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Stanley Davis

journal

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Dentists take a big bite

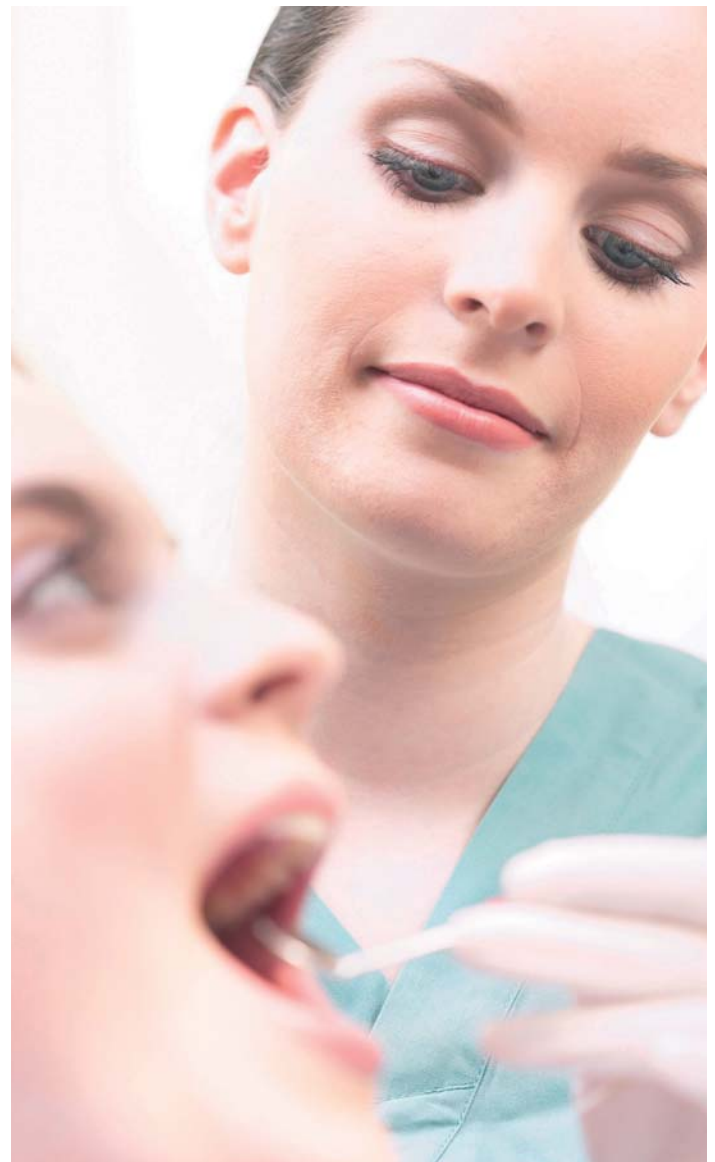
New legislation that came into force on 31 July 2006 means that dental practices can now take advantage of the route of an incorporated vehicle

With the right guidance the process of incorporation is straightforward. However, it is imperative that dental practices research all the options now available to them and consider the most appropriate. There is no one size fits all answer so obtaining professional advice at an early stage is imperative.

There are many key benefits including the prize of limited liability, being able to have non-GDC registered business partners for the first time, plus the opportunity for great tax savings.

Key benefits can include:

- Limited liability
- Substantial tax savings
- The potential to transfer in the goodwill and value of the patient list to obtain a tax free lump sum
- People who are non-GDC registered, such as business partners or family members, can now have shares in the practice so there is now the possibility for income to be split
- The practice will have a better structure and succession planning becomes easier
- Limited liability so personal assets are safeguarded
- The practice has longevity and can be passed to new practitioners who come and go which eliminates the need to dissolve and reconstitute the partnership



If you wish to receive more information on the incorporation of dental practices for your clients, please email marketing@stanleydavis.co.uk



Ach Ja! UK limited companies proving successful in Germany

A growing number of German owner-managers are adopting the UK limited company as a legal shell for their small and medium-sized companies. A recent decision by the European Court of Justice could turn the emerging trend into a problem for German lawmakers.

