

MONACO IS THE PLACE TO BE



From left to right, Simon Haynes Commercial Director of Partners&, Amrik Chote, Kay Gill and Phil Barton CEO of Partners&

Partners&, an award winning insurance advisory business, with offices across the UK, has acquired Monaco Insurance Services (“Monaco”) based in Edgbaston, Birmingham. The move will boost Partners&’s footprint in the Midlands and enable Monaco’s clients to receive the level of service they need in an ever changing insurance market place.

Monaco was founded in 2010 by Amrik Chote and Kay Gill. Since then, they have built a highly respected business in the Birmingham community based on their wealth of experience and commitment to client service.

Neil O’Sullivan, Partners& managing partner for the Midlands region said *“The team will be a great addition to our new Birmingham office and will complement our other Midlands offices in Hereford, Shrewsbury, Nottingham. It’s a very exciting time for our Midlands team, and we’re really pleased to welcome our new Monaco colleagues onboard.”*

Amrik of Monaco said *“insurance is forever changing, and we are proud to have served our clients well in our 20 years of business. We know that we will continue to do so as part of a bigger family with Partners&. All this will translate to better value for*

our clients in the service offered.”

Kay and Amrik of Monaco used our firm to assist them when they sold to Partners& together with MDP Accountants and they said “just in the same way we team up with our clients to offer a service, we found the combined service of Hawkins Hatton and MDP second to none and knowing they were by our side made a complicated process far simpler.”

Colin Rodrigues, our corporate partner, said *“I have known Amrik and Kay for a long time and have been part of their journey so it was a pleasure to help them to take Monaco to the next stage of growth in the knowledge that Partners& are the perfect partner for Monaco and it shows that Monaco is the place to be.”*

In This Issue

- Monaco is the Place to Be
- What to Disclose
- The Fall of Cool Britannia
- Getting to Know You

WHAT TO DISCLOSE

The term “disclosure letter” may not be a familiar one unless you are selling your business. The disclosure letter is your shield against any claims that may arise from warranties which are statements given by a seller and contained within a sale agreement.

Warranties are usually more comprehensive in the share sale agreement rather than an asset sale agreement because under a share sale agreement, it is known a “warts and all” transaction which means that buyer beware so the buyer’s main protection, putting aside completion accounts and tax covenant, will be the warranties it asks of a seller.

The problems arise if and when the warranties are later found to become untrue. At this point, there will be a claim from the buyer against the seller.

These claims may then fall into general warranty protections such as having a limit for the total amount of claims or an amount the claim has to exceed before it counts and once it counts, it goes into a basket of claims which then exceed an amount before a claim can be made.

The disclosure letter is intended to be in two parts with the first part covering general disclosures which should be apparent to the buyer in that sector, such as approvals that are required to trade and then specific disclosures against each of the warranties.

The specific disclosures are intended to be information which is elicited from the seller and given to the lawyer to provide that valuable shield against a warranty claim.

However, just like any suit of armour or shield, this does not make the threat of a warranty claim impossible. It just reduces the risk. That is why you need to consider the question of whether to disclose or not to disclose. Accordingly:

1. The information has to come from somewhere. It is usually a level of detail that the sellers will never be close to. They know where to get it from and they know it exists so they should ensure that they task the right people within the organisation to get the information for them and make sure at the same time they express the importance of that information being correct in all respects. It is as simple as poor information into a disclosure process will give you a poor disclosure letter in terms of protection.
2. Lawyers will be good at scrutinising the information given to them, but the best pair of eyes are those of the seller. They know the business intimately and are best able to judge what information is correct, what information needs to be improved on and what information is irrelevant. When sellers do this, they need to make sure they are fully engaged with the lawyers as this process is dependent on both the lawyer and sellers working together so that the sellers understand the nature and extent of the warranty to



Fiona Lee

provide the basis of the disclosure which will be forged into the disclosure letter through the lawyer’s skill.

3. It is important for sellers to tell the lawyer everything, just like a confessional. This is because sellers should never hold back as a lawyer is working for them and they should never forget that. That is why being full, and frank is the best way. That judgment call can then be made by a lawyer as to the relevance of the disclosure.
4. Following on from the previous point, what sellers should never do is not to disclose as wilful non-disclosure or misrepresentation will lead to more issues under the warranties and the loss of protection in respect of warranty limitations.
5. As with everything, there is always a standard that must be adhered to, and the disclosure process is not an exception to that. That is why within the sale and purchase agreement, the hurdle for a disclosure is usually “full, fair and accurate”. The purpose of this is to ensure that not only is the disclosure comprehensive and properly expressed but is accurate in all respects.

So next time you are faced with a disclosure letter, bear in mind some of the comments I have made in this article as they will make sure your shield is more highly polished to afford you better protection.

