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The awards issue

Winners of the Fastest 50 and
Manchester Legal Awards





The firms building on success

A day to celebrate the fastest growing companies in the region – The Fastest 50 – cast the spotlight on some great businesses

THE trailblazers of the north west's business community were celebrated at a special event. The Fastest 50, developed in partnership with law firm Ward Hadaway, highlights the success of the region's expanding firms.

The companies are all from the Greater Manchester Business Week's circulation area and have all seen their turnovers grow over the last three years whilst remaining profitable in each of those years.

The firms which were unveiled in the Fastest 50 A-Z list were invited to celebrate their achievements with business leaders at an event held at The Museum of Science and Industry in Manchester, where the overall winners of The Fastest 50 were also revealed.

Silven Recruitment took home two awards. It won the fastest growing overall business and was also named as the fastest growing small business, beating off stiff competition from Manchester-based property portfolio company Patrick Properties and Bolton-based recruitment business Labour 24/7/, which were second and third respectively.

LSE Retail Group won the fastest growing medium-sized business, with Kooltrade and Venturi Group taking second and third place.

Acrobat Carbon Services was revealed as the fastest growing large business, while Wiggett Construction and Aptus Utilities came second and third in that category.

Silven Recruitment also took home the award for the fastest growing overall business.

The Fastest 50 event also heard from Paul O'Halloran, Managing Director, MEN Media, and Paul Johnson, Executive Partner at Ward Hadaway in Manchester.

Johnson talked about the contribution which the Ward Hadaway Greater Manchester Fastest 50 of 2016



are making to the Northern Powerhouse agenda and to the energy and drive of the region.

O'Halloran told guests: "The aim of the Fastest 50 is to highlight two important factors, number one, recognise the fastest growing private companies from across the Greater Manchester region and number two encourage others to follow in your footsteps.

"Our job at MEN Media is to provide news and services through our range of products to the people of Greater Manchester, and as part of this we want to highlight the tremendous amount of work being done by companies such as yours right across our region, growing businesses and in a lot of cases, vitally important, creating jobs and prosperity."

Special guest speaker Brad Miller, pictured, Manchester Airport Transformation Programme Director, spoke about the airport's £1bn transformation project, which was

recently been given the green light for planning.

Miller spoke about the key elements of the Transformation Programme including, the expansion and reconfiguring of Terminal 2, to become the airport's primary terminal building, improvement of Terminal 3 to cater for increased demand and an expanding flight schedule, the introduction of new and enlarged airside transfer facilities – including the direct linkage between



A great showcase for business

WELCOME to this special supplement on the Ward Hadaway Greater Manchester Fastest 50 Awards for 2016.

In the same way that the awards on Friday acted as a showcase for all that is best about business in this region, we hope that this supplement will demonstrate to the wider world just what an exceptional set of companies we have here and what a great place it is to do business.

I think the value of these occasions extends much further than the excitement and anticipation of the awards day itself.

Whilst the winners of the individual categories have trophies to mark their achievements and titles to celebrate their success, every company which has made it into the Fastest 50 for this year deserves real acclaim.

Highlighting and championing success in the way which the Ward Hadaway Greater Manchester Fastest 50 does is a great way not only to demonstrate how well a business has done, it also helps everyone who works in a company to share in that success.

It is significant how many award winners over the years in which we have operated these awards in Greater Manchester, in Yorkshire and in the North East have attributed their achievements to the talent,

dedication and hard work of their staff.

Whilst the name of the company is engraved on the trophy, it is the people who make up that company who are the real winners and who, I believe, benefit the most from awards like this.

This is certainly the case with us at Ward Hadaway. As a Northern law firm for national business, we rely on the expertise, experience and aptitude of our lawyers to help our clients achieve their business, organisational and individual aspirations.

Like many of those in the Fastest 50, our success is founded on teamwork – in our case, on our different specialists pooling their collective talents and working in tandem with clients towards a common goal.

In a similar vein, co-operation between the different areas of



the North on things like skills, transport and infrastructure could achieve even greater success for the North of England and the UK as a whole.

Starting with the qualities displayed by the companies in this year's Ward Hadaway Greater Manchester Fastest 50 would certainly put us on the right road.

Jamie Martin, Managing Partner at Ward Hadaway

Terminals 2 and 3 – and the importance of the direct route to China from Manchester Airport.

