Legal Focus

DRIVING LIFELONG PROSPERITY

March 2023

SPOTLIGHT ON THE CHANGING LEGAL LANDSCAPE

Welcome...

Welcome to the March 2023 edition of our Legal Focus. In this edition, we provide an overview of the last few years from an SRA Accounts Rules perspective, a reminder of taxation hot topics and an overview of the recent M&A market.

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INSIDE

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SRA Accounts Rules audits – a look back over the past few years

Looking back almost a decade to October 2014, some of you may be able to recall the radical reforms that the SRA introduced that changed the way Reporting Accountants reported to them.

Before then, all Accountant's Reports, qualified or not, were sent to the SRA – presumably to demonstrate to the SRA that eligible firms had actually undertaken the annual audit. This meant that, at a few points during the year (mainly September and October), the SRA were inundated with reports that more often than not contained very little useful information. In fact, the volume of reports meant that the really serious issues were being effectively buried.

Following October 2014, the SRA made it clear that only the 'serious' qualified reports were of interest to them, but they learned quite quickly that without fully defining what a 'serious' issue really was, they were still receiving too many reports of trivial breaches.

Fast forward slightly to 2015, and the SRA redefined what was meant by the term 'qualifying', characterising serious breaches as those 'likely to arise as a result of an intention to break the rules and/or as a result of a significant weakness in the firm's systems and controls'.

This meant that qualified reports were now inherently more serious, and the SRA were more likely to follow up on those reports.

What happened to the number of qualified Accountant's Reports in the years following those changes is clear, falling from just under 5,000 submitted reports in 2014 to a little over 1,000 within five years.

A RECENT HISTORY OF COMPLIANCE

Just to set the scene, the majority of law firms have March or April financial year ends, which means that their SRA Accounts Rules audits for 2022 were mostly completed by the end of October. With the change in tax basis periods rules almost upon us, it is highly likely that we will see even more of a convergence, with many more firms switching to a March year end.

It is over three years since the current version of the SRA Accounts Rules landed, and it is easy to forget that firms found themselves dealing with the requirements of the updated rules at the same time as they were grappling with the impact of COVID-19 just a few months later.

From our perspective, it was all change. Where we always used to go on site to perform our work, we now found we were carrying out our work remotely for the first time – a learning curve for everybody.

With this as the background for the last few years of compliance, we now take a look back at the results of our audits for the three years under the 2019 Accounts Rules, and in the shadow of COVID-19, and consider what the common issues have been.

In 2020, nearly a third of the Accountant's Report we prepared were qualified. This fell to 20% in 2021 and to 15% in 2022.

The most common reportable breach in all three years was residual client balances (rule 2.5), and in all cases this was where firms had not done enough to deal with historic balances. Our view is that this number should continue to fall as firms introduce more robust systems and processes to ensure new residual balances do not arise.

The second most common breach, which represented around a third of all qualified reports for those three years, was rule 3.3 (providing banking facilities). Instances of providing banking facilities are usually reportable by their nature. In most cases, the breaches of rule 3.3 related to funds being retained where there was not a clear ongoing underlying legal transaction. For example:

- a client asking a firm to hold onto a balance of funds because they intended to instruct the firm on another matter at some point in the future;
- holding funds because a client or beneficiary did not have a bank account; or
- there not being sufficient controls in place to ensure retained funds, such as a road retention, were released at the appropriate time.

Other issues, which were not as common, but worthy of note were:

- transactions for multiple clients being recorded on the same ledger;
- suspense accounts not being reconciled and/or cleared regularly; or
- bank reconciliations not being prepared and/or reviewed properly.

Around three quarters of our audits in the last three years identified breaches which we considered to be significant but not reportable. These breaches may be instances where something fairly serious happened but was identified, dealt with and corrected promptly, or it may be something that could become reportable if action is not taken.

On a brighter note, around 20% of our reports in the last three years found no issues at all.

So, with this is in mind, what are our predictions for the future?