Fiona Lee - Corporate Department

THE FALL OF COOL BRITANNIA

The stock market should be one of the barometers of an economy's health and vitality. However, this is not necessarily the case with the FTSE 100 as it is mainly made up of international companies, rather than domestic companies.

The UK has been in the shadow of its American cousin with Nasdaq. Since the Second World War, America has overshadowed the UK whilst the sun set on the British Empire.

This has meant that America, through the dollar, has the global currency of choice and its stock exchange, Nasdaq, is sought after by high profile companies throughout the world seeking access to capital markets.

There are many examples of the UK continuing to lose out to the US on listing, and now even to Frankfurt with TUI looking to leave the FTSE 100. Though TUI does have Germanic roots, so this move could be attributed to that.

The FTSE 100 is less attractive to the world at large due to the existing regulations seeking to protect investors, rather than allowing companies to find capital. Hence, the changes proposed by the UK regulator will go some way to make the FTSE 100 a better place to list with less regulatory constraints, and this will pay dividends in listing terms.

In America, there is no shame in failure, whilst in the UK, this carries stigma. If you do not fail, you have not tried, so you learn from failure to try again. You cannot simply look to protect the consumer at every turn.

It goes without saying that simplification leads to cost

savings and to the world at large, having one listing category rather than a premium standard makes sense. Also, in this era of unicorns, eligibility should not be determined based on long term financial history. That is why the stock exchange has to be opened to all entrants.

This new disclosure regime may not suit all, but it is ideal to allow investors to decide how they want to invest, rather than treating them as not able to make a decision and to be fully protected at all times failing which, they should go to a professional to mitigate financial risk.

It also makes sense that with a more diverse, and wider range of investors, voting on business matters should be limited to de-listing and takeovers, rather than related party transactions.

These changes will make London more competitive but only if it simplifies the prospectus requirements,

allows more equity research, and incentivises capital investment in the market, whether through pension funds or ISAs.

We should also remember that notwithstanding that the UK may be losing its shine, the pond that is the American stock market is very deep in that it is dominated by the Magnificent 7. The Magnificent 7 are Alphabet (Google), Amazon.com, Apple, Meta Platforms (Facebook), Microsoft, Nvidia (artificial intelligence) and Tesla which together represent about 40% of Nasdaq. Maybe that is why companies like Raspberry Pi were wooed by America but have remained in the UK as they do not want their voice drowned out by a deep market.

Colin Rodrigues - Corporate Department



GETTING TO KNOW YOU

This is a feature where we ask contacts of HH a range of obscure questions in order to get a better appreciation of their life and interests.

This edition features **David Weaver, Head of Professional & Business Services at National Westminster Bank Plc**

1. Where were you born?

Salisbury, Bonfire Night 1978

2. Can you summarise your education in a few words.

Grammar school, Economics degree, AMCT qualified

3. Can you summarise your business career in a few words.

Brief time in recruitment (not for me!), but a long time banker. The profession allows you to take on such a variety of roles and challenges.

4. Where would you like to be in 5 years?

Still directly supporting our customers.

5. What do you enjoy most about being in business?

It continually provides challenge and stretch, whilst allowing you to connect with some great people.

6. What is your most memorable event in your life?

Getting married and the birth of my two kids – Daniel and Lara

7. Who has influenced you the most in your life whether business or not?

My parents – encouraged me to work hard.

8. What is your favourite book?

Any Jack Reacher novel by Lee Child.

9. What fictional character would you most like to be?

Jack Reacher (who doesn't?!)

10. What was the biggest challenge you faced in your business and how did you overcome it?

Becoming Sector Head of a sector I knew nothing about. Just take the job and work out how to do it later!

11. If you could travel in time, where would you go first?

1961 to see Spurs win the double.

12. What's your favourite ice-cream flavour (real or invented)?

Strawberry

13. What is your favourite food?

Curry

14. What are you currently listening to?

Taylor Swift (did I just admit that?!)

15. What was the last film you watched?

The Lost King



David Weaver

16. What country would you most like to visit?

New Zealand

17. What is the highlight of your career to date?

Heading the Professional & Business Services sector for NatWest. Very privileged.

18. What would your ideal Sunday be?

Coaching my boy's football team, Sunday lunch, walking Murphy our Sprockerpoo.

19. If you could invite anyone for dinner (living or deceased, real or fictional), who would it be and why?

Robin Williams – comedy genius

20. What is your biggest regret and why?

No regrets. I don't see the point. Just look forward and enjoy life.

21. What motivates you to work hard?

Making an impact and staying curious.

22. What is your favorite thing about your career?

Building relationships with so many great people – whether that be colleagues or customers.

23. What did you want to be when you grew up?

An accountant!

24. If you could change one thing about yourself what would it be?

Perfect work / life balance