He said: "The importance of a strong and vibrant northern economy is more widely acknowledged than ever before and there can be no doubt there is increased recognition around the world that the north is both an attractive place to visit and to do business with.

"There was no better illustration of that point than when we welcomed His Excellency President Xi Jinping, of China, to Manchester Airport last

October as part of his state visit to the UK. Securing a direct service to mainland China was a long-standing ambition, both of our business and of Greater Manchester as a whole, and came almost exactly a year after Cathay Pacific kicked-off its Manchester-to-Hong Kong route.

"These long haul services are just two additions to our route network, which now includes flights to more than 210 destinations with more than 70 different airlines something that is a critical asset to the north as it looks to grow its global reach."



The best of the best receive

Shelina Begum and **Lucy Roue** profile the top performing businesses in this year's Fastest 50 line-up of fastest growing firms

SILVEN RECRUITMENT

SILVEN Recruitment took a double win for the Fastest 50 small company with an annual turnover of between £1m and £5m and also overall fastest growing company.

Jubilant managing director Ian Simkins collected the awards along with managing consultant Jeremy Pierce. He said: "The positive reaction from clients, candidates, some competitors and the team has been great and a real testament to all the hard work and enthusiasm the team has showed since we set up in 2012.

"We are genuinely made up and it's nice to get recognition independently.

"We all love the food industry which



is the largest manufacturing sector in the UK and it makes recruiting within it fun and we are really passionate about seeing the whole sector doing well."

The specialist recruiter in the food manufacturing and legal sectors took the last suite at Clarence House in Manchester city centre last April after outgrowing its current office space.

Speaking of why they chose a Manchester base, Simkins said: "We always felt that it would be a good base for us in terms of recruiting high quality staff and also good transport links."

And the choice paid off with Silven

Recruitment experiencing fast growth in its first year.

In 2012 they posted turnover results of £1.02m growing to £2.3m a year later. The latest results for 2014 saw them hit the £4.5m. They also opened a Dubai office in November 2015.

With clients including Coca-Cola, Lucozade and Ribena, Silven have a range of high profile clients.

Simkins said: "Food manufacturing is our biggest market and it is the biggest in the UK with around 7,000 firms.

"A large amount of these are based in Manchester so we do a lot of work in the area. The reason it works so well is because we love the sector and a lot of us have worked in it before.

"There is a genuine passion at Silven for the food industry and I think that reflects in our successes."

Asked how they felt about picking up two prizes on the day, the MD said: "I am so shocked to win this, we turned up not thinking we really had a chance so it's a fantastic achievement.

"It is the first time we have been contacted about the award so the whole team were really excited.

"I am also chuffed for them because they work really hard."



FASTEST 50 2016 – IN FIGURES ...

£1.2bn: Total combined annual turnover of the Greater Manchester Fastest 50 2016

FASTEST 50 2016 – IN FIGURES ...

110.3%: Average annualised growth of Silven Recruitment, the overall fastest growing business for 2016

LSE RETAIL GROUP

SALFORD-BASED LSE Retail Group was named as the fastest growing medium-sized business, for companies with an annual turnover of between £5m and £15m.

An online retailer of lighting for the home, which sells products under the Minisun brand name, was runner-up in the same category last year.

With over 30 years' experience, LSE imports lighting products directly from factories in Europe and the Far East, as well as buying stock from many of the UK's largest lighting companies. The firm says this purchasing power makes it one of the most cost-effective suppliers to lighting retailers. LSE Retail Group Managing Director David Gutfreund said: "It was very special to be recognised in this way in my home town."



● From left, David Gutfreund, MD of LSE Retail Group, Paul Johnson, Executive Partner of Ward Hadaway Manchester and Brad Miller, Manchester Airport Transformation Programme Director

FASTEST 50 2016 – IN FIGURES ...

41: Number of companies appearing in the Greater Manchester Fastest 50 2016 who didn't feature last year

ACROBAT CARBON

ACROBAT Carbon Services was named the fastest growing large business for 2016, for companies with an annual turnover of more than £15m.

The Manchester-based company specialises in creating and delivering carbon and energy efficiency-based schemes for energy companies to help them achieve their obligations. Acrobat also works with installers, landlords and householders.

Kevin Griffin, managing director of Acrobat Carbon Services, said: "We are really proud to win this award and of the work we do which is delivering energy efficiency to homes that are needed the most.

"We help some of the poorest people in the country and we are very proud we get to do it from Manchester and the North West.