- The number of qualified reports will continue to reduce as firms really get to grips with the serious issues. Unnecessarily holding retentions will fall as historic lease agreements and similar arrangements come to an end and lessons from the past are learned.
- Firms will focus more on their controls over clients' own accounts. This is the only area where the SRA introduced more requirements with the latest version of the rules, after cases of solicitors who were acting as signatories on these types of account were found to have misappropriated funds. Reporting accountants are likely to become less lenient around weaknesses here as more time passes.
- The SRA opened a consultation on 14 December 2022 that proposes some minor amendments to the SRA Standards and Regulations and, in particular, some clarification around parts of the SRA Accounts Rules. We cover this in detail elsewhere in this edition, but can we expect a little more clarity around some notoriously cloudy areas? Let's hope so.

Tax update

There are a number of important tax changes relevant to law firms and their owners set to happen with effect from either 1 April or 6 April 2023.

CHANGE TO THE THRESHOLD AT WHICH INDIVIDUALS PAY THE HIGHEST RATE OF INCOME TAX

For some years now, individuals have paid the highest rate of income tax (45% for earned and investment income and 39.35% for dividends) on taxable income levels exceeding £150,000.

The £150,000 is set to change to £125,140 with effect from 6 April 2023, and this will expose a larger number of law firm owners to an additional 5% income tax charge on approximately £25,000 of income, leading to an additional tax cost of up to £1,250.

This change may provide an additional incentive for some law firm owners to make additional tax relievable investments such as pension contributions or investments into venture capital trusts or enterprise incentive schemes.

Subject to various limits on the maximum pension contributions that can be made, individuals are able to obtain tax relief on pension contributions at their highest marginal rate. Given that the effective rate of tax for total taxable income levels between £100,000 and £125,140 in any one year is 60%, anyone who is able to make pension contributions where their total income is between £100,000 and £150,000 should receive significant tax relief.

GET READY TO MAKE DECISIONS ON FUTURE CHOICE OF ACCOUNTING DATE

This applies to sole practitioners and partnerships (including LLPs) with an accounting date that does not fall between 31 March to 5 April.

As many of you will know, some time ago now, HMRC announced what has been widely called a 'tax catch-up charge', which is set to affect all self-employed individuals where their businesses have accounting dates which are not either 31 March or 5 April each year (i.e. they are non-coterminous with the end of the tax year).

Presently, all sole practitioner and partnership law firms who do not have accounting dates coterminous with the end of the tax year (commonly 30 April for law firms) pay tax on their profits further in arrears than those businesses whose accounting dates are coterminous with the end of the tax year. This is all about to change, hence the use of the 'tax catch-up' term.

For affected firms, this is going to place an added cash flow burden during the transitional period. Whilst the change is not specifically designed to result in tax liabilities increasing, it may for some, and an acceleration of tax payments clearly takes more money out of firms' bank accounts and puts more into HMRC's bank account.

There is a transition into the new arrangements, which starts on 6 April 2023, and the additional tax payments that will be required from those with non-31 March to 5 April year ends to 'catch up' are set to commence on 31 January 2025. Taxpayers can then elect whether to pay the whole catch-up tax charge on that date or to spread it, interest free, over a five-year period.

Once these changes have been implemented, all sole practitioners or partnerships with a non-31 March to 5 April accounting year end are going to need to apportion practice profits of a particular accounting period between those arising in one tax year and those arising in the next. For example, a firm with a 30 April year end will have eleven months of their accounting year in one tax year (1 May to 5 April), and one month in the next (6 April to 30 April).

The apportionment process will add an extra layer of administration into the whole annual accounting and tax computation process, and so for simplicity many law firms are considering a change of accounting date to 31 March.

The likely timeline for this will be year ends finishing during 2024. So, for example, a firm with an accounting year that normally runs from 1 May 2023 to 30 April 2024 may look to shorten that to an eleven-month period ending on 31 March 2024.

This is an area where care needs to be taken in order to ensure that changes in accounting date give rise to more favourable tax consequences as opposed to less favourable ones. Furthermore, this will be considered in the context of an increased overall tax cash flow impact for many law firms, and so now is the time to be considering what will end up being the most manageable option.

Clearly this can be complicated, and we are always here to help.

CORPORATION TAX INCREASES

The standard rate of corporation tax is set to increase from 19% to 25% with effect from 1 April 2023, and will apply to all limited companies with taxable profits in excess of £250,000 per year.

There are more than 5,000 limited company law firms in England and Wales, and for many of them, this change is set to alter a situation where the taxation regime is more economical for firms trading as limited companies compared to partnerships and turn it on its head.

