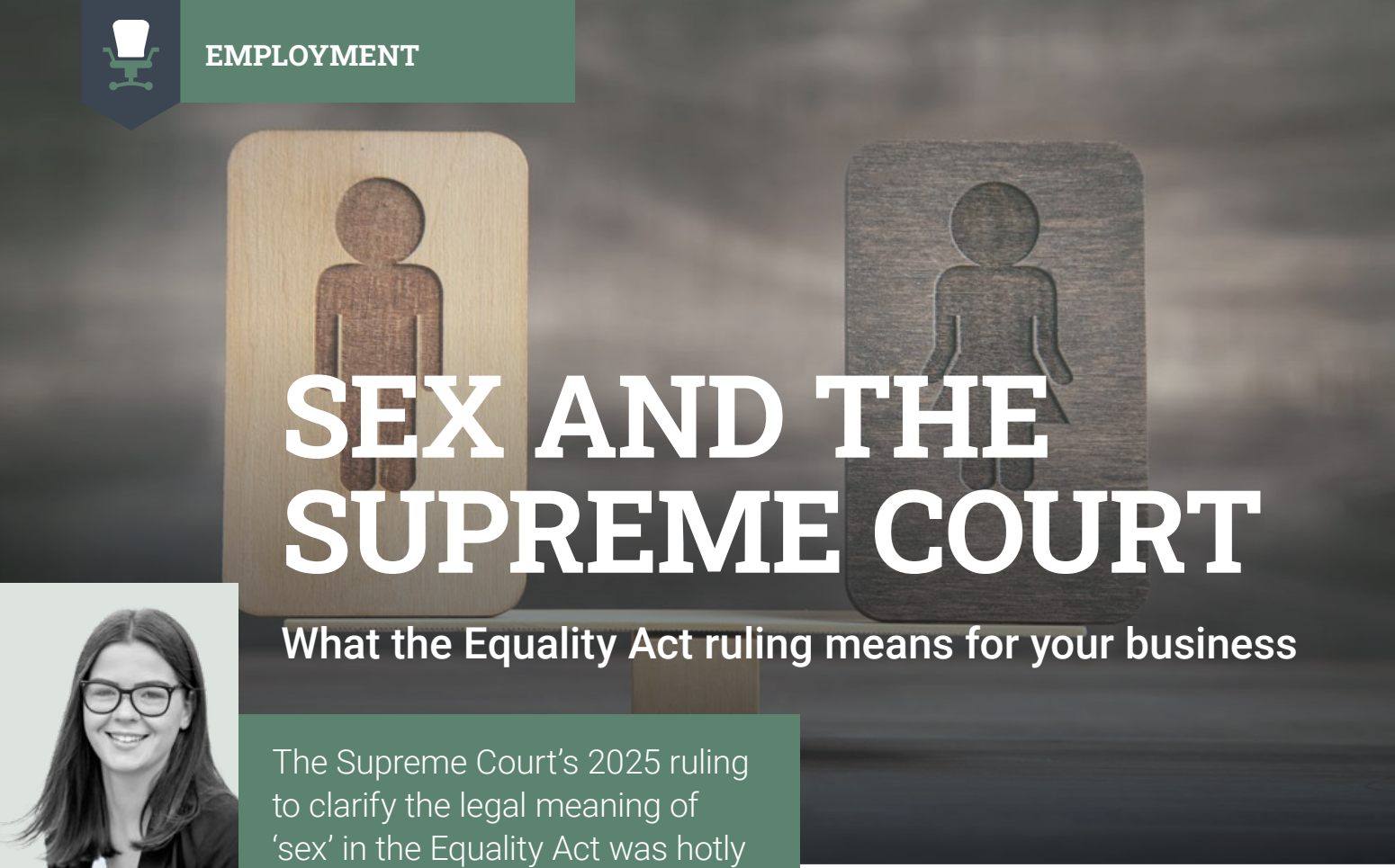
IN SHORT

Statutory Sick Pay reforms bring significant changes to how sick pay is treated

SSP will be paid from day one, all employees will qualify and the rate will increase

SMEs should review policies, train managers and tighten return-to-work processes

These reforms are an opportunity to build healthier, more resilient teams.



SEX AND THE SUPREME COURT

What the Equality Act ruling means for your business

The Supreme Court's 2025 ruling to clarify the legal meaning of 'sex' in the Equality Act was hotly debated and widely publicised. It also carries implications for small businesses, as **Hannah Lockyer** explains.

On 16 April 2025, the UK Supreme Court delivered a landmark judgment in *For Women Scotland Ltd v The Scottish Ministers* that has clarified the legal meaning of 'sex' in the Equality Act 2010.

What the Supreme Court ruling actually says

While the Equality Act 2010 protects individuals from discrimination on a number of grounds, it has long been accepted that someone with a GRC (a legal document confirming a person's acquired gender under the Gender Recognition Act 2004) would be treated as their acquired gender for the purposes of the Act.

The Supreme Court's rejected this interpretation for the sex-protected characteristic. Instead, it concluded that the ordinary meaning of 'sex' in the Equality Act refers to biological sex (male or female at birth) and that construing 'sex' to include 'certificated sex' would render aspects of the Act incoherent or impracticable to apply.

Importantly, this does not remove discrimination protections for transgender people. Trans individuals remain protected under the separate protected characteristic of gender reassignment, so discrimination on that basis remains unlawful.

Practical impact on small business operations

WORKPLACE FACILITIES

One of the most immediate operational questions for employers concerns single-sex facilities such as toilets, changing rooms or showers. The Workplace (Health, Safety and Welfare) Regulations 1992 require suitable and sufficient sanitary conveniences and specify that separate facilities for 'men and women' unless each facility is in a separate, lockable room.