"We are a company that is doing good by doing good and we are very proud for all our clients, our installer network and the people who work for Acrobat."



their awards



● From left, managing director of MEN Media, Paul O'Halloran; Silven Recruitment's Ian Simkins and Jeremy Pierce; Brad Miller, Manchester Airport Transformation Programme Director; and Paul Johnson, Executive Partner at Ward Hadaway Manchester

SERVICES



● Kevin Griffin and his colleagues (third from left) Jack Fieldhouse and Sahkel Hussain receive their award from Ward Hadaway Manchester Executive Partner Paul Johnson

A view from the top – what the Fastest 50 companies really think

THEY have succeeded in growing their businesses faster than their counterparts, but what do the Ward Hadaway Greater Manchester Fastest 50 of 2016 make of the major issues of today? We asked a cross-section of the Fastest 50 some key questions – here are the answers.

for your business and how do you go about retaining them?

Opinion appeared divided to some extent on this question. Here is how one business saw it: "We notice that new recruits do struggle with basic maths and English – even those with decent GCSEs.

"However, as long as we get people with the right attitude, we believe we can develop them. Retaining staff is extremely important and we believe it is

about more than just money.

"However, even for semi-skilled workers, there are lots of qualifications required and a lot of investment.

"We have taken on apprentices

but we are concerned that once staff are trained, companies who don't make such investment may seek to poach them."

However, another member of the Fastest 50 said they experienced a different kind of problem on this front:

"We have no difficulty in recruiting and retaining staff – in fact we have problems persuading some of them they may want to retire!"

4. Do you think the Northern Powerhouse agenda will improve things for your business and the North West as a whole?

The Northern Powerhouse has been widely trumpeted by the Government as a way of closing the economic gap between the economies of the North and the South. But what do fast-growing businesses in the region make of the idea of greater local decision-making and more investment in

transport infrastructure?

Here is a sample of some responses:

"I'm not convinced that the Northern Powerhouse would make much

difference to my business.

"But I do think Greater Manchester councils such as Oldham and Rochdale should combine, either with or without Manchester City Council, to reduce costs on departments such as planning.

"In principle, the Northern Powerhouse is fine although we are concerned about local authorities being able to deliver what needs to be done."

1. What are the biggest challenges you have faced in growing your company?

As you might expect from such a diverse range of companies, there are a number of different challenges the Fastest 50 have had to encounter. For some it was the general economic conditions:

"The biggest challenge we've faced is the economy. Whilst we have recovered from the depths of the recession, I still don't think we've recovered entirely.

"Although this has itself created opportunities, we remain cautious and do not want to overstretch."

Others cited the importance of assembling the right team behind them to take the business forward: "For us, it is finding the right people. Our business is all about customer service so we need to get the right people for that."

2. As a place to do business, how healthy do you think Greater Manchester and the North West is at the moment and what's the one thing you would do to change it?

This question provoked quite a proud response. Here is how one company put it: "All in all, the North West market is healthy at the moment and there isn't one particular thing we'd do to change it."

With the North West often compared unfavourably to the capital and the South in terms of

economic opportunities, it was refreshing to find that some members of the Fastest 50 see things very differently.

Here is what one business said: "Greater Manchester is a good place to do business in and it's certainly more stable than London and the South East."

3. Is it difficult getting in people with the right kind of skills and expertise

FASTEST 50 2016 – IN FIGURES ...

£558.4m: Total increase in combined turnover of the Greater Manchester Fastest 50 2016 in the past three years

FASTEST 50 2016 – IN FIGURES ...

9: Number of companies appearing in the Greater Manchester Fastest 50 2016 after also appearing in the 2015 Greater Manchester Fastest 50



Firms set the pace in growth

Paul Johnson, Executive Partner at Ward Hadaway Manchester, analyses the 2016 Fastest 50

OVER the past 18 months or so, it has almost become impossible to pick up a copy of a paper or read something online without coming across the term 'Northern Powerhouse'.

Ever since Chancellor George Osborne coined the phrase in a speech at the Manchester Museum of Science and Industry – also home to the Ward Hadaway Greater Manchester Fastest 50 Awards last week – in 2014, it has been used in countless articles examining the state of the North of England, in particular in relation to London and the South.

