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Business News Wales

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

The importance of a shareholders agreement

For limited companies, when it comes to making decisions, Company Law states shareholders who own more than 50% can pass a motion at a company meeting regardless of the views of other shareholders and if a shareholder(s) owns 75% or more of the shares they, control the company outright and can veto the decisions of all other shareholders.



This may not suit all business situations, especially where you have two or more founders holding equal share capital or a group of owners with varying amounts of capital, some of whom are directors and some who are not, but who are all working together for the company's success.

A shareholders' agreement is entered into between all or some of the shareholders in a company. It regulates the relationship between the shareholders, the management of the company, ownership of the shares and the protection of the shareholders. They also govern the way in which the company is run.

The agreement can help define how a business makes decisions to the benefit of all owners and is recommended where:

- A small number of owners want to reach collective and fair decisions for the benefit of all;
- Some owners may want to be able to influence decisions that are particularly relevant to them;
- Some shareholders may not be directors and cannot influence operations on a day-to-day basis;

Typically, it is seeking to deal with the three “D’s” of death, disability and disagreement. It may also cover a variety of other significant areas for example, retirement and buy back of shares.

Key areas for any shareholder agreement

This is not a comprehensive list, as each situation is different, but it may help you collect the thoughts of all shareholders before you draw up an agreement.

1. Company details including structure, directors, and officers
2. Purpose and aims of the company
3. Equity split of shareholders
4. Parties to the agreement
5. Shareholders rights, obligations and commitments
6. Decision making processes on major issues, required voting majorities and day to day operating decisions
7. Restrictions on the sale of shares
8. Rights of first refusal and pre-emptive rights to acquire shares on leaving, retirement, death, or disability
9. Death, disability, and other retirement compensation payments
10. Management contracts, director approval, and remuneration amounts
11. Insurance and other protective requirements
12. Professional advisers and change of professional advisers
13. Dispute resolution
14. Changes to and termination of the agreement
15. Buy out provisions for leaving shareholders
16. Valuation of shares on changes and valuations of the business

Our view is that a shareholders agreement is an essential document for any limited company and an equitably drafted agreement should provide comfort to all involved parties.

Please talk to us if you need help in planning for an agreement, especially where there are several shareholders, a new company is being formed, a shareholder wants to sell their shares or pass them to their children, someone is nearing retirement, or the company has borrowed money from a shareholder. We can help with share and company valuations and putting the shareholders wishes into an agreement with a local solicitor.

Do you want to grow your business?

Then ask us for a copy of our guide called “57 Ways to Grow Your Business”! Our publication is packed full of bright Ideas for the Serious Entrepreneur and starts with the four basics of growth. All the ideas in this guide ultimately revolve around four basic insights about growing a business. You can:

1. Increase the number of customers;
2. Increase the number of times each one does business with you;
3. Increase the average value of each transaction; and
4. Increase your own effectiveness and efficiency.

Here are some other business principles that we explore in the guide:

- What you can measure, you can manage;
- Build in unique core differentiators and focus on them constantly;
- it's more important to be different than it is to be better;
- Cutting the price is always an option but there is usually a better way – increasing value;
- Break compromises and lower the barriers to people doing business with you;
- Systemise every aspect of your business;
- Empower your team to make it right for every customer; and
- Create a clear and detailed action plan.

Ask us for a copy – you never know there may be a gem or two in there for you to help you grow faster!

Managing drug and alcohol misuse in the workplace

Employers have a legal duty to protect employees' health, safety, and welfare and understanding the signs of drug and alcohol misuse (or abuse) will help you manage health and safety risk in your workplace.

The HSE website has step-by-step guidance to help you manage drug and alcohol misuse at work.

This includes advice on how to develop a drugs and alcohol policy and what you can do to support your employees.

See: [Managing drug and alcohol misuse at work - Overview - HSE](#)

Employers should prepare for a warmer future

The Health and Safety Executive (HSE) is advising businesses to think how they need to adapt to warmer working conditions for their staff.

After this year's record-breaking temperatures and with more hot weather this month, HSE is asking employers to ensure extreme heat becomes part of their long-term planning.

Adapting to climate change is something all businesses will need to consider as warmer weather becomes more frequent.

Employers have a legal obligation under the Management of Health and Safety at Work Regulations to assess risks to the health and safety of workers. They must review the risk controls they have in place and update them if needed. This includes risks from more frequent extreme weather such as heatwaves.

While there is no maximum temperature for workplaces, all workers are entitled to an environment where risks to their health and safety are properly controlled. Heat is classed as a hazard and comes with legal obligations like any other hazard. The Workplace (Health, Safety and Welfare) Regulations require employers to provide a reasonable temperature in the workplace.