In light of the Supreme Court's clarification, references to 'men and women' in employment contexts are likely to be interpreted consistently with the definition of 'sex' under the Equality Act.

Small businesses therefore need to ensure that:

- Where communal facilities are provided, they are separated by biological sex unless they are fully enclosed, self-contained units
- Any policies governing facility use are clear, consistent, and capable of objective justification.

For a small business with limited space, this may mean conducting a review of existing facilities to identify whether they are single-sex, gender-neutral, or mixed.

Gender-neutral options can help avoid discriminatory outcomes while single-sex arrangements may still be lawful where needed.

SERVICES OFFERED TO CUSTOMERS OR CLIENTS

Businesses that offer services to the public (for example, leisure activities, health or counselling services, or group workshops) need to consider whether they are, or should be, offering single-sex services. The Supreme Court ruling allows providers to organise single-sex services based on biological sex when proportionate and necessary, subject to the Equality Act's broader rules on discrimination and harassment.

Operational reasons for any sex-based exclusions or offerings, for example - privacy or safety – should be documented. Blanket exclusions without proper justification may still risk indirect discrimination or claims under other protected characteristics.

RECRUITMENT PRACTICES

In recruitment, the definition of sex affects positive action measures, occupational requirements and record-keeping. Employers sometimes use positive action to encourage under-represented groups to apply. The Supreme Court's clarified meaning of sex emphasises that any sex-specific recruitment policies or advertised roles must be carefully justified and consistent with the Act's protections. For example, if a role is genuinely suitable only for one sex i.e. roles involving intimate care, privacy-sensitive services, or participation in single-sex activities.

Similarly, workforce monitoring by sex should align with the biological sex categories as defined by the ruling, even where individuals have a GRC. Recruitment adverts and job descriptions should avoid ambiguous wording that could be misinterpreted.

Ultimately, legal advice and clarity should help businesses navigate this sensitive area more confidently. Good practice remains grounded in respect, consistency and robust justification when biological sex informs operational decisions.

Key takeaways for small businesses

Review workplace facilities to ensure compliance with both health and safety legislation and Equality Act 2010.

Consider whether and how single-sex services are offered to clients, ensuring any decisions are justified and proportionate.

Ensure recruitment practices and positive action measures comply with the clarified definition of sex while respecting all protected characteristics.

Update policies and provide management training to reflect the clarified legal position.

LinkedIn or Out?

HOW TO HARNESS THE WORLD'S LARGEST PROFESSIONAL NETWORK

> "Think of LinkedIn as a long term investment, not a quick win sales tool."

With more than one billion users, LinkedIn provides an unmatched concentration of decision makers and potential collaborators. But to make the most of the opportunities takes a thoughtful approach. **Melissa Hollis** explains how to build your presence – and stay front of mind.

For businesses, LinkedIn is no longer just a place to post job ads or share company updates – it's a strategic platform for visibility, credibility and growth. Used wisely, it can drive new clients, referrals and partnerships. But without careful thought, it can just as easily alienate your audience, dilute your brand or make your business appear out of touch.

Here are five practical ways to harness LinkedIn:

1. SHOW UP CONSISTENTLY – BUT WITH PURPOSE

Consistency is essential, but that doesn't mean posting for the sake of it. Your audience will quickly tune out if your content feels repetitive, overly promotional or disconnected from their interests.

Aim for a steady rhythm of posts that offer value: insights, commentary, behind the scenes updates, client success stories (with permission), or reflections on industry trends. Quality beats quantity every time. When your audience sees you as a reliable source of useful content, trust naturally follows – and trust is the foundation of business development.

2. MAKE YOUR PEOPLE THE HEROES OF YOUR BRAND

People buy from people, not logos. Businesses that perform well on LinkedIn put their teams front and centre. Encourage your team to share their expertise, celebrate achievements, showcase their work and engage with others.

LinkedIn's algorithm favours personal profiles over company pages – so when your team is active, your business visibility multiplies. A strong collective presence builds credibility and makes your firm feel approachable.

3. ENGAGE MORE THAN YOU BROADCAST

Many businesses treat LinkedIn like a noticeboard – posting updates but rarely interacting. But the real power lies in conversation.

Comment on posts. Share thoughtful perspectives. Ask questions. Congratulate people on milestones. This positions your business as engaged, informed and genuinely interested in others.

Engagement also boosts your visibility: the more you interact, the more often your name appears in other people's feeds.

4. NURTURE RELATIONSHIPS, DON'T JUST GENERATE LEADS

LinkedIn is not a cold calling platform. It's a relationship building ecosystem. So instead of sending generic connection requests or sales messages, focus on building rapport.

Personalise your invitations. Follow up with meaningful conversation. Share content that aligns with the interests of your network. Over time, these interactions build familiarity – this can lead to referrals, introductions and new business opportunities.

Think of LinkedIn as a long term investment, not a quick win sales tool.

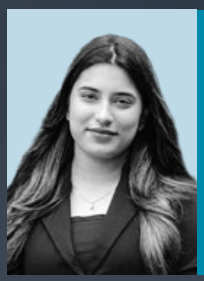
5. BE AUTHENTIC AND AVOID THE CORPORATE CLICHÉS

Audiences can spot insincerity instantly. Overly polished corporate jargon, vague mission statements or forced "humblebrag" posts tend to fall flat.

Authenticity, on the other hand, resonates. Share real stories, real challenges and insights. Celebrate wins but also talk about lessons learned. Show your company's personality. When your content feels human, your audience feels connected – and connection drives business.

SEO 2.0

OPTIMISING ONLINE SEARCH FOR THE AI AGE



With AI-generated overviews now sitting above traditional results, SEO has quietly shifted – from a ranking contest to a credibility test. **Nitika Babani** explains how you can boost your visibility in the AI age.