Whilst it has become a useful shorthand term to encapsulate a range of issues – from devolution of powers and spending to transport infrastructure – I think at its heart, the Northern Powerhouse is about realising the true economic potential of the North of England and about its businesses helping to drive growth, prosperity and investment.

In that respect, if you really want to talk about the Northern Powerhouse, the Fastest 50 is the perfect place to start. The companies in this year's list are the ones who are setting the pace when it comes to expanding their businesses, moving into new markets and creating jobs and growth.

No doubt they, like most of us in the business world here, would benefit from things like improved transport, faster connections and increased spending on infrastructure, but the important thing to note is that instead of waiting for such things to arrive, they have got on with the job, gone out into the world and are making major strides.

Without such motivation and drive, it would not have been possible to get into this list of the 50 fastest growing companies in Greater Manchester and the surrounding area.

To even be eligible, a company has to have not only grown their turnover in each of the past three years, they have



had to do so whilst remaining in profit.

As anyone in business knows, this is no mean feat, particularly when you consider the economic conditions we have all faced over the past few years.

Qualities such as determination, ambition, dedication and resilience are required to maintain this kind of performance and every company listed on the page opposite has already displayed them in spades.

But while business success requires common attributes, it can be achieved in a wide variety of different fields.

This is certainly the case with the Ward Hadaway Greater Manchester Fastest 50 of 2016, which includes everything from a pet food company to a laser technology specialist, IT suppliers to car dealers, dairy producers to children's nursery providers.

The sheer variety of different sectors in which companies are achieving great things speaks volumes for the health of the region's business environment and demonstrates how the people here can turn their hand to almost anything and make it a success.

It is people who are very much at the heart of the business which reigned supreme in this year's awards.

Silven Recruitment won the fastest growing small business and the overall fastest growing business for 2016 with an impressive annualised growth rate of 110.3%.

The Manchester-based recruitment company specialises in providing staff for the food and drink and legal services sectors, helping to fill a wide



● Paul Johnson, of Ward Hadaway

range of technical, operational and logistical roles for clients, such as Coca-Cola and Morrisons. Silven is also one of the youngest companies to have won a Fastest 50 Awards – whilst members of its team have years of experience in their respective fields, the company itself only started life in 2012, making its achievement this year even more noteworthy.

Recruitment as a sector is subject to the ups and downs of the economic cycle and has been the focus of a lot of activity – at Ward Hadaway, we have advised on a number of corporate transactions in the sector recently – so it is perhaps an indicator of the health of the region's economy that Silven is not the only recruitment business to succeed in this year's list.

Others in the class of 2016 include Labour 24/7 (third placed in the fastest growing small business category), Venturi Group (second in the fastest growing medium-sized business category), Liquid Personnel and Euroforce People Solutions.

A lot of recruitment business – like a lot of business in general these days – is transacted online and that is where the winner of the fastest growing medium-sized business has achieved its success.

LSE Retail Group Limited specialises in selling a range of lighting products for the home to customers over the internet, many of them via well-established online retail platforms such as Amazon and eBay.

The Salford-based company is a great

example of the maxim 'if at first you don't succeed, try, try again' as well as a model of consistency – LSE Retail Group was the runner-up in last year's fastest growing medium-sized business award before going one better this time. Other companies making the most of e-commerce opportunities in the 2016 Ward Hadaway Greater Manchester Fastest 50 include Printerland and Sykes Cottages.

Energy is something which all successful businesses need, in a metaphorical and literal sense, and for the winner of the fastest growing large business of 2016, it is the source of its success.

Acrobat Carbon Services specialises in creating and delivering carbon and energy efficiency-based schemes for energy companies to help them achieve their obligations. The Manchester-based company has already delivered millions of energy efficiency measures into Britain's homes and has its sights set on even more.

It is also not the only Fastest 50 company to succeed in the energy and utilities sectors. The runner-up to Acrobat in the fastest growing large business category is Aptus Utilities, which provides developers across the UK with connections to a range of utilities including gas, water, electricity and street lighting.

Another Fastest 50 company, Warrington's WHP Projects, provides acquisition, design and construction services across the UK for all the major telecoms operators.

One final quality which we can take from this year's Fastest 50 list when it comes to driving the Northern Powerhouse is competitiveness.

Just nine of the companies in the 2016 Fastest 50 also featured in last year's list, demonstrating that while it is tough enough to get to the top, it is even tougher to stay there.

Time most definitely waits for no-one in the business world so let us all keep up that momentum for the years ahead.