See: [Temperature at work](#)

Young people at work

The Health and Safety Executive have a dedicated webpage for employers reminding them of the need to be extra cautious with the safety of young people.

When you employ young people under the age of 18, you have the same responsibilities for their health, safety and welfare as you do for other workers. This applies whether they are:

- a worker,
- on work experience, or

- an apprentice.

Young people are likely to be new to the workplace and so are at more risk of injury in the first six months of a job, as they may be less aware of risks. They will often be vulnerable, as they may:

- lack experience or maturity;
- not have reached physical maturity and lack strength;
- be eager to impress or please people they work with; or
- be unaware of how to raise concerns.

Young people need clear and sufficient instruction, training, and supervision so they understand the importance of health and safety and can work without putting themselves and other people at risk. They may need more supervision than adults.

Work experience and work-based learning will be the first time most young people experience the work environment.

Good preparation and organisation of placements is essential if these opportunities are to be helpful and safe introductions to work.

If your workplace has health and safety representatives, they can play a valuable role early on by:

- introducing the young person to the workplace;
- helping with their ongoing training; and
- giving employers feedback about particular concerns.

See: [Young people at work - Overview - HSE](#)

Latest HMRC Employer tax webinars

Listed below are a number of live HMRC webinars that will help employers with payroll matters. The webinars are free and last around an hour.

[Statutory Maternity and Paternity Pay](#)

Thu 21 Sep at 9:45am

[Expenses and benefits for your employees - if your employees have more than one workplace](#)

Tue 5 Sep at 11:45am

[Expenses and benefits for your employees - trivial benefits](#)

Wed 6 Sep at 1:45pm

[Expenses and benefits for your employees - social functions and parties](#)

Thu 7 Sep at 9:45am

[Expenses and benefits for your employees – phones, internet, and homeworking](#)

Mon 11 Sep at 1:45pm

[Expenses and benefits for your employees - travel](#)

Tue 12 Sep at 11:45am

[Expenses and benefits for your employees - company cars, vans, and fuel](#)

Wed 13 Sep at 1:45pm

[Getting payroll information right](#)

Thu 14 Sep at 9:45am

[Statutory Sick Pay](#)

Fri 22 Sep at 11:45am

What is Working Capital Finance?

Working capital finance solutions offer businesses the opportunity to improve cash flow. The world of commercial finance and asset-based lending (ABL) is complex and expansive with products, terminology and contractual interpretation varying from lender-to-lender.

The Benefits of arranging Working Capital are:

- Up to 90% of outstanding invoice value can be advanced within 24 hours;
- Flexible lending - funding increases in line with your growth (UK and Export);
- Confidentiality - lenders can offer a completely confidential service – your customers need not know you have a facility in place;
- Lenders allow you to manage your funding at all times;
- Sector-specific finance is often available;
- Structured ABL - funding for management buy-outs/management buy-ins; and
- Trade Finance & Supply Chain Finance Solutions.

Specialists in this area can advise on:

- **Invoice Finance** - an effective way of quickly accessing a proportion of the value (up to 90%) of your invoices. Effectively, a business 'sells' its invoices to the lender in return for accessing cash at the point products and services are sold. Specific sector-based offerings are available, as is the ability to arrange finance for selected invoices only.
- **Structured ABL** - generate a higher level of funding by unlocking the maximum value tied up in the combined assets within your business, including Debtors, Inventory, Plant & Machinery and Property. Additional forms of funding can be structured in addition to this, such as top up loans in order to drive growth.

- **Trade Finance** - supply chain finance with various options, enabling the purchasing of goods from overseas where you are otherwise unable to obtain credit from suppliers.

Typically, you will need to ensure your management accounts are up to date, you make available current detailed lists of debtors and creditors, and you might need up to date projections before an expert will consider your application.

The Ideas Marketplace

The Ideas Marketplace is an online collaboration platform offering opportunities for innovative defence and security organisations to network and collaborate with UK government stakeholders, end-users, innovators, industry, and academia. The platform can be used to forge new relationships and foster collaboration between dynamic organisations of all shapes and sizes.

The platform has been designed to enable collaboration with other innovators across the UK and to help organisations gain expertise and specialist support to develop their technologies to make them successful.

See: [Home | Ideas Marketplace \(mod.uk\)](#)

Council Tax Reduction Scheme Annual Report 2022-23

The government has published the [Council Tax Reduction Scheme Annual Report for 2022-23](#).