Search used to reward whoever played the algorithm best. Today, the top spot goes to whoever explains things best. The question is no longer *"How do I appear on page one?"* It's *"Why should AI trust me enough to quote me?"*

Follow these five key strategies to help make your content AI-search friendly.

1. WRITE LIKE THE ANSWER, NOT THE ARTICLE

AI doesn't browse – it synthesises. That means content needs to resolve a question, not tease it for clicks. The strongest pages lead with clarity: a direct answer, followed by explanation, nuance, and real-world context. If your website visitors could stop reading halfway through and still feel informed, you're doing it right.

2. MAKE STRUCTURE DO THE HEAVY LIFTING

This is where SEO becomes quietly technical again. AI systems prefer content that's easy to break down: sharp subheadings, short paragraphs, logical sequencing. Think of your website as a briefing document, not a blog post. If an AI can instantly identify what each section is doing, you've increased your chances of being summarised accurately.

3. PROVE YOU'VE BEEN THERE

Experience is the new optimisation lever. AI models are trained to detect authority signals. Those include original insights, confident opinions, first-hand observations, and how specific you are. 'Best practices' won't cut it unless you explain why they work and when they don't. Human perspective is no longer a nice-to-have; it's the differentiator.

4. OWN TOPICS, NOT KEYWORDS

One great article is helpful. Ten interconnected ones are truly convincing. AI favours sources that demonstrate depth over time, not isolated flashes of relevance. Build content ecosystems, where each piece reinforces the others, signals topical authority and long-term expertise.

5. MATCH HOW PEOPLE ACTUALLY THINK

Finally, optimise for questions people genuinely ask, not keyword tools suggestions. AI overviews are triggered by natural, conversational queries. If your content sounds like you're explaining the topic to a smart colleague, you're aligned with how AI selects information.

SEO in the AI age isn't about being louder or more technical – it's about being sharper. If you can explain complex ideas simply, confidently, and with originality, you increase your chances of appearing in that elusive overview.

"If your website visitors could stop reading halfway through and still feel informed, you're doing it right."

The PropTech edge

HOW TECHNOLOGY IS POWERING COMMERCIAL PROPERTY

From acquisition to disposal, management to analysis, property technology (PropTech) is being harnessed to offer deeper, faster insights and support. **Louis Seitler** explores what this means for commercial property clients.

Used correctly, PropTech tools can enhance service delivery, complementing traditional legal expertise to help solicitors offer stronger guidance to clients. Here are five key ways it can help add value:

1 Increased efficiency

Commercial property transactions often involve a large amount of repetitive administrative work, including lease reporting, title review, and key date management. PropTech tools that organise and automate these tasks allow firms to handle matters at scale while maintaining control. For clients, this leads to clearer fee expectations and faster turnaround times.

2 Enhancing due diligence

By utilising platforms that consolidate title information, planning data, and property history, it's easier for solicitors to spot risks early in a transaction, helping to avoid last-minute renegotiations or deals falling through. Crucially, these tools organise and present information without replacing legal analysis, leaving key decisions firmly in the hands of the solicitor.

3 Improving reporting

Many commercial clients require guidance that considers their entire property portfolio, rather than individual assets. PropTech tools can consolidate information from multiple properties into structured reports, dashboards, and provide document access. This allows solicitors to spot trends, highlight risks, and identify opportunities. With this knowledge, clients can make more informed decisions on disposals, refinancing, and asset management, and provide a clearer view of their overall position.

4 Training

These platforms are only valuable when lawyers understand how to use them effectively. Training is essential so users know how the systems work, their limitations, and how to review outputs. This ensures work is checked, professional standards are met, and compliance obligations are satisfied. It also frees junior lawyers from repetitive tasks, giving them earlier exposure to substantive legal work in a structured framework.

5 Standardising processes

Consistency in drafting is increasingly important in commercial property work. By standardising processes, PropTech makes advice clearer, easier to review and more consistent for clients managing multiple properties.

PropTech is not about replacing legal expertise – it's using technology to make advice clearer, faster and more commercially focused. For landlords and investors, this means better visibility over assets, more predictable costs and smarter decision-making. When combined with legal judgment, PropTech brings greater confidence to the property lifecycle – from spotting opportunities to completing transactions.

EXERCISING A COMMERCIAL BREAK CLAUSE

Failing to serve a valid break notice – and comply with its terms – can have serious consequences. **Michelle Cox** explains how to get the process right.

In theory, breaking a lease should be straightforward: one party serves notice and the lease ends. In practice, break clauses remain a source of dispute, usually due to incorrect drafting and service or failure to meet conditions.

If you are considering exercising a break clause – or are a landlord in receipt of notice – here are some of the issues to consider:

DRAFTING AND SERVICE OF THE BREAK

This is an area where technicalities matter – a simple mistake in addressing a notice can render it invalid. Requirements around dates, notice periods and service methods should be followed to the letter, particularly where wording refers to "not less than…" or "at least…" a period of notice.

Where a notice period is specified, it is important to give ample time – for example, if the notice is "not less than 6 months'…" it is best to provide at least 6 months and 1 week, to allow for any delivery issues.

Always check the service provisions in the lease. Some specify service at a particular address, rather than the landlord's registered address.

COMPLYING WITH CONDITIONS OF A BREAK

Break clauses often include conditions upon expiry of the notice. If these are not or cannot be complied with, then the notice is invalid.

Common conditions include:

- Delivering vacant possession – this means removal of people and moveable items, cessation of trading and return of keys
- Meeting repairing obligations – these can be dealt with by way of usual dilapidations claims later.

Some break clauses require 'material compliance' with all covenants and this can be difficult to verify. Generally, the landlord must be able to re-let or sell the property without delay or additional expenditure and this will include compliance with repairing covenants at the break date.

