

COMMERCIAL ADVICE MAKES LASTING IMPRESSION ON BUSINESS OWNER

When Hawkins Hatton first made a big impression on businessman Simon Jones they were not even acting for him!

At the time Simon was in the process of buying a company from a client Hawkins Hatton were representing. However, even though they were on “the other side” during the transaction, Hawkins Hatton’s way of working was instrumental in forging what has become a long standing relationship with the Leicestershire based entrepreneur.

Hawkins Hatton went on to play a lead role in advising Simon on the management buy-out of Electrum Services; the Leicestershire based electrical, air conditioning and mechanical services business.

Since then the firm has continued to support the company across a diverse range of legal areas which has included providing advice on a pension deficit which was identified as part of the due diligence process during the Electrum MBO in 2010.

As well as continuing to work with the business to settle this complex pension issue, Colin Rodrigues, and the corporate team at Hawkins Hatton have also carried out important due diligence on a number of potential business targets, as Simon explained.

“By identifying weaknesses as part of the due diligence exercise in some of the businesses we had targeted, Hawkins Hatton provided commercial advice and prevented what would have been potentially damaging acquisitions ever seeing the light of day,” he said.

During what has been a challenging economic period for Electrum, Hawkins Hatton have provided legal input, which Simon described as “the sympathetic handling” of sensitive areas in a robust manner. Whilst in other areas, the property team have played a pivotal role in the purchase of a 7,000 sq. ft. premises in Wigston. The premises have since been totally refurbished to provide modern production plan office facilities.

Despite increased pressure on margins, Electrum Services is well placed to capitalise on future growth opportunities

and boasts an impressive client list which includes a number of multi-site blue chip retailers.

“Throughout the recession we have successfully retained customers, but we have had to look at ways of working smarter,” explained Simon. “There are opportunities for us to make a difference and one of our key challenges is to move the company from what was an historic engineering business to a more customer facing operation.”

With a new operations team in place the company has already brought about numerous efficiencies and is in talks to acquire a fire alarm and servicing business which will complement existing operations.

“Since their involvement in the MBO Hawkins Hatton have continued to provide valuable commercial advice and they will certainly be an integral part of the next deal,” said Simon. “They have a tremendous understanding of our business and where we want to get to and the personal engagement with partner Colin Rodrigues is one of the main driving forces of the relationship.”

Electrum Services has been providing world class electrical, air conditioning and mechanical services for more than a century. The company employs more than 100 staff, including a nationwide team of 80 mobile engineers, and provides a broad range of project management and installation services to clients in the retailing, food, leisure and commercial sectors.



Simon Jones (left), Electrum Services and Colin Rodrigues (right), our corporate partner.

HAWKINS HATTON ADVISE ON SALE OF MATERIALS HANDLING FIRM

We have advised on the sale of Abex, one of the Midlands leading forklift truck specialists.

The acquisition of Birmingham based Abex by Impact Handling, one of the UK’s largest independent materials handling firms, will strengthen the purchaser’s network coverage as the sole distributor of Cat Lift Trucks in the UK and Ireland.

Our corporate team, led by Colin Rodrigues, advised Martin Connop, the former managing director of Abex, and his fellow directors on all aspects of the sale including extensive due diligence, negotiations of the sale and purchase agreement and property reporting. Birmingham based accountancy firm Michael Dufty Partnership provided lead financial advice through Arran Jones.

Impact Handling’s latest acquisition for an undisclosed sum will provide a solid foundation for the company to grow into one of the UK’s largest industrial areas.

Commenting on the sale, Martin Connop said: “Abex is structured in a very similar way to other branches within Impact’s regional network so the obvious synergies made us a natural target for acquisition. As a well-established and respected name in the industry we will provide a stepping stone for Impact Handling to directly represent Caterpillar across the central belt of the UK which represents 75% of the fork lift truck market.”

Terry Kendrew, managing director of Impact Handling, said: “We couldn’t have found a business better suited to join our network and represent the Cat Lift Trucks brand. Like us Abex is focused on local engagement with customers in similar sectors and is backed by a skilled and experienced staff who can provide the full suite of sales, maintenance, parts and short-term rental services.”

