

Q1 2026

UK Private Company Director

Welcome to the April 2026 issue of UK Private Company Director, the quarterly newsletter for directors of owner-managed, family and private equity-backed businesses.

We cover financial, legal, tax and wealth management issues that are crucial to building and realising the value of your business. Corbett Keeling's report on deal activity in buying and selling UK companies offers clear insight into investor appetite and market sentiment.

As always, this issue tackles topics of relevance for directors of privately owned businesses in the UK:

- The Iran War and resulting energy shock may prompt some owners to sell their businesses. The good news: there are plenty of buyers out there with funds at their disposal (pages 2 to 3).
- With major new EU regulations on product liability coming into force later this year, any business selling into the EU market should consider the potential implications (page 4).
- Many business owners channel all their efforts into building their business, but that should not be at the expense of planning for your own financial future, particularly your pension (page 5).

All the best,



Megan Peel, Editor



Finding certainty in an uncertain market

After a busy start to the year, events in the Middle East have cast a shadow over the economic outlook. As Jim Keeling of corporate finance advisor Corbett Keeling notes, this may lead some private company owners to wish to realise the value of their businesses.

At the start of the year, I highlighted the new, more purposeful tone to the market. Business owners were more open to a conversation, and buyers – private equity firms in particular – were actively looking for opportunities to put their money to work after a challenging 2025. We were busy ourselves, and we saw plenty of signs of activity all around us.

Then came the US-Israeli attacks on Iran, and Iran’s attacks on its neighbours. With the Strait of Hormuz effectively closed to Western shipping and energy prices rocketing, the economic outlook changed abruptly. The interest rate cuts that had been expected in the UK have been put on hold, and forecasts for GDP growth have been revised downwards, with the UK predicted to be among the worst hit.

So far, so gloomy. The market has suffered a series of shocks in recent years – Brexit, the pandemic, the Ukraine War and the ‘Liberation Day’ tariffs – and every time, we found a way through. But will we now?

On the positive side of the ledger, private equity firms have \$1.7 trillion globally of dry powder to take advantage of the

right opportunities. For owners still absorbing the impact of last year’s Budget, that appetite is worth noting. At the same time, mid-market businesses appear to offer increasingly good value, and the weakness of sterling is attracting the interest of overseas buyers. Moreover, geopolitical disruption is creating not just losers but winners as well. Some of the winners are obvious, such as the defence, cybersecurity and renewable energy sectors. Others are less so – for instance, professional services firms. All are finding strong buyer appetite.

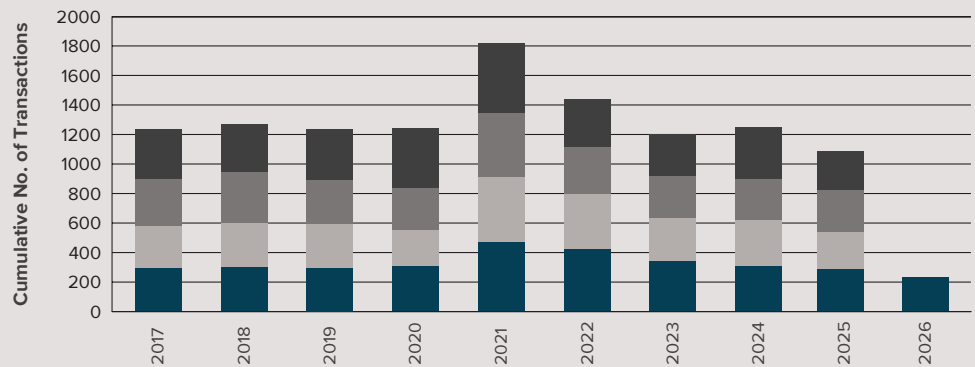
So, if you own a business and are worried about the apparently incessant challenges, now might just be an excellent time to start planning for a sale. The deal data bears this out – activity at the upper end of the market reached its highest quarterly value since 2020, and our latest survey shows that more than 70% of buyers remain undeterred by geopolitical uncertainty. You may have spent decades building a business. The value you have created is real. In this uncertain world, finding the right buyer to give you an exit while preserving the business you’ve built can give you the certainty you want.