Helping businesses in our region grow and succeed



FASTEST 50 TABLE

Silven Recruitment is winner of fastest overall growing business and fastest growing small business.

Acrobat Carbon Services is winner of fastest growing large business.

LSE Retail Group Limited is winner of fastest growing medium business.

[S] Small business – turnover between £1m-£5m

[M] Medium business – turnover between £5m-£15m

[L] Large business – turnover over £15m

The companies in this list have been selected from the table of fastest growing profit-making, private, regional companies, based on turnover growth.

Information has been compiled by researchers at St Chad's College/Durham Business School using data which is publicly available at Companies House of UK listed companies.

The average turnover growth has been assessed on a percentage increase based on the difference between turnover figures filed for the last three years.

To qualify, companies must be trading entities and have turnover in excess of £1m in the last three years of filed accounts, which are up to date as at 31 October 2015.

Companies must also have made profits in each of the past three years' accounts. Companies returning to the list must have filed new accounts since last years awards. Private limited companies which are subsidiaries of listed companies do not qualify.

Subsidiaries of foreign-controlled companies have been accepted if they have headquarters or a decision-making function in the region.

Ward Hadaway and the Manchester

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Rank	Company name	Date of last analysed accounts	Turnover (£000s)	Average turnover growth
1	Silven Recruitment (S) (Fastest overall growing business and fastest growing small business)	31/21/2014	4,522	110.3%
2	Acrobat Carbon Services (L) (Fastest growing large business)	31/12/2014	21,973	86.6%
3	Aptus Utilities (L)	31/03/2015	16,447	85.1%
4	LSE Retail Group Limited (M) (Fastest growing medium business)	31/12/2014	10,252	83.0%
5	Wiggett Construction Ltd (L)	31/07/2014	21,474	64.5%
6	Venturi Group (M)	31/03/2015	8,647	60.9%
7	Liquid Personnel (L)	31/03/2015	52,847	55.4%
8	Patrick Properties (S)	30/09/2014	3,485	53.6%
9	Mobica (L)	31/12/2014	28,875	47.3%
10	CVS (L)	31/12/2014	31,296	46.4%
11	Kooltrade Holding Limited (M)	31/12/2014	11,376	44.9%
12	PayStream (L)	31/03/2014	161,842	44.1%
13	Avecto (M)	30/06/2014	8,457	43.2%
14	Exchequer Solutions (L)	31/12/2014	103,585	42.6%
15	Emitex Limited (L)	30/04/2014	19,223	40.0%
16	Labour 24/7 (S)	30/04/2014	2,602	39.4%
17	Grenson Motor Company (L)	31/10/2014	30,503	38.9%
18	Culimeta-Saveguard (L)	31/12/2014	15,504	38.5%
19	Comms-Care Ltd (L)	31/03/2014	19,603	38.0%
20	WHP Projects Limited (L)	31/05/2014	17,349	37.4%
21	Kingdom (L)	31/03/2014	48,993	37.2%
22	HFL Building Solutions (M)	31/12/2014	8,167	36.0%
23	Comms Plus (L)	30/11/2014	28,420	35.9%
24	Kids Planet (M)	31/03/2014	5,108	35.6%
25	Lundy Projects (M)	30/09/2014	12,210	34.9%
26	Eurogold Holdings Limited (L)	31/03/2015	25,294	34.8%
27	Sykes Cottages (L)	30/09/2014	17,447	34.0%
28	Euroforce People Solutions (M)	31/03/2015	7,656	33.3%
29	Printerland.co.uk (L)	31/03/2014	30,258	33.1%
30	Crawford Healthcare (L)	31/03/2015	18,355	32.2%
31	Blue Machinery (Central) Ltd (L)	31/12/2014	15,122	31.5%
32	SMS Stores Limited (S)	31/08/2014	1,935	31.4%
33	Creamline Dairies (L)	30/09/2014	32,647	30.9%
34	Lanway Holdings Ltd (L)	31/03/2015	20,818	30.683%
35	Raised Floor Solutions (M)	31/12/2014	7,784	30.682%
36	Laser Quantum (M)	30/09/2014	12,985	30.44%
37	MPM Products (L)	31/12/2014	29,350	30.41%
38	Visualisation One Limited (S)	31/03/2015	2,612	30.2%
39	Centriq Group (M)	31/12/2014	14,660	29.9%
40	Lancashire Farm (L)	31/01/2015	24,970	29.5%
41	Datum Monitoring Services (M)	31/01/2015	7,760	29.0%
42	Safeguard Security Solutions (S)	31/03/2015	3,002	27.9%
43	AB Sundecks (M)	31/03/2014	5,046	27.6%
44	In Touch With Bricks (L)	31/03/2014	15,600	26.9%
45	Klash Holdings Limited (L)	31/12/2014	45,506	26.7%
46	Forresters Chicken (L)	31/03/2015	34,729	26.1%
47	MyPay (M)	30/11/2014	12,858	26.0%
48	Aqua Fabrications Limited (M)	31/10/2014	12,259	25.89%
49	Proseal UK Ltd (L)	31/01/2015	31,981	25.86%
50	James Hargreaves Limited (L)	12/31/2014	48,532	25.7%





