

An Update from Stanley Davis Group

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No VAT increase for formation packages

It may seem a little late but we would like to finally take the opportunity of wishing a Happy New Year to all our clients. 2011 looks like it will be a busy year for us as the government looks to small companies and entrepreneurs to revive the economy. Company incorporation numbers were up in 2010 by about 12% on 2009 and this trend looks set to continue. In addition the British Bankers Association say that around 570,000 business bank accounts were set up last year compared to an average 549,000 in each of the previous 3 years.

Despite increased costs and the new VAT rate, we are doing all we can to help new business by holding our package prices. We also offer a bank account opening service with £40 cashback. For full details of our prices, please see our website – www.stanleydavis.co.uk and click on formations.

Companies House Statistics

Figures for December 2010 show

Number of companies on register at end of month (whole of United Kingdom, private and public)	2,652,176
Number of companies on register at start of month	2,640,105
Number of LLPs	44,292
Total dissolutions	29,038

In the month of December 6.1% more companies were incorporated than in December 2009.

There were 14,010 penalties imposed for late filing at a total value of £6 million. In this financial year the total value of penalties is £68.4 million.

Directors and Officers Liability Insurance

Does your company have insurance in place to cover possibly liabilities of directors and senior officers? If not, it's a subject that merits consideration.

A director has a duty to act with care and skill which is generally measured as the same level of professionalism that a reasonably competent provider of the services would have used. When a director delegates, that director must ensure that he delegates to a competent person. Directors also have a fiduciary duty to the company and must act in good faith and in the best interests of the company as a whole. They must also avoid a conflict of interest or if they do, that it is reported to the other directors. In addition to the duties set out in the Companies Act 2006, directors and officers are

bound to act in line with other statutes, e.g. Health and Safety at Work Act, Insolvency Act, Financial Services Act etc.

Claims can arise if a director is perceived to have failed in his or her duties and may come from a number of third parties: employees, shareholders, suppliers, customers, regulatory bodies, auditors, creditors, liquidators/administrators. For example, if there is an accident in the workplace the Health and Safety Executive may find that one or all of the directors has been negligent. In a takeover situation, if, following the acquisition, the acquirer finds errors in the company accounts, the directors may be sued for misrepresentation.

Directors and Officers Liability Insurance cover protects companies' directors, officers and senior managers against claims arising from their decisions and actions taken whilst managing their business.

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, or please email us at info@stanleydavis.co.uk.

We look forward to hearing from you.

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