Payment conditions also require careful attention. If the condition simply states that all rent must be paid, check the definition of rent and what it includes. We know the question of interest can, and indeed has, caused big problems in the past.

Finally, there's apportionment of rent. If in doubt, tenants should pay the full quarter. Some leases provide "all rent due at the date of the break" is to be paid – that will be the full quarter, with no obligation on the landlord to refund overpayments. Incorrect apportionment can cause the break to fail.

Break provisions are lease-specific and must be considered carefully. If you are considering an early exit, it is always best to seek professional advice.

> "If the conditions of a break clause are not met, the notice will be invalid."

THE RIGHT TO LIGHT

Understanding the rules for new developments

What do developers need to know about throwing shade on neighbours? **Tamzin Mandelli** explains the rules around the right to light.

Right to light is an easement that grants property owners the right to receive sufficient natural light through defined openings, such as windows, skylights and glass roofs. It provides protection against neighbouring property owners building in a way that substantially blocks this light.

While unlimited light is not guaranteed, a substantial reduction caused by a new development may lead to an injunction or damages.

HOW IS RIGHT TO LIGHT ACQUIRED?

The right to light easement can be acquired in a number of ways. The most common is by prescription. This occurs when a property has enjoyed natural light for at least twenty continuous years, without permission or interruption. An express grant exists where landowners have made a formal agreement. Finally, it's also possible to acquire the easement through an implied grant, for example when a property is divided and light to one part was clearly necessary and apparent before the division.

Right to light exists to ensure adequate light for the room's normal purpose. Different rooms require different levels of light – for example, a living room requires more than a downstairs toilet.

When a development occurs that significantly reduces light to a level below the accepted standard, an infringement occurs. A benefitting owner can take legal action and courts will often award damages, which are often significant and sometimes tied to the developer's profits.

RIGHT TO LIGHT IN ACTION

In 2025, the Cooper v Ludgate House Ltd case saw the High Court refuse an injunction to restrain an interference with rights to light, instead awarding damages totalling £850,000.

Compensation would usually be assessed based on the magnitude of the loss of light and whether an injunction would be appropriate. In one recent case, however, the damages awarded were assessed on a negotiated basis, as opposed to the effect on the value of the claimant's property. The judge determined where he felt negotiations would have settled if the developer had negotiated with the benefitting parties to remove all risk of infringements.

This case reinforced the 'Waldram method' for measuring light. This method, established in the 1920s and 1930s, determines the point at which someone is able to complain about loss of light. It considers whether at least 50% of a room receives adequate daylight (around 0.2% of sky's light at desk height.)

The judge noted that this is "the industry standard and is used by everyone". However the method is criticised, as it relies on a simplified model and makes no allowance for modern standards, reflected light or seasonal changes.

SO, WHAT SHOULD A DEVELOPER DO?

The first step is to establish what right to light may exist. The title deeds need to be reviewed and considered. Are there any rights to light specifically granted? Or conversely, are rights to light specifically excluded? Assuming there are no references to rights to light, how long has the neighbouring property enjoyed any free and unrestricted light? Could the neighbouring property have acquired prescriptive rights?

It is possible to serve formal notice under the Rights of Light Act 1959. This is a formal artificial interruption of light and acts as if a physical wall had been built. If that notice remains unchallenged for a year, it prevents the acquisition of the rights to light. This notice must be formally registered as a local land charge.

Before serving a light obstruction notice, it is important to consult a right to light surveyor. Alternatively, with specialist surveyor advice, the developer could determine whether the development would create an actionable interference, and then negotiate with the neighbouring owners to surrender or vary their right to light.

"If light is substantially reduced as the result of a new development, an injunction or damages can be pursued."

IN SHORT

The right to light exists to protect a property's ability to receive sufficient natural light

While unlimited light isn't promised, a substantial reduction may result in an injunction or damages

Developers should ensure they're aware of any existing rights to light and factor this into their plans accordingly.

Look before you lease

THE TEN ESSENTIALS TO CONSIDER BEFORE SIGNING A COMMERCIAL LEASE

Signing a commercial lease is one of the most significant commitments any business will make – locking in costs, responsibilities and restrictions for years to come. **Claire Cooper**, explores the ten essentials every business should consider.

1 THE LANDLORD AND TENANT ACT 1954 (LTA 1954)

The LTA 1954 gives business tenants security of tenure – a statutory right to remain in occupation even after the contractual term ends. However, landlords can negotiate to exclude a new lease from the Act, removing that protection. You should understand the implications of leaving this out and ensure the decision aligns with your commercial strategy.

2 LEASE LENGTH

The length of the lease should reflect your business objectives and desire for flexibility. Shorter leases of three to seven years offer agility, while longer terms give you greater certainty and stability. Leases of more than seven years must be registered at HM Land Registry, adding cost and administrative time, so this should be factored into your planning.

> **“A commercial lease is more than a contract, it forms the foundations for the stability, growth and long-term success of your business.”**

3 BREAK CLAUSES

Break clauses allow either party to terminate the lease early, provided strict conditions are met. When negotiating, consider who can exercise the break, the timing, the notice period required and any conditions. Some breaks also involve a payment for early termination, so it’s essential you get clarity at the outset.

4 RENT AND RENT REVIEWS

Rent is usually the focal point of negotiations – but it’s the finer detail that matters. Key considerations include the amount you’re paying, whether reviews will apply, the review mechanism and whether these are upwards-only. Incentives should also be taken into account, such as whether the landlord offers a rent-free period or reductions where you are fitting out the premises.

