Written by 3 August 2026

Business News Northern Ireland

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!

Getting a shareholders' agreement right

A shareholder's agreement can be one of the most valuable documents a business ever puts in place. It allows a company's owners to set out, in detail, how they will work together, make decisions, deal with disputes and manage future changes in ownership.

When a business starts, everyone is positive and shares the same objectives. However, circumstances can change. Shareholders may wish to leave, new investors may join, disagreements could arise, or succession plans may need to be implemented. A well-drafted shareholders' agreement helps provide certainty and can significantly reduce the risk of costly disputes.

In this article we set out some of the key areas to consider when putting together a shareholders' agreement.

What exactly is a shareholders' agreement?

A shareholders' agreement is essentially a contract between the shareholders of a company. It provides shareholders with an opportunity to establish clear expectations from the outset and create mechanisms that help to deal with future problems.

By preparing an agreement before problems arise, it is easier to discuss matters objectively.

Ownership and shareholdings

The agreement should clearly set out who owns the company and the rights attached to different shares. Where shareholders contribute different levels of capital, expertise or time, they may expect different rights and rewards. This needs to be clearly recorded up front.

Decision-making

Not all business decisions have the same level of importance. Shareholders should consider which decisions can be made by directors and which should require shareholder approval.

Clear decision-making procedures help avoid uncertainty and ensure that certain actions cannot be taken without appropriate consent.

Share transfers

It is often a good idea to control who can acquire an interest in the business. Without suitable provisions, shares could potentially be transferred to individuals whom the remaining shareholders would not choose as business partners.

Succession and exit planning

Few shareholders expect ownership to remain unchanged indefinitely. Retirement, ill health, death or a desire to pursue other opportunities can all lead to someone exiting a business.

Planning for these events in advance can make ownership transitions smoother and reduce uncertainty for both the business and the departing shareholder’s family or estate.

Resolving disputes

Even where shareholders have a strong relationship, disagreements can sometimes arise. Including mechanisms for resolving disputes helps to provide a structured way forward and reduce the risk of a lengthy conflict that could derail the business.

Protecting the business

If a shareholder leaves the business, there may be concerns about how they might use confidential information. Appropriate protections can allow everyone to feel comfortable and safeguard the value of the company.

Funding the business

As businesses grow, they may require additional investment. Shareholders should consider whether they are willing or able to provide further funding and what happens if some shareholders contribute while others do not.

Tax considerations

The way ownership is structured can have significant tax consequences, particularly where succession planning or a future sale of the business is anticipated.

Considering tax implications at an early stage may help shareholders achieve their commercial objectives in a more tax-efficient manner.

Conclusion

A shareholder’s agreement is more than a legal document. It is an opportunity for shareholders to discuss ownership, decision-making, succession and future ambitions before any of these become an issue. Taking time to address these matters at an early stage can help protect both the business and the owners for years to come.

Please talk to us if you need help in planning for an agreement. We can help with share and company valuations and in putting the shareholders wishes into an agreement with a local solicitor.

Do you need to pay tax on your side hustle?

Those who have turned their hobby into a side hustle are being reminded by HMRC that their income from these activities may be taxable.

With wedding season in full swing, some may be making some extra income from selling wedding stationery, filming a first dance or cake-making.

Tax rules mean that if you earn more than £1,000 from your side hustle in a tax year, you may need to complete a Self Assessment tax return and pay tax.

The £1,000 threshold is a combined total. A person that has multiple sources of side hustle income would need to add the earnings of each source of income together before determining whether their earnings exceeded the threshold.

Selling unwanted items is unlikely to need reporting to HMRC, however selling goods for a profit, or providing a service for payment is likely to be considered trading and may need to be declared.

If you'd like help to know whether you need to pay tax on your side hustle, please get in touch. We'd be happy to help you.

Update on government's Small Business Plan

The government has published a one-year-on update to its Small Business Plan, which is intended to support small and medium-sized business to start, scale and grow.

Key highlights from the report include:

<u>Late payment</u>

The Small Business Protections Bill was laid before Parliament in May 2026. The new legislation includes stricter maximum payment terms, mandatory interest upon late payments, increased board-level scrutiny of large company payment practices, and stronger powers for the Small Business Commissioner.

The report reveals that the Small Business Commissioner recovered £1.5m in late payments for small businesses, a significant increase on previous years.

<u>Tax administration</u>

Various reforms were introduced as part of Tax Update 2026 which are expected to reduce administrative burdens on business. The government also cites Making Tax Digital (MTD) as a time-saver, and notes that all VAT invoices will have to electronically by April 2029.

Whether businesses see these changes as easing their administrative burden may be another story.

Access to finance

The British Bank's financial capacity was increased to £25.6 billion at Spending Review 2025, allowing it to boost access to finance for SMEs.

The Growth Guarantee Scheme is also being expanded so that by 2028-29, total SME lending supported through the scheme will increase to £3.35 billion per year.