Smaller limited company law firms may not be as affected by the change, as taxable profits below £50,000 will continue to be taxed at a corporation tax rate of 19%, and profits between £50,001 and £250,000 will be taxed at a transitional rate.

There are ways to mitigate the effects of this significant increase in tax, and again, we are here to help.

LLP MEMBERS – A REMINDER TO REVIEW YOUR SELF-EMPLOYED STATUS

As is normal for this time of year, LLPs need to review each member's position to ensure they can continue to be taxed as self-employed individuals.

Each of the following conditions need to be considered separately, and just one needs to be 'failed' for a person to be classed as self-employed.

CONDITION A – VARIABLE PROFIT SHARE

This test is measured over the period in which the member's profit-sharing arrangement is in place. This could of course be the start of the tax year, but will generally be the date on which any pay review takes place.

In order to fail this condition, an individual has to demonstrate that more than 20% of their earnings are linked to the profitability of the firm as a whole, as opposed to their own position or department.

The LLP agreement should clearly set out what element of the member's profit share is fixed and what element is variable.

YES → SELF-EMPLOYED

NO ↓

CONDITION B – SIGNIFICANT INFLUENCE

The test must be applied whenever a new member joins and whenever there is a change to a member's rights and responsibilities within the LLP.

In order to fail this condition, the LLP agreement must clearly set out the member's rights and responsibilities and demonstrate that the member is able to exert significant influence over the LLP's affairs as a whole.

Equally important for this condition are internal records, which should support a member's role as a key member of the LLP.

YES → SELF-EMPLOYED

NO ↓

CONDITION C – CAPITAL CONTRIBUTION

In our experience, this is by far the most popular condition that firms rely on.

In order to fail this condition, the amount of capital required is still at least 25% of total anticipated remuneration, including bonuses, in the year - and, again, it needs to be reviewed if circumstances change.

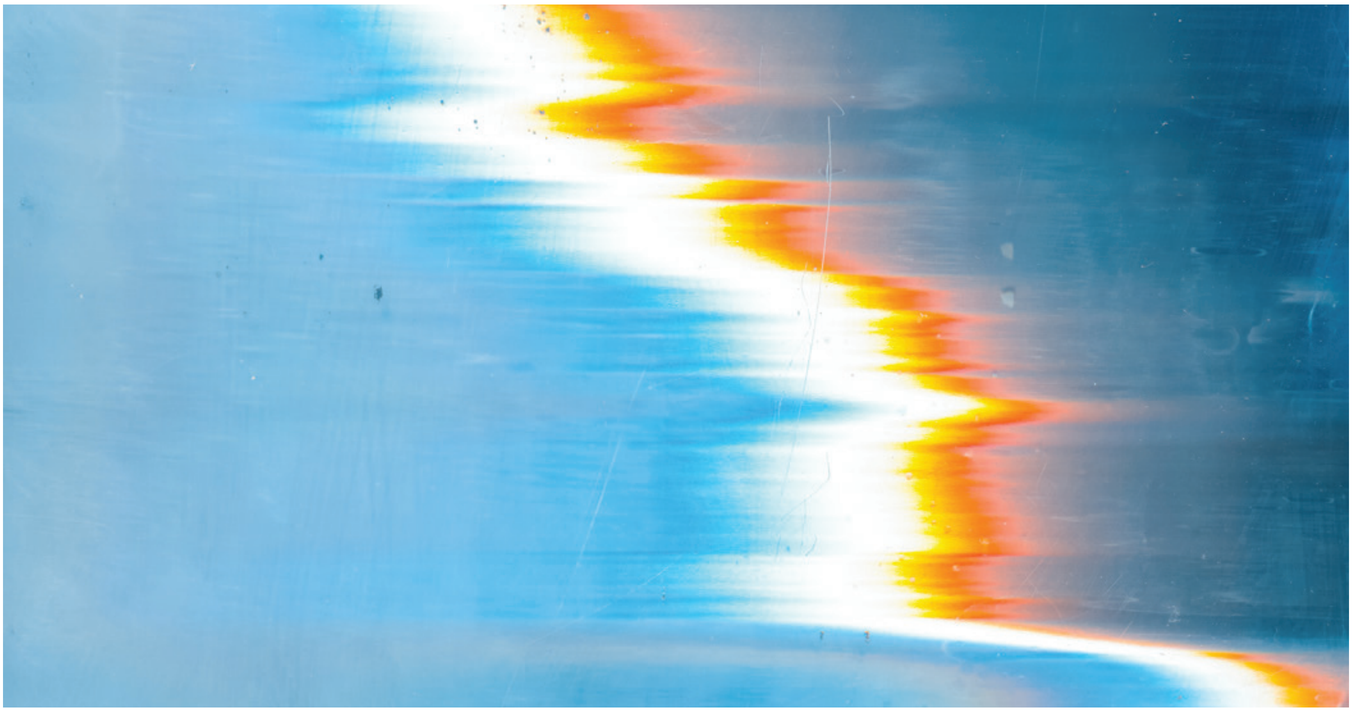
There is a two month grace period for newly appointed members.