“One of the key advantages for Abex customers will be our increased product range, speed of response and flexibility. As a national supplier we can provide access to significant stocks of new and used equipment, an extensive short-term rental fleet, plus in-house transport nationwide, which is often a key benefit for multi-sited customers,” added Terry Kendrew.

Established in 1966, Abex entered the forklift truck market in 1987. The 25 staff employed from its Cato Street premises, will remain in place to run the business, whilst Martin Connop and his wife Lyn, the company’s financial controller, will stay on for a transitional period.

Colin Rodrigues said: “We were delighted to play a key role in bringing this deal to fruition as it represents a good fit for all parties.”



Left to right, Martin Connop, former Managing Director of Abex, Colin Rodrigues, our corporate partner, Arran Jones, corporate finance advisor for Michael Dufty Partnership and Terry Kendrew, Managing Director, Impact Handling.

In This Issue

- Mediate Vs Litigate by Harminder Sandhu
- A Brighter Future for Drill Cut
- Commercial Advice makes lasting impression on business owner

MEDIATE VS LITIGATE BY HARMINDER SANDHU

In this article Harminder Sandhu, our managing partner, examines why mediation is often the preferred route for settling disputes.

Mediation is a well-established forum for dispute resolution and is especially effective where parties have become entrenched in their positions in a longstanding dispute or a dispute involving a personal business relationship or a dispute where there are a number of parties with varying interests.

Mediation is a dynamic process, which can achieve results beyond the parties' expectations and often beyond the scope of the Courts since unlike formal litigation mediation is not constrained by procedural rules and it is a process controlled solely by the parties involved.

Mediation has the advantage of being an entirely voluntary process, enabling parties to retain control of the decision to settle and/or the terms of settlement. It is conducted confidentially by an impartial third party (the mediator) who can be selected with specialist knowledge of the subject matter in dispute. In addition mediation offers flexibility with regard to timing, venue, format etc and the process can be tailored to meet the demands of the parties.

Our litigation department is a keen advocate of mediation and has successfully mediated several high value and complex multi party disputes in recent times. We have seen a sharp increase in our opponents' willingness to engage in mediation in respect of claims where there are no court proceedings imposing mediation. We suspect the change reflects the current economic climate and the greater emphasis on cost effective dispute resolution.

Once there are formal court proceedings, the Courts can of course impose costs sanction on any party who unreasonably refuses to mediate in the context of a formal claim. In deciding whether a refusal to mediate was reasonable, the Courts



Harminder Sandhu

will have regard to such factors as the nature of the dispute, the merits of the claim, the prospects of success at mediation and the cost of mediation. The Courts are keen to encourage all parties to consider whether mediation would be the appropriate forum at which to achieve resolution.

We find mediation is a particularly useful tool as as a means of enabling our clients to preserve on-going business relations and to resolve disputes swiftly and amicably in order our clients spend the least time and money possible dealing with disputes and focus instead on developing their businesses.

For further information or advice on any issues relating to mediation or dispute resolution, please contact Harminder Sandhu on **01384 216840** or **hsandhu@hawkinshatton.co.uk**

A BRIGHTER FUTURE FOR DRILL CUT

A brighter future has been secured for engineering firm Drill Cut following a pre-pack deal which resulted in the business being bought out of administration by its management team.

We acted for the shareholders, led by managing director Phil Goodfield, in overseeing the transaction which has secured employment for more than 50 staff.

Founded in 1986, Drill Cut, which is based in Bristol, carries out specialist cutting of highways and buildings using diamond edged circular saws.

Following the deal Phil Goodfield said the company was well placed to secure further orders within the construction and civil engineering sectors.

"We were very pleased with the high level support we received from the corporate team at Hawkins Hatton who demonstrated efficiency and professionalism in guiding us through the pre pack transaction," said Phil Goodfield. "Buying a business out of administration can be quite complex, but Hawkins Hatton was able to talk in a language we understood and kept us fully informed every step of the way."

Colin Rodrigues, our corporate partner, said: "Drill Cut is an established business and by reaching an agreement with the administrator we are pleased to be able to help the directors move forward on a positive basis."

We worked alongside David Whale from accountants MDP in structuring the acquisition.



Philip Goodfield, Drill Cut, Victoria Pearson, Hawkins Hatton