

# Stanley Davis

## An update from Stanley Davis Group Limited

**Issue 11: Company formations, company searches, property searches, Home Information Packs, offshore companies, company support services**

*Happy New Year to all our readers and clients.  
The experts say there are hard times ahead in 2009, but every  
situation brings new opportunities.  
We wish you every success in finding the right opportunity.*

### Late filing penalties

Substantial increases to Companies House late filing penalties are to take effect from 1 February 2009. Penalties were introduced in 1992 and have led to a more up-to-date register. Before penalties fewer than 60% of companies filed on time. This improved to 86% after penalties came in but that figure is now declining. The government feels that it is time to revise the charges to take account of inflation over the years. The penalty bands have also been revised so that whereas currently the first penalty arises for a three month period of lateness, this will be shortened to just one month. For the first time a double penalty is being introduced for repeat offenders. The revenue generated from penalties is well over £3m per year. This could increase to over £5m.

Directors are urged to make sure that accounts are filed on time. Companies House has no discretion to make special cases for dormant companies, or for not-for-profit companies, and there is no point in blaming the post. In the last report of the Companies House Adjudicator it is interesting to note that of 35 appeals against late filing penalties only one was upheld due to very exceptional circumstances. All 9 appeals on grounds of postal delays were rejected!

### Notice periods

The Department of Business Enterprise and Regulatory Reform has advised listed companies that if they wish to retain their current 14 day notice period for AGMs they may do so by including an enabling resolution in their next AGM agenda. As reported in issue 9, the EU Shareholder Rights Directive stipulates a 21 day notice period for all listed companies from August 2009. There is an opt out option however, if a company has approved a shorter period by resolution in general meeting and if the company can offer the facility for shareholders to vote by electronic means accessible to all shareholders. The precise meaning of electronic voting is yet to be determined but companies are advised to pass the enabling resolution at their next AGM to check if they can comply with it after the final regulations have been laid.

### Documents for use overseas

If you are trading abroad or registering in an overseas country the chances are that you will need extra documentation to satisfy the authorities that you are genuinely

registered in the UK. What you need will vary country by country. Whatever your requirements Stanley Davis can help by:

Obtaining a Certificate of Good Standing – this is issued by Companies House and confirms that your company is properly registered. The certificate can also include names of directors and shareholders if required

Obtaining certified copies of any document – for example your memorandum and articles certified by the Registrar of Companies as true copies of what is on file

Translation of documents

Legalisation of documents - Legalisation is a confirmation that the signature, seal or stamp of a public official or notary public on a document is genuine. For countries signed up to the Hague Convention, a government apostille (legalisation certificate) is normally sufficient. For those countries not a party to the Hague Convention, the document has to be legalised additionally by the consulate of the relevant country.

## **New form of Charity on its way**

A consultation paper has been published to finalise some key details of the forthcoming new Charitable Incorporated Organisation (CIO) framework for charities. The CIO is intended to be a simple and attractive format for smaller charities who require a legal framework. At present an incorporated charity must register with Companies House and with the Charity Commissioners but under the new framework only one registration is required. The [CIO consultation](#) ran until 10 December 2008 with a view to implementation some time in 2009.

## **Question and Answers**

Q. What are the audit requirements for charities now?

A. *Trustees should be aware that changes took place affecting accounting periods commencing on or after 1 April 2008. Charities with a gross income of between £10,000 and £500,000 must have an independent examination of their accounts. An audit is required if gross income exceeds £500,000; or total assets (before liabilities) exceed £2.8 million and gross income exceeds £100,000.*

Q. What does 'independent examiner' mean?

A. *An independent examiner is "an independent person who is reasonably believed by the charity trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts". So the person need not be a qualified accountant but once a charity's gross income exceeds £250,000, the examiner must be a person who is a member of one of the following bodies:*

- *Institute of Chartered Accountants in England and Wales*
- *Institute of Chartered Accountants of Scotland*
- *Institute of Chartered Accountants in Ireland*
- *Association of Chartered Certified Accountants*
- *Association of Authorised Public Accountants*
- *Association of Accounting Technicians*
- *Association of International Accountants*
- *Chartered Institute of Management Accountants*
- *Institute of Chartered Secretaries and Administrators*
- *Chartered Institute of Public Finance and Accountancy*

- *Fellow of the Association of Charity Independent Examiners*

Q. Under the new objections to company names rules, can you object to a company formed before 1 October 2008.

A. Yes, *the rules apply retrospectively..*

Q. Can I include shareholders' addresses on an annual return?

A. *Only if your company has been traded on a recognised stock exchange at any time during the period of the return. Private companies must not include addresses.*

*Companies House will reject any annual returns that contain addresses.*

*Do you have any questions on company secretarial practice? Email us for an answer from our Chartered Secretaries.*

***Stanley Davis has specialised in company and property services for over 40 years. Details of our full range of services can be viewed at [www.stanleydavis.co.uk](http://www.stanleydavis.co.uk) or email [info@stanleydavis.co.uk](mailto:info@stanleydavis.co.uk)***

***To unsubscribe from this email newsletter please email [marketing@stanleydavis.co.uk](mailto:marketing@stanleydavis.co.uk) with the word 'Unsubscribe' in the subject line.***