YES → SELF-EMPLOYED

NO ↓

EMPLOYED

SELF-EMPLOYED



Don’t panic! A financial planning update

Law firm owners have seen their fair share of instability over recent years. From uncertainties around the impact of Brexit, to the fundamental changes to working practices following the appearance of COVID-19, and now rising costs across most practice areas, it is understandable that they are nervously considering their own financial position.

For those of us with investments, the events of last year meant we felt a sudden change in the value of those investments, resulting in a sense of unease. For individuals who have only been investing for a short time, that unease can be more acute, and it can be tempting to make short-term decisions, sometimes at the expense of long-term value.

Remembering that volatility is a part of investing and taking a longer-term view can really help. This is not the first time markets have dropped, and it will not be the last, so there are a few points to remember when trying to maintain a sense of balance in uncertain times:

- Make decisions based on common sense rather than emotion. We are naturally inclined to seek ‘logical’ evidence that merely supports an emotional decision we have already made. Getting advice from an impartial expert will remove emotion from the process.
- Stick to your plan and remember that investing is long term. A strong strategy will look ahead further than five years – commonly at least 15 years – and ensuring that investments are diversified with a sensible approach to risk is key. Changing a strategy during volatility can leave you worse off in the long run.
- Keeping a cash buffer is always a good idea as this will prevent you needing to cash in capital investments at short notice. At the least, you should aim for cash to cover six months’ outgoings. If you are approaching retirement, aim for a pot of cash that will keep you going for the next two to three years.
- Stay informed of current affairs, but do not obsess over them. You do not need to react to every piece of news – good or bad. Markets move too fast for short-term decisions to be effective. Chances are, if you make a change based on a recent piece of news, the markets have already adjusted to it and lots of other people are probably doing the same, countering the benefits you are trying to achieve.

Just remember to try to act in the same, level-headed way that you advise your clients. Whatever is happening now in the markets is temporary and wherever there is a fall, there is usually a bounce that takes things to a better position than before the fall. If you invested 20 years ago and simply let the market run its course, you would be far better off than if you had tried to time every investment perfectly.

So, stick to your plan, avoid judgement calls and don’t panic!

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Interest on client accounts

Over the past six months or so we have experienced increases in interest rates at levels not seen in decades.

With so much other turmoil across the wider economy, most businesses have been struggling to prioritise the way in which they tackle challenges and grasp opportunities. As things begin to settle, albeit just a little for now, firms would be well advised to review their interest policies and make sure they are capturing any of the 'easy win' opportunities.

REVIEW YOUR POLICIES

As a brief reminder, Rule 7.1 of the SRA Accounts Rules says that firms need to account to clients for a 'fair' sum of interest on any client money they hold.

Rule 7.2 does allow firms to come to different arrangements, but the clients have to give informed consent to any alternative arrangement and the firm always has to act in clients' best interests.

None of this prevents the law firm benefitting from the interest earned on client money, and some readers will remember the days when client interest income made up quite a sizeable balance on some annual P&L accounts.

Back in 2011, when the SRA first relaxed the rules around the quantum and regularity of interest calculations, client account interest rates were already well on their way to almost nothing, and so the idea of being able to benefit from a robustly worded policy was not, and still is not, on a lot of people's radars.

For example, some firms have never revisited the £20 'de minimis' limit that they included when their policies were first drafted, but we have seen others increasing this, and we doubt many would argue that an increased threshold of, say, £50 is unreasonable.

Firms should regularly review the basis for calculating the rate of interest to ensure it is still appropriate. As a minimum, this should be considered when you become aware that interest rates on the firm's client accounts are changing, but remember that you do not have to pay the same rate of interest that you receive on the client money. It can be based on rates available on a regular instant access account offered to the average member of the public, which are usually much lower.