Overcoming obstacles to growth

What barriers do fast-growing companies need to watch out for – and how can they deal with them? Lawyers at Greater Manchester Fastest 50 organisers Ward Hadaway give their views

MORE SPACE – TO TAKE OR TO CREATE?

ANDREW DUNN, Property Partner at Ward Hadaway Manchester

FAST growing businesses often face the challenge of acquiring more space from which to operate.

Solutions can involve expanding an existing property, or moving into a new one.

Securing and retaining the right property needs to be on the right terms for you, and potentially allow an exit route when the shape and size of your business changes.

You may be able to carry out alterations and/or construct new buildings on existing premises that you own.

You should determine whether you need consents such as planning permission, building regulation approval, authority from landlord's and mortgagee's and/or from neighbours.

Carrying out development works may increase capital values and trigger payments to parties who have historic interests in the property, or could interfere with existing rights of others.

Contracting with designers, building contractors and consultants can be complex, and you should ensure you get what you are expecting in a timely manner, including warranties and guarantees for substantial items of works and materials, to protect you and its value for years after the project has finished.

A future buyer of your interest would usually look for the same things and any voids may affect a sale price.

Get a legal specialist to check these out

with you in advance to ensure there are no surprises along the way.

Many businesses take occupational interests in premises from third party owners, whether by way of informal sharing, short-term serviced accommodation, licences or more formal leases.

Documenting these arrangements correctly is essential to guarantee the flexibility fast-growing businesses require.

Leave this to chance and it can carry great risks.

You could negotiate terms at the outset to include early termination in certain circumstances or at certain intervals, or you may need to consider exercising existing termination rights if swapping to somewhere else.

These break arrangements often have pre-conditions which need to be satisfied in

full before the break can happen. Get it wrong and the costs can be severe.

A cost-effective way to secure future additional space that might not be needed immediately is to agree an option agreement or pre-emption with the owner/landlord over property to allow for future expansion. With this, you could move quickly at the right time.

You will need to decide whether to fix the terms of occupation at the outset. Ensure your property arrangements fit in with any funding, accounting and operational requirements.

Beware of issues which may not appear to be property related.

This is where investment in the right professional advice can pay dividends.



TAKING ACTION ABROAD

ELAINE CHAN, Commercial Litigation Partner at Ward Hadaway Manchester

MANY fast-growing businesses source parts or finished products from China, often via a Hong Kong supplier. What happens if those goods prove to be defective?

Ideally, a UK business would be able to recover its losses through negotiations with its supplier for payment of losses, or agree a credit for goods to be supplied.

Alternatively, there may be in place a joint product liability insurance policy with the supplier/ manufacturer, so the UK business can simply make a claim on the policy.

But what if there is no joint insurance, and negotiations fail? Is it 'game over'? Not necessarily.

The UK company could pursue an action against its supplier in Hong Kong if the contract terms allow it.

Hong Kong is becoming a major centre for Alternative Dispute Resolution, with a body of homegrown and foreign trained mediators.

In Hong Kong, mediation – where companies come to an agreed commercial settlement – is more likely to get a result for a UK company than pursuing litigation.

Not only is mediation mandatory for all civil claims in Hong Kong, but also it is not uncommon for even mildly contested litigation cases to take up to 18 months to get to trial, using up valuable manpower and finances.

The benefits of conducting mediation

in Hong Kong are similar to those of choosing a Hong Kong supplier in the first place.

As an ex-British colony structured in and practising common law, Hong Kong is a sophisticated yet familiar commercial doorway into the state regulated economy of China.