The Start Up Loans Programme is being expanded to deliver at least 85,000 loans over the next five years and broaden eligibility so that businesses trading for up to five years are included. This will be a considerable step up from existing lending. Between August 2025 and May 2026, the programme has made 9,551 loans.

Apprenticeships

The apprenticeship system is being simplified to make it simpler and easier for small businesses in England to take on apprentices. UK businesses can now access the new Youth Jobs Grant that pays £3,000 for every eligible young person they hire.

To review the report in full, see: https://assets.publishing.service.gov.uk/media/6a564b609e63154454413662/backing-your-business-small-business-plan-one-year-on.pdf

If you would like help with your business processes or support with tax or accessing finance, please give us a call. We're here to help you!

HMRC contacts self-employed people about National Insurance gaps

HMRC is writing to some self-employed individuals whose National Insurance (NI) records may contain gaps that could affect their State Pension.

If you receive a letter, don't ignore it. In some cases, you may be able to boost your State Pension by making voluntary NI contributions for missing years going back as far as 2015-16.

The issue affects some people who were self-employed between 2015 and early 2024. HMRC believes up to 800,000 taxpayers could be affected.

What should you do?

If HMRC contacts you, check:

- Your State Pension forecast.
- Your National Insurance record.
- Whether there are any missing years.
- Whether filling those gaps would increase your State Pension.

You can do this through your Personal Tax Account on GOV.UK.

Don’t assume you need to pay

Receiving a letter does not necessarily mean you have a problem.

Many people already have enough qualifying years to receive the full State Pension, in which case paying extra NI would provide no benefit.

Why this matters

Normally, there is a time limit on paying voluntary NI contributions. However, HMRC’s current exercise may allow affected individuals to fill gaps potentially dating back to 2015-16.

For those who are affected, this could be a relatively low-cost way to increase their retirement income.

If you receive a letter from HMRC and are unsure whether it is worth paying voluntary contributions, please contact us. We can help you review your position and determine whether filling any gaps would improve your State Pension entitlement.

Changes to HM Land Registry emails

HM Land Registry have reported that they will be introducing a new method of emailing application-related correspondence to include requisitions, letters and notices.

Rather than sending an email with a PDF attachment, the email will now be sent with a secure link to the correspondence. The secure link will be valid for 200 days.

For anyone who regularly interacts with HM Land Registry, it may be helpful to add their email address (hm.land.registry@notifications.service.gov.uk) to your safe senders list.

HM Land Registry have confirmed that only the method of accessing documents is changing, email notifications about requisitions, letters and notices will continue to be sent.

See: https://www.gov.uk/government/news/changes-to-how-hm-land-registry-sends-emails-about-applications

Mandatory Direct Debit proposed for VAT and PAYE payments

The government has published a consultation on proposals that will require most VAT-registered businesses and employers to pay VAT and PAYE liabilities by Direct Debit. The aim is to reduce late payment and simplify the payment process.

HMRC consider that automating the payment process by requiring Direct Debit could help businesses to reduce administrative work, minimise errors and avoid missing a payment deadline.

Paying by Direct Debit is already an option available for paying both VAT and PAYE, although most businesses currently pay using other electronic methods.

The government is therefore seeking views on:

- Why businesses that could use Direct Debit choose to pay by other electronic methods.
- The impacts of requiring payment by Direct Debit, including practical barriers such as cash flow management and process changes.
- The exceptions or alternative arrangements that may be needed.

HMRC are also considering what measures will be used to encourage uptake of Direct Debit and the sanctions for businesses that don't comply. Proposals revolve around charging penalties where Direct Debit is not used, or by changing the current extended payment deadlines so that they will only apply to Direct Debit payments.

The consultation closes on 16 August 2026. Further details on the consultation and how to respond can be found here.

Employment Rights Act 2025: Employers concerned about new unfair dismissal protections

Acas, the workplace expert, have carried out research to find out which changes in the Employments Right Act 2025 are the hardest for businesses to adopt.

Almost 1 in 3 employers have said that the new unfair dismissal protections are a top concern.

Protection from unfair dismissal will become a right after 6 months of being in a job from 1 January 2027. This reduces the current two-year qualifying period.

The compensation limit for unfair dismissal will also be removed.

The changes may affect how employers handle probation periods, with some considering reducing the period to less than 6 months before the law changes. It should however be remembered that employees still have protections during probation, including discrimination, whistleblowing, and breach of contract.

Acas advise that probation periods need to be considered carefully and they have updated their advice to reflect the upcoming changes on unfair dismissals.

Baroness Maggie Jones, Acas Chair, said: "The reforms in the Employment Rights Act are the biggest shake-up to employment law in a generation, and it is vital that employers get up to speed quickly."

See: https://www.acas.org.uk/unfair-dismissal-changes-among-biggest-employment-rights-act-2025-challenges-for-bosses