For years now, firms have not been required to differentiate between interest earned on general client accounts and designated deposit accounts. Interest paid directly into DDAs can therefore be treated in the same way as all other client interest and that is something that is often overlooked.

If your accounting package automatically calculates interest, ensure the system is updated to reflect your policy. We have seen firms both over and under paying interest due to their software not being updated. You may find it simpler to apply interest at the end of the matter rather than at regular intervals. Your policy should be clear as to what the 'end of the matter' is as completion and the file closure on the system may not happen at the same time.

Also, remember to stipulate in your policy that any interest credited in relation to funds held on the client's behalf is held generally on account and therefore may be earmarked to be transferred against any outstanding bill balances.

MAKE YOUR CLIENT ACCOUNT WORK FOR YOU – BUT STAY COMPLIANT

Although you should probably expect your main client account interest rate to rise as the base rate rises, you still need to be proactive to make sure you are getting the best available rate, and that means you might need to shop around a little bit.

That does not necessarily mean a move will always get better results and the administrative burden of repositioning client money can often outweigh the benefits, especially where a firm's wider financing arrangements are tied in with the client account.

Nowadays, increasing numbers of firms have placed a portion of client money into fixed term deposit accounts, and while these accounts commonly give favourable levels of interest, it is down to the firm to ensure they meet the requirements of offering instant access to funds, even where this is at the expense of some interest.

More recently, we have also seen a rise in the number of firms using overnight or treasury deposit accounts, which allow a portion of client money (usually a 'top slice' of the average balance held) to be temporarily transferred into an overnight account at the end of each day and receive a percentage of interest on that amount at a rate that is usually higher than they could get elsewhere. This happens outside of business hours, and so it is unlikely the money will be required while it is held in that account and all the client money is returned to the client account the next morning.

As long as firms make sure that they keep adequate funds in the general client account and can avoid using the money in the deposit accounts as far as possible, it is possible to enjoy some really favourable returns, but do not overlook the straightforward approach of simply spending time speaking with your bank relationship manager about getting the best rates from your existing accounts.

SRA consultation – is there some clarity on the horizon?

Just before Christmas, the SRA released a consultation document inviting discussion on some amendments to their standards and regulations.

Since they were released in November 2019, there has been relatively little in the way of amendments to the regulations, reflecting the SRA's aim that their 2019 standards were intended to stand the test of time.

The consultation is therefore relatively minor in scope, but is of particular interest to us in that it covers three areas of the SRA Accounts Rules that have been the source of questions over the past few years. These areas are:

1. **Taking money for costs into the office account before work has been done or disbursements have been incurred.** The wording of the 2019 Accounts Rules specifies that money in the client account effectively becomes office money when the law firm raises a bill.

   Admittedly, this is not a big surprise, but it does create a small loophole whereby firms interpreted the raising of the bill as being the key event – not necessarily the act of actually doing the work or incurring the liability to pay for a disbursement.

   The consultation seeks to close this loophole by changing the wording of Rule 2.1 and making it clear that the costs (i.e. work done and disbursements) must be incurred before raising the bill.

2. **Firms reimbursing themselves for disbursements that have been paid and whether they need to send a bill to enable them to do it.** This simply makes it clear that there is not a need to send a bill to a client where the firm is reimbursing itself for disbursements paid on behalf of the client, and effectively puts us back to where we were under the predecessor 2011 Accounts Rules.

   What is not explicitly stated is whether disbursements can be paid directly from the client account, though we should probably assume this falls under the same category as paid disbursements and should really be the default anyway from a firm cashflow perspective.

   More importantly perhaps, there is no mention of whether taking money for a disbursement that has been incurred, but not yet actually paid, can also follow this treatment.

   This will presumably sit with the firm to decide, but they will probably take the view that, where disbursements are paid for on a monthly credit account (for example), then paid and invoiced really mean the same thing.

   Whatever the position, firms may find it difficult to justify their position where their primary motive is to gain a cashflow advantage at the expense of their client, and so some degree of caution and general good sense is advised.

3. **Clients' own accounts and the requirement to reconcile them.** This was one of the more controversial changes to the Accounts Rules, given it brought a new obligation for firms to reconcile these accounts on a monthly basis – a challenge to firms that did not receive statements regularly.