Mediators for legal disputes in Hong Kong include many solicitors or barristers who are qualified in UK, Hong Kong or Australian law and most are bilingual or trilingual (English and Cantonese Chinese, and/or Mandarin Chinese).

Speaking the same language

between lawyers, mediators and lay clients means easier communication in the negotiation process.

How does mediation work in such cases?

The mediator facilitates and structures negotiations to encourage parties to arrive at a mutually agreed compromise, where the parties can control the level of settlement, the cost they

expend, and crucially, the maintenance of amicable/ on-going commercial relationships where applicable.

While the system is not fool-proof, it can and does resolve matters quickly and economically.

With China now a direct flight away from Manchester and still a first choice amongst the manufacturing community or for product sourcing, it makes sense to factor in what your options are should things not turn out as expected.



A TAXING TIME FOR BUSINESS

PAUL CHRISTIAN (below), Partner, Tax and SEAN FITZGERALD (opposite), Partner, Corporate

IT is slightly curious that, to judge by some of the tax changes to come in on 6 April this year, the Government seems to think that the tax on dividends is at the same time both too low and too high.

It has long been part of tax planning at owner-managed businesses for profits to be taken out by way of dividend rather than salary, thereby avoiding National Insurance and giving an overall lower tax rate. In some companies, that principle has been pushed to the limit with so called "alphabet shares", where a number of senior employees get different classes of shares and the dividends paid on those shares bear a similarity to the salary which would otherwise be paid. Many tax advisers have thought these

more complex schemes could be open to challenge.

Rather than challenging them, however, the Government has taken a blunter approach of increasing the tax rates on all dividends. This is to some extent compensated by a new £5,000 tax-free dividend allowance, but after that, the effective tax rates on dividends have been increased by 7.5% to 7.5% (basic rate taxpayers), 32.5% (higher rate tax payers) and 38.1% (additional rate taxpayers).

Overall, in most situations, there will still be a tax advantage for owner managers from taking dividends rather than salary, although that benefit will be substantially reduced.

There is therefore no need for a complete overhaul of existing arrangements, though for more complex arrangements, it might be questioned whether the savings still justify these





DEALING WITH SOCIAL MEDIA INCIDENTS

STEPHEN ROBINSON, Employment Partner at Ward Hadaway in Manchester

MOST businesses, including their owners and employees, use some form of social media within the workplace.

On the one hand, businesses use LinkedIn and Twitter to advertise and communicate to customers.

On the other, employees continuously talk to each other (and the wider world) through Facebook and Twitter. Social media has provided a forum for anyone to comment on anything and everything, including their workplace, their employer and their colleagues.

The fact that most people can work outside the confines of the office can blur the line as to what is and isn't work time. Therefore, businesses now find themselves faced with issues which can lead to serious disputes if not carefully and correctly handled.

How do you treat staff using social media to make derogatory comments about work or colleagues, especially when the comments are made outside of office hours or away from work?

From a legal perspective, as yet there aren't many cases on social media-related dismissals.

Therefore, there isn't a definitive guide for businesses to help them to take the right and fair course of action.

For example, an employee was fairly dismissed for describing on Facebook a senior colleague (who he hadn't actually met) to be "apparently a *****".

The employee's friends on Facebook would have been aware who the

employee was talking about. Therefore who may see comments made on social media is important.

Posting a comment on Facebook may be more damaging than writing the same comments on a large piece of paper and displaying it for all to see in the staff kitchen.

Conversely, an employee sacked for posting that "his place of work is beyond a *****ing joke" was deemed to be unfairly dismissed because the employment relationship wasn't completely undermined as a result.

But as he was found to have contributed to his dismissal, his compensation was cut by half.

Employers need to know how an employment tribunal decides upon the fairness of a dismissal. Tribunals look at whether the employment relationship is capable of being undermined by the comments made, the effects on the employer's reputation, who may have seen the comments and the amount and frequency of such comments.

Of course, posting comments on Facebook is just the tip of the iceberg when it comes to potential issues faced by employers. Is it against privacy laws to monitor emails? Should employers allow employees to store business contacts on social media?

A simple starting point is to ensure your business has a policy or guide on using social media that staff have seen, have understood and ideally have been trained on. Ward Hadaway can help on drafting and implementing such policies to help deal with this.



downsides. Nonetheless, where dividends can be taken before 6 April, consideration should be given to doing so and where appropriate, advice taken.