5 REPAIRING OBLIGATIONS

Repairing obligations vary widely and can have major cost implications. Under a Full Repairing and Insuring (FRI) lease, you are responsible for all repairs, including the structure and exterior. An Internal Repairing and Insuring (IRI) lease generally limits obligations to the interior but may involve service charges. It’s often worth agreeing a Schedule of Condition which limits your obligation to keeping the property in ‘no worse condition’ than when you took on the lease.

6 SERVICE CHARGE

Where a property forms part of a larger building or estate, it’s likely that you will need to pay a service charge. Make sure you understand what services are included, how charges are calculated and whether caps, exclusions or sinking funds apply – this will help avoid unexpected costs later.

7 ALIENATION (ASSIGNMENT AND SUBLETTING)

Flexibility to assign or sublet can be vital as your business evolves. You should clarify whether assignment is allowed, whether landlord consent is required and whether an Authorised Guarantee Agreement (AGA) will be imposed. For subletting, consider whether consent is needed, what parts of the premises can be sublet and on what terms.

8 STAMP DUTY LAND TAX (SDLT)

You may need to pay SDLT on a commercial lease, depending on the rent, term and any premium. This can add up to a significant sum, so make sure you calculate liability early and factor this into negotiations and budgeting.

9 TERMINATION AND DILAPIDATIONS

Most leases require tenants to ‘put and keep the premises in good and substantial repair and condition and decorate at regular intervals’ and to return the property in accordance with the lease at the end of the term. Failure to do so can lead to a dilapidations claim. Understanding your potential exposure – and how schedules of condition, reinstatement clauses and repair obligations interact – can help manage end-of-lease costs.

10 PLANNING

Before committing to a lease, you need to ensure the property has the correct planning use for your intended operations. If not, you will need to obtain planning consent before the lease becomes binding.

A commercial lease is more than a contract – it forms the foundations for the stability, growth and long-term success of your business. Given the complexity and potential liabilities involved, it’s essential to understand the risks you are taking on and, before signing, seek specialist legal advice.

Commercial subletting, unpacked

More space than you need? As modern workplaces slim down, **Melissa Walker** explores the growing trend for commercial subletting.

Recent property data shows a clear trend toward downsizing and repurposing commercial space. If you're a small or medium-sized enterprise with unused leasehold office or warehouse space, you may be thinking about generating extra income by following this trend.

But before you take the leap and start subletting your commercial property, you should always check the terms of your lease.

Exploring your lease

If your lease is relatively modern, it may contain a standalone clause that covers sharing occupation. This typically allows a tenant to share space with a group company or a concessionaire. If no such clause exists and you are still keen to share occupation, you will need to approach your landlord to discuss matters and ask whether they would be willing to grant consent to shared occupation. In this instance, the landlord has complete discretion as to whether this consent is granted.

Understanding underletting

Alternatively, your lease may include provisions permitting underletting of the whole or a permitted part of the property. Underletting part of the premises is another way of formalising shared occupation outside of a group company or concessionaire arrangement.

Any underletting will require a careful review of the terms of the specific clause. This will likely set out what is and is not allowed, what you will need to do (i.e. ask for your landlord's consent) and what you will need to include in your underlease.

For example, you may be prohibited from underletting at a reverse premium. The underlease may also need to be validly excluded from the security of tenure provisions of the Landlord and Tenant Act 1954. Any underlease term must be shorter than the term of the superior lease. Your solicitor will take these considerations into account when corresponding with the landlord and drafting the underlease.

The importance of written consent

In both scenarios – sharing occupation or underletting – you will almost certainly need the landlord's written consent. Failing to obtain consent when your lease requires it will amount to a breach of the lease. The consequences will depend on whether the breach is capable of remedy.

Most leases set out the steps a landlord may take in event of a breach. These might include serving a formal notice requiring you to fix the breach within a reasonable time (if it is capable of being remedied) or requiring you to cover the landlord's costs and expenses (such as legal fees) that have been incurred in enforcing the lease.

In more serious situations, the landlord may have the right to re-enter the property and bring the lease to an immediate end. This can be done without prejudice to any other rights or remedies they may have, such as damages, specific performance and injunctions. The landlord's remedies will depend on the nature of the breach, the terms of the lease and what the landlord's commercial objectives are for the property.

Ultimately, if written consent is required, it should always be obtained to avoid breaching the lease and the potential consequences that follow.

Clause for thought

HOW TO NEGOTIATE THOSE 'DEAL KILLING' CLAUSES

Some contractual clauses carry more risk than others. These 'contract killers' are often agreed in haste – and regretted later. **Jenny Horsley** explains what to consider and how to negotiate on these key points.

These risks are not always obvious. They often sit in standard boilerplate clauses that are skimmed over – only resurfacing when a deal goes wrong. Any effective negotiation should include these clauses, addressing them confidently, without stalling momentum.

Below are some key points to consider:

Indemnities are a common source of conflict because they quietly reallocate risk. Broad indemnities can expose a party to losses beyond the contract's value, especially where they are uncapped, triggered by allegations rather than proven breaches, or apply on a one-way basis.

Successful negotiation here focuses on **proportionality**: narrowing indemnities to defined third-party claims, linking them to fault or control, and ensuring they align with insurance and agreed liability limits.

Liability caps often look straightforward but can be deceptive. A cap that is too low, or riddled with carve-outs, can render the commercial bargain meaningless.

Rather than arguing theoretical numbers, focus on tying caps to commercial realities such as fees paid, revenue at risk, or insurable exposure. Clarity up front around which liabilities genuinely sit outside the cap helps avoid surprises later.

Intellectual property ownership is another frequent deal-breaker, particularly in technology and services contracts. Vague drafting around pre-existing IP, newly created works, and permitted use invites disputes long after the contract is signed.

Negotiation is most effective when it separates ownership from usage. Where ownership cannot be agreed, carefully structured licences can preserve both parties' interests without amplifying risk.