Assessing the deal data

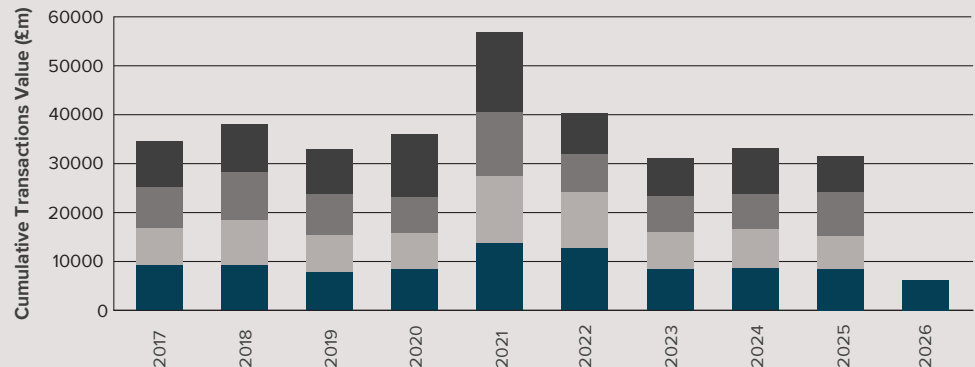
Smaller deals (enterprise value under £150 million): Volume eased modestly in Q1, with 230 transactions completing against 263 in the previous quarter, and total deal value moving from £7.2 billion to £6.2 billion.

The slight cooling is notable but not alarming – the underlying level of activity remains solid, and appetite from buyers has not meaningfully retreated.

Sub £150m Transactions by Volume in the UK



Sub £150m Transactions by Value in the UK



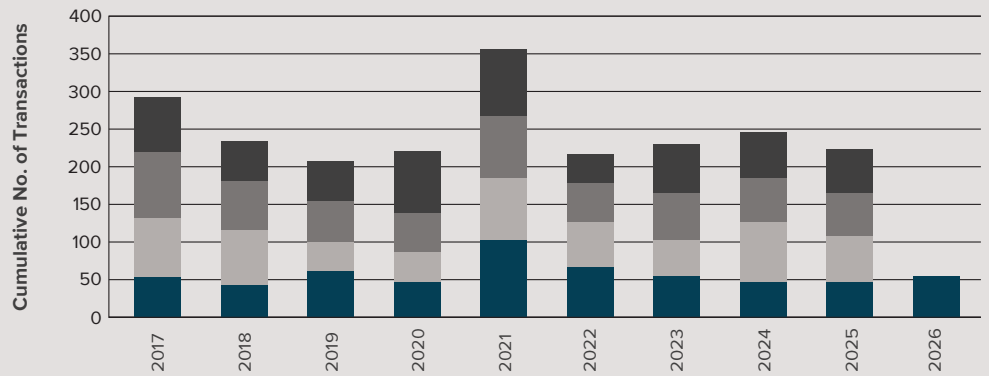
Key:
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Data source: PitchBook.
 Data as at 31 March 2026.

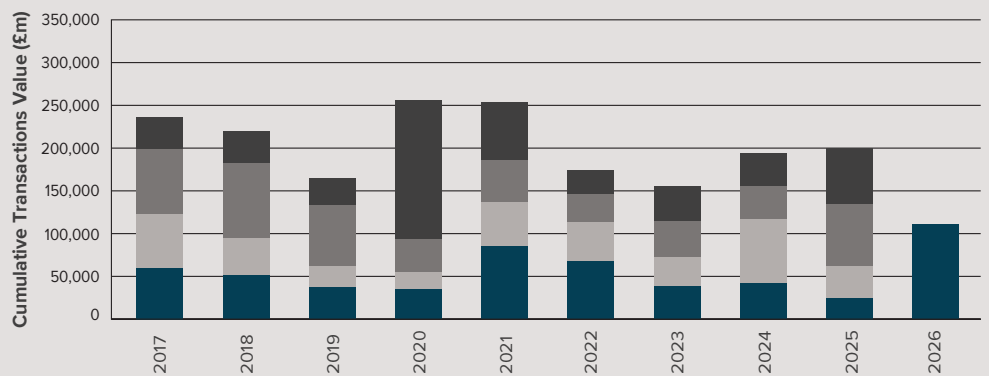
Larger deals (enterprise value over £150 million): The headline figure here is striking. While volume held broadly steady at 55 transactions, combined deal value surged from £65.1 billion to £110.4 billion – the strongest quarterly total since late 2020.

Much of that reflects McCormick’s £33.6 billion acquisition of Unilever Foods, but even setting that aside, the trend at the upper end of the market is firmly positive.