   The consultation looks at easing this requirement so that reconciliations only need to be carried out once every 16 weeks.

   Whether this solves problems for all firms remains to be seen, but it does remove one of the key barriers to finance teams being able to meet the timing requirements.

   What the wording of the consultation does not directly address is situations where the law firm has non-exclusive control over the accounts and they are still operated to some extent by the client or some other third party. In these situations, what a 'reconciliation' might look like is not clearly defined.

   However, the answer is tucked away in the proposed revised wording of the rule itself (Rule 10.1) as the word 'reconciliation' appears to have been removed entirely – replaced with the need to just keep a record of transactions initiated by the firm which must then be agreed to statements within the 16-week window.

   The revised wording therefore more closely aligns with the interim guidance that was released a couple of years ago.

   The consultation closes on 8 March 2023, and we should hopefully see the outcome shortly after.

FURTHER GUIDANCE COMING?

Andy Harris and Ian Johnson, both Partners in our Legal Team, are the current Chair and Vice Chair of the ICAEW's Solicitors Advisory Committee and stay in regular contact with the SRA to discuss current and forthcoming guidance.

Through their involvement, we are aware that there is updated guidance from the SRA coming in the not-too-distant future on the particularly thorny issue of the provision of prohibited banking facilities to clients.

Most of you will be more than aware of the current requirement of the Accounts Rules, and the set of example case studies that the SRA released a number of years ago to help firms decide on which side of the compliance fence they sat when holding onto client money on various types of matter – most commonly rent deposits, retentions and trust related funds.

We are expecting a revised set of example case studies to further help us, so please watch this space for an update and commentary as soon as they are released.

Mergers and acquisitions in the legal sector

Mergers and acquisitions (M&A) activity was once a much more discreet and less competitive area of the legal sector. Aside from the really high-profile deals, firms that wanted to join together, acquire another firm or be acquired for whatever reason, would typically get on with it in relative privacy, with a carefully managed (usually fairly local) PR approach.

In recent years however, M&A has become something that hits the headlines regularly and is reported widely across the legal press. Even during the toughest periods of COVID-19 related lockdown, it was the topic du jour, and it still forms a key part of lots of firms' long-term strategies.

Indeed, for many law firms, there is going to be some degree of direct and indirect involvement with the M&A world – as advisers in some cases and participators in others.

From our perspective as advisers to law firms, the last year has seen a big increase in M&A related discussions. This has been driven by a combination of firms finding balance and looking further ahead following the pandemic, the growing necessity for imminent and decisive succession planning for some and the availability of external investment.

Despite the increase in discussions and apparent appetite, the level of completed deals achieved is surprisingly low.

Recent SRA data showed that completed deals reached a 10-year low in 2021, with only 99 deals completed in 2021, and that followed a general, albeit gradual, decline from previous years.

However, the enthusiasm clearly remains, and a recent study suggested that two thirds of law firms are expecting to see an increase in legal M&A activity.

The drivers behind this enthusiasm have shifted over the years, as the ever-increasing cost base for firms has created increasing stress on profitability, and M&A is seen by some as a way to counter this stress.

At the same time, succession planning has landed back at the top of agendas, following a couple of years where the subject was largely put on hold as partners focused their minds on the short-term operational challenges. Now we are over that hill, we may well see an acceleration of retirements over the next few years.

The other significant change has been a growing base of external investment. 2022 saw some sizeable private equity (PE) funds being spent in the sector as some PE houses looked to expand their portfolios into new sectors. Based on the direction of travel in the last 12 months, we anticipate this will continue to grow in 2023.

So, in light of all that is happening, firms would be well advised to keep growth and succession strategies as key agenda items for the foreseeable future, and that means making sure they keep the component parts of these strategies under review at all times as well. If the time comes where M&A becomes an action point, it is important that firms have considered both the opportunities and the pitfalls that can arise through the process.

PEOPLE

Although employee 'value' is not necessarily quantified as part of a firm's goodwill valuation, people make up the bulk of the operational and cultural goodwill in a law firm.

Recruitment and retention of good quality members of staff have been the common objectives and main challenges for all professional practice firms for many years, and of course key employees can leave if they feel the firm of the future does not match their view of what they originally signed up for.

There will be some level of staff attrition with most deals, but the more it can be contained, the more successful the deal will be.