Termination rights also warrant careful handling. Termination for convenience, short cure periods, or overly broad survival clauses can leave one party bearing prolonged obligations with no commercial upside.

Balanced notice periods, clear consequences of exit, and a tightly defined list of surviving provisions provide predictability on both sides.

Other 'contract killers' frequently include:

- Governing law
- Dispute resolution mechanisms
- Payment terms
- Confidentiality, and change control.

Ultimately, negotiating these is about confidence and efficiency. When risk is allocated in proportion to control and reward, contracts stop being weapons – and start doing their job.

DEAL OR NO DEAL?

KEEPING NEGOTIATIONS ON TRACK

Getting a deal over the line? **Zarenna Porter** outlines three key elements that can drastically improve your chances of success.

It's a busy morning and emails ping relentlessly. Both sides feel optimistic – today could be the day the deal finally comes together. Yet beneath the surface, familiar fault lines are forming. Issues apparently resolved yesterday begin to resurface in new forms. Costs start to climb. Time is evaporating. All of a sudden, things feel cooler. Without structure or clarity, all parties find themselves circling the same points again and again.

In commercial transactions across the UK, this scenario is all too familiar. Deals rarely collapse because parties lack intent; they collapse because the process lacks direction.

The good news is that with the right legal scaffolding in place, the path to completion becomes far smoother. So, how do we keep deals on track?

> **“Deals rarely collapse because parties lack intent; they collapse because the process lacks direction.”**

HEADS OF TERMS

SETTING DIRECTION EARLY

Heads of Terms (HOTs) sit at the heart of every well-managed transaction. They extract the essential commercial and legal principles before the heavy drafting begins. Although usually non-binding, their value lies in aligning:

- Price and consideration structure
- Timing and key milestones
- Conditions precedent
- Exclusivity
- Allocation of costs.

By capturing these essential points early in the process, HOTs reduce the risk of late-stage surprises, providing all sides with a dependable shared roadmap. Although they don’t eliminate the need for negotiation, they ensure that it’s purposeful and focused.

NDAs

ENABLING OPEN DISCUSSION

Non-Disclosure Agreements (NDAs) are often treated as a formality, but they play a strategic role that goes far beyond box ticking. Once in place, NDAs create a safe environment for open dialogue, allowing parties to exchange sensitive financial, operational, and commercial information without fear of misuse.

A well-drafted NDA sets expectations around the permitted use, duration, and handling of confidential materials. This protection is essential to all parties.

EXCLUSIVITY

MAINTAINING MOMENTUM

Exclusivity is frequently misunderstood as a one-sided shield. In reality, exclusivity protects all parties.

The buyer benefits as the seller is prevented from negotiating with others while due diligence is underway. The seller benefits from the natural deadline that an exclusivity period creates, acting as an incentive for the buyer to progress matters efficiently.

A defined exclusivity period focuses minds, reduces drift, and limits spiralling costs. When time is fixed, urgency increases.

The length of an exclusivity period cannot be standardised or generated automatically. It depends on the complexity of the deal and the level of third-party interest, as well as the scope of due diligence required.

A BIG DEAL FOR DEALS

Why does this matter? Because structure cuts costs, saves time, and protects relationships.

Negotiations are inherently fluid, but they needn’t be chaotic. When the right documents and boundaries are put in place early, parties reduce the risk of miscommunication, limit unnecessary expenditure, and maintain momentum. And when expectations are clear and the process is disciplined, deals thrive.

By investing in legal expertise at the beginning of a deal, businesses gain clarity, manage risk and give themselves the best possible chance of keeping the deal on track.

IN SHORT

A structured approach to commercial transactions brings clarity, confidence and peace of mind

Heads of Terms capture the essential points early in the process, creating a shared, dependable roadmap

NDAs protect the exchange of sensitive information

An exclusivity period focuses minds, reduces drift and limits risk.

Selling a business

THE FOUR PILLARS TO SUCCESS

Selling a business is rarely a single event; it is a process that rewards preparation. **James Bowles** explains how planning can lead to a smooth transaction and strong valuation.

History shows that, more often than not, companies that achieve successful sales are those that have taken the time to get their house in order well before going to market. This involves taking a structured approach, focusing on four key areas:

1 Start with regulatory foundations

Buyers and their advisers will first look at whether the company is properly constituted and compliant with basic legal requirements. This means reviewing constitutional documents, articles of association and statutory books, the formal records every company must maintain.

These registers are not optional. The Companies Act 2006 requires them, and failures can lead to fines and even criminal offences where access rights are breached. They also confirm fundamental points such as who owns the shares. Errors here can derail a sale or require court action to correct.

It's also important to check articles of association to ensure they are fit for purpose, particularly in light of recent concerns about how standard model articles operate in sole director companies. Clean, accurate records signal a well-run business and reduce red flags for a buyer.

2 Review employment arrangements

People are central to business value – and employment issues are a common source of risk. The law evolves constantly, so it's essential to undertake a full review of employment contracts and practices. Outdated or vague terms can expose the business to claims.

Employers must also navigate a mix of common law, continuing European-derived rights, and UK legislation covering areas such as discrimination, pay, health and safety, and employee rights on business transfers. Non-compliance can result in tribunal claims, enforcement action, reputational damage and significant financial penalties, all issues that can worry a buyer or reduce price. Getting employment documentation and policies in order demonstrates good business practices and reduces uncertainty.

Clean, accurate records signal a well-run business and reduce red flags for a buyer.

3 Strengthen commercial contracts

Your key customer and supplier agreements are another focus. Buyers want to see that revenue streams and supply chains are supported by clear, enforceable contracts.