A year ago the Court ruled that a company doing business only in Germany could not be denied the right to incorporate itself in the UK. Last month it decided that the Dutch government could not impose capital and publicity requirements on a limited company with headquarters in the Netherlands. In theory this means that entrepreneurs seeking to set up in any European country can use the legal entities that best suit them. In practice it means that German entrepreneurs wanting to limit their personal liability can set up a Ltd company rather than a GmbH.

The main attraction of the British model is that it does not carry a minimum equity requirement while the GmbH – short for Gesellschaft mit beschränkter Haftung, or limited liability company – must have at least €25,000.

Other advantages include lighter bureaucracy, with registration taking an average of only 6 hours in the UK compared with more than a month in Germany. Registration costs are also up to 30 times higher in Germany. Those prepared to move their domiciles, and that of their companies, to the UK, can also look forward to tax savings.

The European Court of Justice's latest decision has



also been causing a stir because of its impact on employees. There is concern among union and government officials that some large companies may use the ruling to circumvent the rules giving German employees a big say in management decisions. So-called shop floor co-determination – the rule forcing companies with more than 5 employees to set up a Workers Council – applies on German soil to German and foreign companies.

But foreign businesses are exempt from “corporate” co-determination, whereby those with more than 500 employees must staff at least a third of their supervisory boards with elected workers’ representatives.

Registering a company, which in some areas of Germany has hardly evolved in 100 years, should be made easier. Until then the UK will remain the jurisdiction of choice.

Saving time and money with company searches

Whether you prefer to do your company searches in-house or outsource, Stanley Davis can help you save time and money in both scenarios.

Searches on companies are required for litigation, company mergers and acquisitions, marketing, competitor research, conveyancing, insolvency and other purposes. Therefore the range of searches that we provide is quite wide; as well as company searches, we can carry out credit searches, death, birth and marriage certificate searches, searches for certificates of good standing, wills and probate searches, chancel repair searches and Friendly Society reports.

Searches can be carried out in two ways:

1. Save money by using Companies House Direct – but via www.stanleydavis.co.uk
2. Save time by using Stanley Davis Direct



Stanley Davis CHD

By logging on to www.stanleydavis.co.uk you can access Companies House Direct to enable you to download the company documents you need. The benefits of using Stanley Davis to access CHD are:

- No registration charge to Stanley Davis or Companies House Direct for user accounts
- No monthly subscription
- Unlimited number of free user accounts available

- You only pay what Companies House charges - nothing else
- Easier accounts reconciliation
- Simple to use
- Cost effective way for single documents
- Access to Stanley Davis Direct if you would like us to do the search for you

Stanley Davis Direct

To assist you to interpret relevant data we produce an extensive range of services including professional reports for our own clients. We can provide searches ranging from summary only, to full searches with a copy of the latest accounts, as well as archive information on microfiche.

We also supply conveyancing, liquidation and registered office searches for litigators. Additional search criteria may include trademarks, bankruptcy, county

court judgments, status reports and information regarding overseas companies.

Our service is fast, accurate and confidential. This is because we appreciate your deadlines and information requirements. Searches received before 3pm are normally dispatched the same day. For urgent matters, our premium service completes the report within 75 minutes.

- We act as a filter before you get the information, checking for

discrepancies in the data, illegibility, incorrect or missing documents

- We take the responsibility for getting your searches right
- We carry out searches at all the main registries
- We have in place Professional Indemnity Insurance of £5,000,000

For further information please call Susan Yew on 020 7554 2230

Company Law Reform – Update & Timetable

Massive changes in company law are almost upon us with Royal Assent expected this autumn and it is important that advisers, directors, shareholders and auditors understand these key changes and their impact.

The Government has indicated several objectives of the new reforms. These are:

1. Enlightened shareholder value and a long term investment culture
2. Tighter regulation
3. Make it easier to set up and run a company
4. More flexibility

The question of transitional provisions is going to be very important. The reforms are so extensive that existing companies will need to review their constitutions and setup to make sure that they are not adversely affected by the changes. Areas to watch are:

AGM's - Some company articles restate the need to have an AGM. Will they still need to hold one or will the Bill override the requirement? Many companies have articles assuming that an AGM will be held, for example for retirement by rotation of directors. The company may need to consider tidying up the articles to remove any room for doubt.