Since 2013-14, the Welsh Government has protected vulnerable and low-income households across Wales by maintaining full entitlements to support with their council tax bills under the Council Tax Reduction Scheme (CTRS).

They have continued to support the scheme with the provision of £244m in the annual local government settlement. The tailored nature of the national scheme means that this support is targeted towards those who need it most.

In 2022-23, this meant that more than 261,000 vulnerable and low-income households – around one in five households – benefited from a reduction in their council tax. Of these, almost 211,000 households paid no council tax at all.

See: [Written Statement: Council Tax Reduction Scheme Annual Report 2022-23 \(7 August 2023\) | GOV.WALES](#)

More grants open for Welsh language community projects

The government is inviting community groups to apply for small grants to help set up new, or support the growth of, community-led co-operatives, social enterprises, and housing projects. The funding, known as Project Perthyn Small Grants, is part of the Welsh Language Communities Housing Plan.

The grant is aimed to help create economic opportunities, provide affordable housing, and support Welsh-speaking communities with a high density of second homes.

Established in 2022, Perthyn provides local early-stage support to our Welsh communities in the north and west who are interested in developing social enterprise ideas.

Cwmpas is working closely with Dolan Partnership and PLANED who are working with their communities. The project aims to grow a number of initiatives; mainly they want to see Welsh language being used and enjoyed every day.

The Perthyn project wants to create a strong economic base for our Welsh communities by coming together to create and establish:

- New social and co-operative enterprises;
- Helping social and co-operative enterprises that already exist to realise new plans;
- Create community-led co-operative housing developments; and
- Community Land Trusts. We want to see our language used every day in our communities, and work with Cymraeg 2050 to ensure this.

See: [Perthyn - Cwmpas](#)

Sustainable Drainage Feasibility Grant

To support the development of small, local sustainable urban drainage schemes (SuDS) or sustainable drainage schemes in Wales on existing sites, Natural Resources Wales have a fund of £450,000 available for feasibility development grants between £25,000 - £40,000.

The sustainable drainage feasibility grant will enable individuals, community groups, and others undertake feasibility studies with the potential to develop small-scale schemes via a future competitive grant stage.

Who can apply

- Individuals,
- Public sector organisations,
- Registered charities,
- Universities, other higher education institutions, and research institutes,
- Third sector organisations, and
- Private sector organisations.

Closing date to apply: 25 September 2023.

See: [Natural Resources Wales / Sustainable drainage feasibility grant](#)

BlasCymru/TasteWales 2023

Wales' international food and drink trade event, BlasCymru/TasteWales, will take place on 25 and 26 October 2023.

The two-day event organised by the Welsh Government's Food & Drink Wales division brings together food and drink producers with national and international buyers and food industry professionals.

The event, which will be held at ICC Wales in Newport, has been key in previous years in creating new business opportunities for Welsh businesses and has seen produce from Wales sent around the world for people to enjoy.

Being at the event allows businesses to gain exposure, network and increase their brand profile with key producers, UK and international buyers, as well as wider industry professionals. All of this will take place within the context of a high-quality food event, conference, and expo featuring leading industry players where one-to-one sessions enable buyers to engage with Welsh producers and discover the passion behind their products.

See: [Home - BlasCymru / TasteWales 2023](#)

Wales Tech Week 2023

Wales Tech Week showcases Welsh technology and champions the industry on the global stage.

It connects, promotes, and develops Wales as a centre of expertise for enabling and emerging technologies and their applications for today's business and society.

Wales Tech Week 2023 will be an international tech summit at the International Convention Centre Newport, from 16 to 18 October 2023, bringing together some of the world's best tech minds to learn, connect, and do business, along with sponsorship and exhibiting opportunities.

See: [Wales Tech Week 2023 - 16-18 October 2023](#)

ARFOR 2

A suite of interventions to support Welsh language communities thrive economically as part of the Welsh Government's 3 year ARFOR programme was revealed by Economy Minister Vaughan Gething earlier this month.

ARFOR is part of the Welsh Government's Co-operation Agreement with Plaid Cymru. It builds on the experience and evaluation of the earlier ARFOR programme launched in 2019.

The programme will be delivered by local authorities and aims to strengthen the economic resilience of Welsh language strongholds and create jobs to support the language.

The Welsh Government funding, which is available to the four local authorities of Gwynedd, Ynys Môn, Ceredigion, and Carmarthenshire, is supporting a number of strategic interventions, including a focus on opportunities for young people and families, to enable them to stay in or return to their home communities.

See: [ARFOR 2 | Business Wales \(gov.wales\)](#)