Agreements should accurately reflect how the business operates, set out payment terms and responsibilities, include appropriate liability limits, explain termination rights and deal with what happens when things go wrong. Poorly drafted or outdated contracts increase the risk of disputes and financial loss. In contrast, robust, well-structured contracts protect the business and provide peace of mind that relationships will continue after the sale.

4 Prepare for due diligence in advance

Finally, adopt a buyer's mindset. A pre-sale due diligence exercise, answering likely buyer questions and gathering supporting documents, can transform the transaction process. It saves time, reduces stress, highlights issues early and allows problems to be resolved before negotiations begin.

This proactive approach minimises last-minute surprises and the risk of price reductions during negotiations. In short, thorough preparation does not just make a sale easier – it can directly enhance value.

Completion accounts vs locked box

WHICH VALUATION IS RIGHT FOR YOUR DEAL?

One of the most important – and misunderstood – decisions in a share sale or purchase is how the price is calculated. **Mignonette Ellis** explains the options and which is right for you.

> Sellers usually prefer a locked box approach as it provides upfront price certainty.

In most share purchases and sales, price is calculated using one of two mechanisms: completion accounts or locked box. Both are widely used and neither is 'better' in all cases. Choosing the wrong option, however, can lead to disputes, delayed payments or unexpected value erosion.

WHAT IS A COMPLETION ACCOUNTS MECHANISM?

Here the parties agree a provisional price at the outset. After completion, accounts are prepared showing the company's actual financial position. These include cash, debt and working capital and are used to adjust the purchase price depending on how they compare with the original projection.

Completion accounts ensure you pay for what the company actually looks like at takeover.

PROS AND CONS OF COMPLETION ACCOUNTS

Buyers often like completion accounts as they reflect the company's true financial position. Sellers may be less keen, as final pricing only comes weeks or months after completion. Preparation and negotiation of accounts can be time-consuming and contentious, with disputes over accounting treatment commonly occurring.

Completion accounts are often used where the business is volatile or seasonal, there is a long gap between when the deal is agreed and completion, or where the buyer wants maximum financial accuracy.

WHAT IS A LOCKED BOX MECHANISM?

Here the price is fixed by reference to historical accounts. A locked box date is then agreed and, from that point, the seller must not extract value from the company – known as "leakage". There are no post-completion price adjustments, except for prohibited leakage.

Under a locked box structure, the price is fixed upfront and the seller keeps the benefit of trading up to completion.

PROS AND CONS OF LOCKED BOX

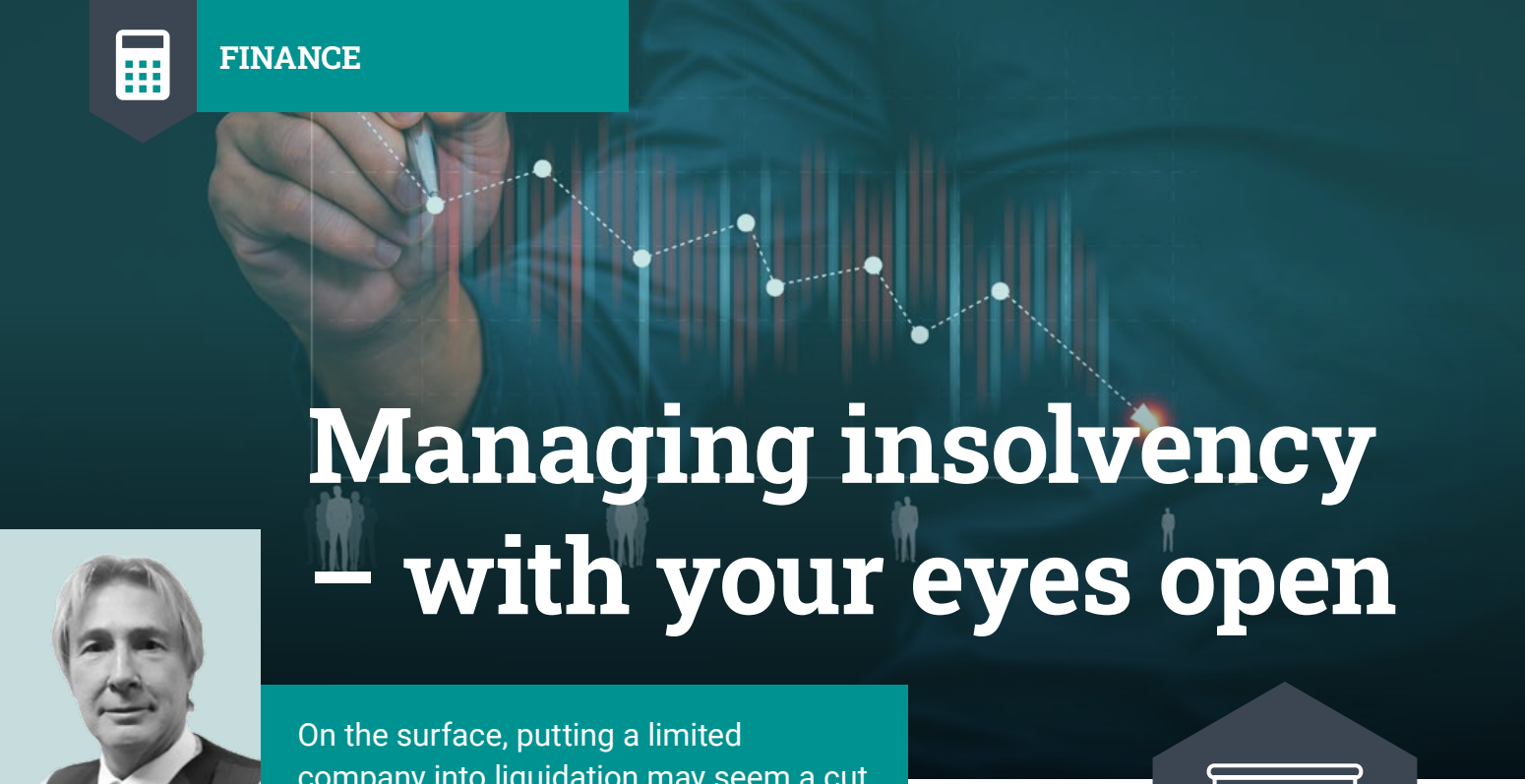
Sellers usually prefer a locked box approach as it provides upfront price certainty. There are no post-completion disagreements about accounts, and proceeds can be distributed quickly.