Alterations to share capital - The DTI is proposing that existing companies should continue to have the same restrictions. The alternative is to allow existing companies complete freedom as with new companies but if this option is chosen companies will need to review their articles to ensure that the necessary restrictions are included.

Main objects clause - For an existing company, the contents of the memorandum will be deemed to be provisions of the articles. Companies that wish to have total freedom could consider adopting new articles with no provisions as regards objects. Many companies (charities, CICs etc) will still need to state their objects explicitly in the articles.

Entrenched Provisions - The DTI are considering two possible ways of dealing with the matter: either making all absolute entrenchments conditional, or leaving them as absolute and with no way of alteration during the company's life. Companies with such provisions will need to keep an eye on developments.

We will be keeping abreast of all changes and will be pleased to review any constitutions that may need changing. Contact david.kaye@stanleydavis.co.uk if you have any questions.



The Advantages of the UK as a Tax Jurisdiction

Stanley Davis recently hosted a breakfast seminar for existing and new clients at the Hotel Royal in the beautiful city of Luxembourg. The event was well attended and very well received. After a short introduction from our Chief Executive Andrew Davis, International Tax Consultant, Emilio Scintu gave a presentation outlining why the UK is so advantageous as a jurisdiction for tax purposes.

Emilio started with the advantages of UK holding companies. The UK is a reputable jurisdiction, there is no minimum paid up share capital for a limited company (£12,500 for a PLC), companies are quick to incorporate in the UK and there is no capital duty on any share capital issued. Not only that, but the UK has a large number of double tax treaties, there is no withholding tax on dividend distributions, and there is no capital gains tax on the sale of shares in a UK holding company by foreign shareholders, providing certain requirements are met. Emilio went into those requirements in detail.

The presentation then went into the tax aspects of holding companies, and how under certain

conditions UK holding companies in receipt of dividends from foreign companies could be entitled to relief from foreign withholding taxes applicable to that income. Five different examples were shown and discussed.

Finally Emilio presented different trading structures in which UK companies are frequently used, including using UK companies as part of an agency structure and using UK companies as principals.

The seminar was very successful and we will be holding similar events in other European locations in the not too distant future.

To receive a copy of the presentation, please email andrew.davis@stanleydavis.co.uk

Sdg online maintenance

Stanley Davis offers clients the opportunity to have their company secretarial duties managed by our professional team of Chartered Secretaries. We maintain clients' company records, deal with corporate restructuring, confirm and prepare annual returns and file audited accounts, so that your company records are up-to-date and comply with all statutory requirements.

From time to time however, clients have told us that it would be beneficial to view the data that we manage on their behalf, for example, when meeting with their own clients. As an extension of our Company Secretarial services, Stanley Davis is delighted to announce the arrival of SdgNOW!, the service whereby clients can access their own company information on-line. At the click of a button, all the data managed by us, from a new incorporation to identifying the company officers to viewing an annual return, can instantly be available to you.

To find out more about SdgNOW! call Shital Mehta in our Secretarial department on 020 7554 2243.



Company formations – quick Q & A

Q. Is a company secretary required?

A. Yes. Stanley Davis Group can supply this service.

Q. Am I able to buy a company with a clean history?

A. Yes, Stanley Davis are able to offer a range of 'vintage' readymade companies.

Q. Are licenses required to start a company?

A. Yes, but only for certain specific groups such as banks or financial companies.

Q. How much does it cost to submit an annual return to Companies House myself?

A. £15.00 electronically or £30 using a paper based system. Stanley Davis Group are able to offer this service as part of an annual maintenance package.

Q. What types of companies can be formed in the UK?

A. There are many, however the most common types are:

- Private Limited Company (LTD)
- Public Limited Company (PLC)
- Company limited by guarantee (e.g.: charity)
- Unlimited Company
- Limited Liability Partnerships (LLP)

Q. Can proxies be appointed?

A. Yes, to act as representative at Annual General Meetings and/or Extraordinary General Meetings.

Q. What currency can my share capital be in?

A. Any, however the usual is pounds (£) sterling.

Q. Are there any special requirements regarding the company secretary?

A. No, not for a Ltd company. For a PLC the Secretary has to be qualified within the provision of section 286 of the Companies Act 1985, must be a member of a recognised UK professional body. Stanley Davis Group are able to supply this service.