£150m+ Transactions by Volume in the UK



£150m+ Transactions by Value in the UK



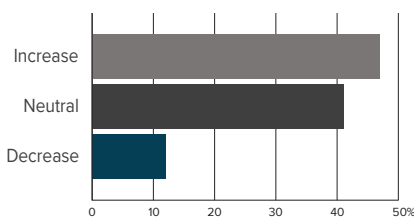
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So what does our latest survey suggest?

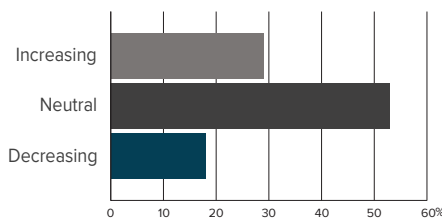
Regional instability and the conflict in Iran have inevitably weighed on sentiment. However, our latest survey reveals that respondents remain broadly positive on deal activity, despite the tougher credit environment.

1 Do you expect deal volumes to increase or decrease?



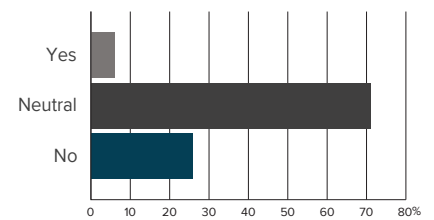
Cautious optimism is gaining ground. The proportion of respondents expecting deal volumes to rise climbed from 33% to 47% over the quarter – a meaningful shift. Those anticipating a decline edged up from 8% to 12%, but remain a small minority. The dominant mood is one of measured confidence rather than anxiety.

2 Is debt availability increasing, decreasing or neutral?



The energy shock has fed through to the credit markets. The proportion of respondents reporting improving debt availability fell sharply, from 50% last quarter to 29%, while those seeing conditions tighten rose from 8% to 18%. Financing a deal is perceived as harder than it was three months ago. That said, the majority still report conditions as broadly neutral.

3 Has geopolitical uncertainty, particularly relating to the Middle East, decreased your appetite to making investments?



The most telling finding in the survey. Despite the severity of events in the region, just under one tenth of respondents said geopolitical uncertainty had reduced their appetite to invest. More than 70% were neutral. For owners weighing whether now is the right time to sell, that matters.

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The Product Liability Directive: what UK businesses need to know

A significant shift in European product liability law takes effect in December 2026. As Ozan Akyurek of Jones Day explains, if your business sells into the EU – whether physical goods or software – the implications could be considerable.

On 23 October 2024, the European Union published Directive 2024/2853 on liability for defective products (the PLD), replacing Directive 85/374/EEC, which has governed product liability across Europe for the past 40 years. All EU member states must implement the PLD by 9 December 2026.

What is changing

The PLD modernises the legal framework to reflect the realities of today's economy: digital products, artificial intelligence and increasingly globalised supply chains. Its procedural rules are strongly weighted in favour of claimants.

Under the PLD, claimants may request disclosure of evidence when their claim appears merely “plausible.” In certain circumstances, they will not need to prove that a product is defective or caused actual damage. For example: where a defendant fails to comply with a disclosure order; where damage results from an obvious product malfunction; where mandatory safety requirements have not been met; or where technical complexity makes proof very hard to establish.

Other key changes include:

- An expanded definition of “product” to cover digital manufacturing files and software
- Extended liability to importers
- Removal of the €500 minimum threshold for property damage claims
- A new 25-year statute of limitations for personal injuries with slow-emerging symptoms