Buyers may be more cautious as they rely heavily on the quality of the historical accounts and must police leakage rather than recalculate value. There is also less flexibility if the business underperforms before completion.

Locked box structures are common where the seller has strong bargaining power, the business has stable predictable finances and the transaction is competitive or auction-driven.

WHAT THIS MEANS FOR YOU

There is no universally "better" option – only the best option for your deal. This will vary depending on price certainty, risk allocation and timing. Even mechanisms that look simple on paper can hide commercial risk, so it's important to obtain the correct advice early.



Managing insolvency – with your eyes open

On the surface, putting a limited company into liquidation may seem a cut and dry process. But, for many directors, it comes with an unexpected sting in the tail. **Micah Hall** outlines the challenges – and how to prepare for the fallout.

In insolvency, we hear the same story, time and again:

> "I ran a limited company as the sole director and shareholder. We didn't get paid and eventually we ran out of cash. Despite doing everything we could, the business couldn't continue so I hired a liquidator."

> "I gave them all the information they needed and didn't hear anything for 18 months… then I received a letter from the liquidator saying I owed the company £150,000. It's a limited company and I haven't done anything wrong – how can this be true?"

Already reeling from the loss of their business, they are, often shocked and confused – particularly when the family home is mentioned.

UNDERSTANDING INSOLVENCY

Insolvency law is a specialist field and many solicitors will refer a client to a specialist, rather than attempt to wade through everything themselves.

Liquidators are highly qualified insolvency practitioners, qualified accountants with wide commercial and legal responsibilities.

To facilitate free trade, suppliers need confidence that if their customer goes into liquidation owing them money, they will get something back and any wrongdoing will be investigated.

REGULATORY RESPONSIBILITIES

Over the past few decades, parliament has given wide powers to insolvency practitioners to investigate the affairs of a company in liquidation. At the same time, parliament has placed requirements on the directors/shareholders of limited companies covering how they draw their remuneration and manage the affairs of the business. Tying all that up with a neat bow are the director's duties set out in sections 170 to 177 of the Companies Act 2006.

These duties are complemented by duties in common law and many of them are 'fiduciary' in nature. Most directors are completely unaware of them, and for good reason: there is usually no enforcement mechanism to require a director to uphold those duties unless the company becomes insolvent. This is particularly true when a sole director is also the sole shareholder and sees the company as an extension of themselves.

> **“For many directors, the first sign of a problem is a letter demanding money they never expected to owe.”**

THE DIRECTOR VS. THE COMPANY

A fiduciary duty is the duty a trustee owes to a beneficiary – and this is the reason former directors receive those dreaded letters. In law, a director is a trustee of the company’s assets. And, in law, the company is a different legal person to its directors and shareholders. The incoming liquidator represents the company, not the directors, and gives their advice to the company only.

So those directors’ duties, to uphold the interests of the company and follow the legal requirements, are owed to the company. If the director has not followed the required steps to declare a dividend, has paid themselves informally, or repaid a loan from friends or family without observing the rules, the first time they will hear this is a problem is when the letter lands on their doorstep.

When explaining this, the former director will usually interject: “Hang on, I left all that to the accountant to sort out. Why didn’t they tell me if it wasn’t legal?” The answer is that many accountants are not insolvency specialists. Their role is to make the company’s books accurately reflect what happened and calculate tax. Their role is not to assess how transactions may later be viewed in insolvency.

Compounding this, companies rarely become insolvent neatly at the end of a financial year with a set of audited accounts. They usually fail suddenly, with months of transactions left unclassified and the books incomplete.

SEEK ADVICE – EARLY

Rarely are these situations completely open and shut. There are often arguments to be made by an insolvency specialist on behalf of the director and believe me, we make them.

However, the best way to ensure that you are never in the situation where you are just recovering from the loss of your business only to find your home in danger is to take legal advice from an insolvency specialist as early as possible. They can highlight the questions a liquidator will ask and help you identify areas where you are vulnerable.

If you’re a director and any part of this feels uncomfortably familiar, now is the time to act, not later. A short, early conversation with an insolvency specialist can save you from years of stress, unexpected claims, and financial risk.

IN SHORT

Insolvency practitioners act for the company – not the directors

Directors have fiduciary duties to the business which are often only scrutinised at insolvency

Companies usually fail with incomplete or unfinalised books

Early advice from an insolvency specialist can save stress, claims and financial risk.

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How to manage employees with another income

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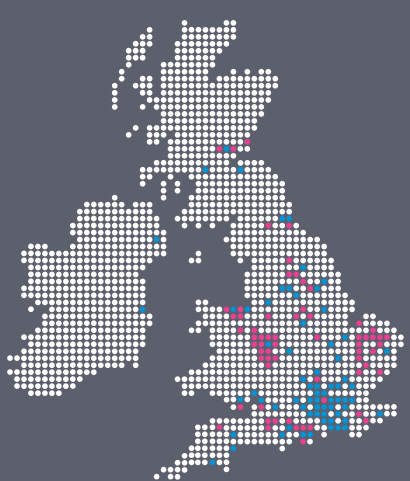

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