At the same time, there is an obvious concern in Government that the high rate of tax on dividends is leading to owners seeking to take money out of companies as capital, rather than dividends.

The rates of tax on capital gains are generally lower than those on dividends, especially where entrepreneurs' relief is available.

Therefore, new measures are being introduced from 6 April to clamp down on artificial arrangements to take profits out of companies as capital.

HMRC also appears to be adopting an approach that from April, it will be taking a less generous approach in its interpretation of existing legislation for arrangements they consider abusive.

Successful companies have always faced the problem of how to deal with extraction of excess cash from the company.

It is not going to get any easier.



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RAISING FINANCE

MELANIE YEOMANS, Corporate Partner at Ward Hadaway Manchester

THERE is no doubt that the funding landscape has changed dramatically over the last few years.

As the traditional routes to finance required for growth and expansion were reduced, and in many cases, completely blocked, we witnessed the likes of private equity and venture capital taking on a much more prominent role in helping businesses and entrepreneurs achieve their plans. And numerous alternative products and concepts came to market to fill crucial gaps, whether for start-ups, general working capital needs or acquisition and growth opportunities.

There is a lot to be said for the widening variety of lending types. Whilst generally all lenders did, and continue to, look for certain criteria to be met (and ultimately a strong management team with a sound grasp of the financials and business plan remains key for most), the "non-traditional" routes can bring much more to a business than just cash. For instance, private equity and venture capital funding can bring an independent and fresh direction to the board, offering support and commercially valuable introductions to business



opportunities which might otherwise be out of reach.

We have witnessed an upturn in activity from "angels" seeking to invest generally or in specific targeted sectors, encouraged by favourable tax treatment such as EISS. Crowdfunding in the form of pools of private investors and companies looking for finance brought together via an

internet platform has also been accessed by a number of our clients, particularly in the tech sector. Acquisitions have seen funding from invoice discounting facility, asset-based or mezzanine financing rather than the traditional term loan financing of the past. We are, however, beginning to see the traditional routes re-emerge with some of the mainstream banks becoming

more active again in acquisition deals.

So it will be interesting to see how the funding landscape develops and if this will have a significant impact on the streams of funding that we saw emerge in the downturn. We may see a more "mix and match" approach to funding growth and acquisitions rather than using one lender as a "one stop shop". It is certainly going to be interesting to see how things pan out and should make for welcome and healthy competition in the sector.

BUSINESS AND FAMILY ISSUES

MICHAEL CHAPMAN, Partner, Family and Matrimonial

Owning and running your business is hard work. It is the dream of many to be their own boss but the reality is often a lot harder: 16-17 hour days followed by sleepless nights about how they are going to pay themselves that month are common tales I hear when speaking with business owners and entrepreneurs about the early days.

It is understandable therefore why business owners want to protect their businesses. They take out all manner of insurances, place key personnel in strategic positions and give careful thought for every eventuality. Except, in my experience, for divorce.

Pre-Nuptial Agreements are now becoming a regular occurrence and, as long as certain boxes are ticked, are likely to be upheld by a Court. Therefore, where a business owner is getting married, he or she should give serious consideration, and take legal advice, upon getting a Pre-Nuptial Agreement. It is extremely unusual for a business to be ordered to be sold in the event of a divorce or even for shares to be transferred, but having a business

involved in divorce proceedings can bring complications. Firstly, it is likely that the business would have to be valued. I have never met a business owner yet who wants a forensic accountant crawling over the inner workings of the business. It is also time-consuming and expensive. Secondly, in many cases, the retention of the business assets will come at the cost of a share of the liquid assets.

Business owners should also be careful when giving shares to employees. Take the example of the Finance Director of a company who has performed so well that he is given a 20% interest in a small, profitable family business. If that Finance Director gets divorced then his 20% interest in the business suddenly becomes "matrimonial

property", with consequences for that business. In these circumstances we advise business owners to make it a condition of receiving the shareholding that they enter into a Pre-Nuptial Agreement if they are not yet married or a Post-Nuptial Agreement where they are already married to ensure that the shareholding is ringfenced. It is a simple but effective step to take to add an extra layer of protection to your business.





Strong Northern Roots

For over 25 years, Ward Hadaway have been supporting entrepreneurial businesses across the North through good times and bad. With offices in Manchester, Leeds and Newcastle, our ambition for the region remains unwavering as the Northern law firm for national business.

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