CULTURE

Staff happiness does not always correlate to tangible benefits, and a large amount of energy should be dedicated to ensuring that the culture of the newly merged firms is aligned as far as possible from the outset.

A famous management consultant once said, "Culture eats strategy for breakfast" and that is probably truer with professional service firms than any other type of business.

From a logistical point of view, there are plenty of points that can become 'culture clashes' if they are not fronted up and agreed at an early stage, but they are frequently overlooked.

For example: who pays for what? There will be more than the initial deal costs to think about, and longer term issues such as property dilapidations, future client claims, rent reviews, bad debts, long-term contingent work in progress; the list is long, but not endless.

There are basic operational issues too. Who calls themselves managing partner? Who is the finance director? Perhaps even the decision of who gets to park where. These can be sensitive conversations, but are not always approached with the care that they require.

Getting key members of staff and management from both sides to meet before the deal is done can be a really positive experience and build links at a stage when both sides might be feeling anxious about what the future looks like.

CLIENTS

There is always a risk that clients will not show the same loyalty under a new firm, so being able to demonstrate continuity and a 'business as usual' (or perhaps a 'business+') approach will be key to calm client jitters.

Focusing on delivering a personal service to clients requires buy-in from all staff, and those members of staff need to feel they have the support and time to build relationships. A partner-led approach for key clients, while not always the most cost efficient, can add resilience to those relationships.

Do not forget that there will also be a pressing legal need for conflict checking between clients of the newly merged firms to avoid a potentially damaging situation in the future.

ADVICE

Firms do not always seek professional advisers on M&A transactions. Although there is no requirement for them within a deal, it limits risk immensely and alleviates the stress and time constraints of a deal process.

Professional advisers are used to issues that arise and therefore can advise your firm on all aspects of a transaction. Likewise, a seller who carries out 'reverse due diligence', can prove to be useful to both sides, as this helps ensure that where, for example, deals contain deferred consideration elements or earn out arrangements, they are reasonable and bearable.

The importance of robust due diligence in all areas is critical, but financial due diligence is often overlooked or too broadly summarised as being a general 'kick of the tyres' to make sure the numbers stack up. The reality is anything but, and firms should have a detailed checklist of the really important factors.

Forensic Accounting: latest cases

Our Forensic Accounting team has been working on a wide variety of cases from loss of profits to business valuations. The team combines accounting, tax, auditing, corporate finance and business valuation knowledge with investigative skills, to support with expert witness, valuation, financial investigation and analytical reports across the following areas:

- Professional negligence claims;
- Commercial disputes;
- Matrimonial disputes;
- Business interruption – compulsory purchase orders and insurance claims; and
- Loss of profits and income claims.

Our sector expertise means the team is able to draw on the knowledge of industry experts to understand the nuances of each case and provide comprehensive reports. Recent cases include those below.

PROFESSIONAL NEGLIGENCE – CLAIM IN RESPECT OF INCORPORATION

The claim was against an accountant for incorrect advice regarding the incorporation of a dental practice. The claimant changed advisers and the matter settled on the basis of a delay in incorporation rather than an opportunity that was totally lost.

COMMERCIAL DISPUTE – CLAIM FOR UNFAIR PREJUDICE

Valuations of a business in the private healthcare sector where a minority shareholder was claiming unfair prejudice, including support for mediation.

MATRIMONIAL DISPUTE – VALUATION OF CONSTRUCTION INFRASTRUCTURE COMPANY

As well as valuing the company, the report addressed ways in which the value in the business could be used to fund a settlement as well as assessing the tax position and the sustainable income from the company.

INSURANCE CLAIM – QUANTIFICATION OF LOSSES FOLLOWING THE BEIRUT PORT BLAST IN AUGUST 2020

Valuation of losses sustained by a hospitality business following the Beirut Port explosion. The claim was based on historic performance, taking into account the political and economic unrest and the impact of the COVID-19 pandemic.

LOSS OF PROFITS – ALLEGED FRAUD

Quantification of the losses suffered by a company following the diversion of stock by an employee to a company in which they were a shareholder.

Find out how our experienced team can support your case by visiting our website or contacting **Ruth Dooley** at ruth.dooley@hazlewoods.co.uk or **Hannah Griffin** at hannah.griffin@hazlewoods.co.uk.

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