Q. How long does it take to form a company?

A. By using the Stanley Davis online formations system you could have a company formed the same day.

Q. How can Stanley Davis help me?

A. On-line data entry only takes five minutes...

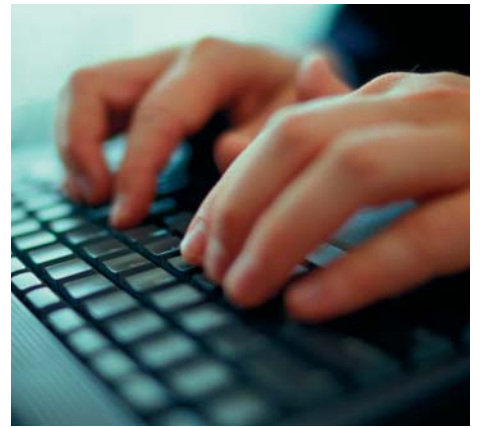
- Eformations allows you to form a basic company for only £30 +VAT – it's the least expensive way to form a company quickly
- Simple, quick and reliable
- A great, informative and easy-to-use website
- Fast delivery of everything – as promised

Q. What should I watch out for?

A. Check :

- the Memorandum does contain ancillary powers to the main objects
- the number of subscribers – only one needed
- Table A has been correctly modified to allow for current legislation.
- Duty has been paid on the stock transfer form
- Who has responsibility for filing of the incoming officers' details

All you do is go to www.stanleydavis.co.uk and fill in an online form. There are simple easy to follow instructions every step of the way. Within 3 - 4 hours, depending on Companies House – a Certificate of Incorporation is emailed to you. That's how quick and easy it is.



Database cleansing

If you would like to be removed from our database please let us know by emailing marketing@stanleydavis.co.uk

Similarly if you do not currently receive your own copy or know a colleague who would benefit from The Journal and would like to be added to the database please email us.

Win an iPod

In the months of November and December with every new online company formation request received we are offering you the chance to win a 4GB Apple Nano iPod.

To enter, simply go to our website www.stanleydavis.co.uk and enter your details and then proceed to instruct your company formation.

With every new online company formation instruction received you will be entered into a draw to WIN our iPod. The winner will be chosen at random on 31 December 2006.

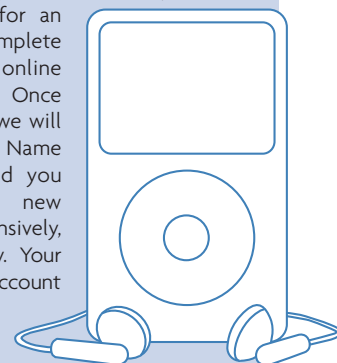
The sooner you register and form a company on-line, the sooner you'll save yourself money and have the chance of winning our iPod. Go to www.stanleydavis.co.uk and complete the simple online application form today.

The more instructions you send, the more chances you have to win!

If you do not have a Stanley Davis online User Account simply log onto www.stanleydavis.co.uk

Click on 'Apply for an Account' and complete the simple online registration form. Once you've done that we will email your User Name and Password and you can then form new companies inexpensively, quickly and easily. Your Eformations user account costs you nothing.

Good luck!



HIP development

We are delighted to announce the acquisition of HIP provider, Stratify Associates.

The new partnership provides us with direct and immediate resource to be a leading Home Information Pack provider and take a proactive position in the market place.

Stratify Associates was formed in 2004 with the specific aim of producing Home Information Packs. From the very beginning, the route to the property owner has been through the development of a niche group of independent partner suppliers, built on a similar ethos of delivering a professional service. The Stratify management team has built their careers in law, residential property, surveying

and corporate finance; professionalism and customer service is second to none.

Coupled with York Place, our sister company who specialise in fast, accurate, comprehensive and structured property searches, it will be a force to be reckoned with.

Announced and launched at October's national conveyancing exhibition PCS-Expo in London, two HIP options will be available.

Demonstrations are available. Please contact keith.gould@stanleydavis.co.uk for more information.