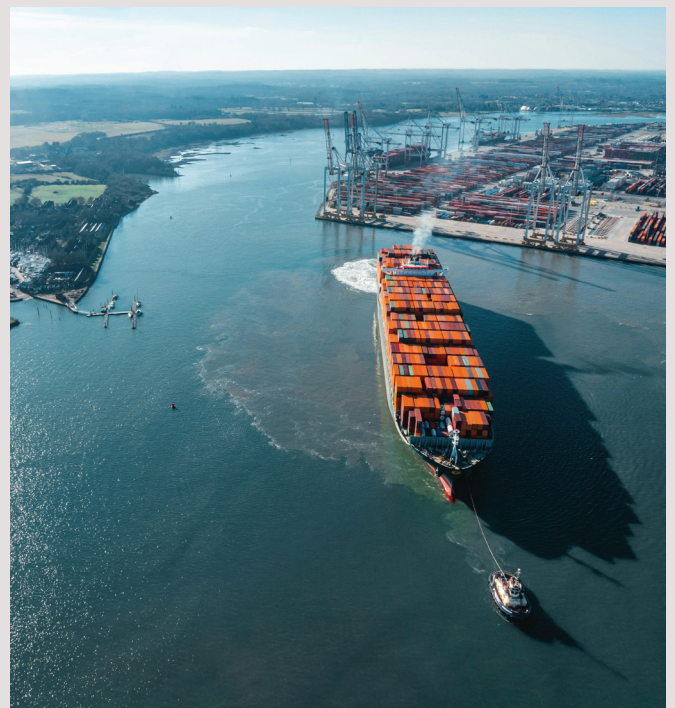
Why this matters now

The PLD applies only to products placed on the EU market or put into service from 9 December 2026. Until then, Directive 85/374/EEC remains in force, and the two regimes will coexist for some time.

The practical consequences are significant. Combined with new collective redress mechanisms under the Representative Actions Directive and the growing role of third-party litigation funding, these changes are expected to drive a substantial increase in product liability claims across Europe. Manufacturers and importers could face greater pressure to settle – including potentially weak claims – simply to avoid the cost and burden of disclosure obligations and litigation.

What to do

If you sell physical goods or software into the EU market, this is the time to act. Review your risk management practices, technical documentation and litigation strategies. And if you are in any doubt about your exposure, take legal advice before the deadline arrives.



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The views and opinions set forth herein are the personal views or opinions of the author; they do not necessarily reflect views or opinions of the law firm with which he is associated.



Retirement planning for business owners

Your company may be your pension. But, as Samantha Brown and Gavin Smith of RBC Wealth Management explain, there are other retirement planning strategies to consider.

Business owners often devote most of their time and energy to securing their companies' futures, but can neglect their own financial futures in the process.

"Business owners tend to pride themselves on being in control, but often overlook personal wealth planning," says Samantha Brown, Senior Director at RBC Wealth Management. "For most business owners, their company is their pension – they are totally reliant on its sale to fund their retirement."

While selling might be viable, those without a clear wealth plan could find themselves working longer or living more frugally than hoped. The prudent advice is to prepare well in advance.

Plan for a future beyond the business

Retirement may be unexpected – prompted by family, business events or health reasons. This uncertainty makes early planning essential. Income needs can increase during early retirement as people want to travel while still physically active.

"It's about structuring your assets so they pay for the lifestyle you want," says Gavin Smith, Director at RBC Wealth Management. Business owners should set up their own pension plan, just as they would for employees.

"Many business owners are financially well-off and don't think they need pension benefits. But they can use them to help their family," says Smith. "It's wise to have at least two options: the business and a pension on the side."

Within a family business, selling isn't always an option. You might transfer the company to a child or family member, retaining shares or drawing income as a consultant. But not all children want to continue, triggering conversations around wealth transfer and succession planning.

The information provided should not be mistaken for formal planning advice; it is imperative that you seek relevant advice for your own personal circumstances. RBC do not provide tax or legal advice and we would recommend that you seek appropriate advice in these areas. Rates of tax will be based on individual circumstance and tax rules are subject to change. The value of investments, and any income from them, can fall and you may get back less than you invested. Information is provided only as an example and is not a recommendation to pursue a particular strategy.

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Make use of all your planning options

Retirement planning means taking a holistic view of your financial affairs. These three questions are worth reflecting on:

- Will my assets provide the income I need for my desired lifestyle?
- Do I need higher investment risk than anticipated?
- How can I pass remaining assets to beneficiaries efficiently?

Brown likens it to orienteering: starting with where you are now, thinking about where you want to be when you stop working, and determining the essential stops along the way.

Take full advantage of available wrappers and allowances, starting with pensions and ISAs. Additional higher-risk options include the Enterprise Investment Scheme, Venture Capital Trusts and property investments.

Spreading wealth across different vehicles provides diversification, but the real advantage is accessing each at different times to provide income when needed. "It's about knowing which taps to open and when," says Brown.

Leaving a legacy

Planning for life after work isn't simply about covering living costs. For many, it means leaving a legacy – to the next generation, to charity or to both.

"The reality is you often have more than enough money to fund retirement, so the real question is what you want to pass to your children and whether you want to support causes you're passionate about," says Smith.

Whether you are growing your business, preparing for an exit or planning your post-sale future, the message is consistent: seek advice early and plan with the same rigour you bring to your business.

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