

CorporateFocus

A FREE update for corporate professionals
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2012 – What's in store?

We take a look back at the legislative changes in 2011, some of which we're still feeling the effects of, and a sneak preview of what we can expect in the year ahead.

Some hoped for changes didn't materialise, namely those in relation to the statement of capital requirements. In our view it reduces the quality of the public register and for that reason alone should be addressed. We'd hoped also for some movement in relation to objections to misuse of an address as a registered office but although BIS had consulted on this, there is currently little that can be done.

However, there was still plenty to get to grips with.

Bribery Act

The Bribery Act 2010 came into force on 1 July and 2011 also saw the first prosecution in the UK under the new Act. Court clerk Munir Patel was jailed for accepting a bribe to keep a motoring offence from the court's database. It is disappointing that, as yet, we have no precedents on the approach that will be taken in relation to companies. That said, in December came the announcement of the appointment of David Green CB QC as the new Director of the Serious Fraud Office. With an impressive prosecution track record at the Inland Revenue, Green's appointment has prompted speculation that we might expect an even more robust approach when he takes up office in April.

Annual returns

New regulations came into force in October last year. The main change here updated the standard industry classification codes from four to five digit codes.

At the same time changes were made to disclosure provisions in relation to shareholders. For returns made up to 1 October 2011 or later, companies whose shares have not been admitted at any time to trading on a relevant market must provide a full list of all shareholders on the first annual return following incorporation and then on every third annual return. Transfers made in

the intervening periods will need to be reflected.

Company names

Companies House announced in September yet more changes to its company names examination policy. They will no longer accept documents containing minor variations or typographical errors. Some abbreviations will be accepted and they will also allow "The" to be omitted but only at the front of the name. Companies House has put together a list of abbreviations that they will continue to accept. Any others will be rejected.

New charitable corporate entities – England and Wales to follow Scotland

Since 1 April 2011 it has been possible to form a charitable incorporated organisation (CIO) in Scotland. From January of this year existing charitable companies in Scotland can convert to the new form.

The intention is to make life easier for smaller charities in particular. Appropriate legislation and regulations to enable these entities to be incorporated in England and Wales are expected in the spring. Previously in Scotland, and currently in England and Wales, charities wishing to limit their liability by becoming a corporate body must register as a company with Companies House. This means that they register with both the Charity Commission and Companies House (seen as dual regulation). The purpose of the new CIO is to reduce the administrative burden on charities by registering with a single body – the Charity Commission.

Liberalisation of the legal services market

Legislative changes made last year freed up the legal services market. The Solicitors Regulation Authority (SRA) began accepting applications from organisations wanting to be licensed as alternative business structures (ABS) after the New Year break. Would-be ABSs can expect the application to take up to

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JORDANS

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six months, although the SRA can grant a further three months extension so further checks can be made. Ann Morgan, who manages the SRA ABS team commented "...we have to be rigorous and robust – as robust as we are with traditional law firms".

Climate Change Act 1998

The Government has until April 2012 to either introduce legislation, requiring companies to record in their annual reports the level of greenhouse gas emissions they produce, or explain why it is not yet being introduced.

We'll also be watching with interest proposals to ease the burdens on small companies, following the BIS consultation and playing our part in the Government's Red-tape challenge. At the end of January there will be a three week period in which the Government will invite those who wish to see changes to company and commercial law to make their comments.

We'll be submitting our comments on a number of issues, including the statement of capital requirements. If they make life difficult for you, or you have other issues to raise you can have your say, at <http://www.redtapechallenge.cabinetoffice.gov.uk/company-and-commercial-law>

Already, there's plenty on the horizon that looks set to make 2012 an interesting year.

For a full round-up of recent Companies Act changes as well as a useful guide to the Bribery Act, you can listen to our podcasts.

[Bribery Act Podcast](#)

[Corporate Compliance Podcast](#)

For more information contact Kathleen O'Reilly, Jordans head of Internal Legal Services email kathleen.o'reilly@jordans.co.uk.

A new lead at Jordans



Jeremy Francis joined Jordans at the start of January as Senior Marketing Manager. He will lead planning and proposition development along with marketing communications to

promote all Jordans divisions as a unified offering.

Jeremy is a seasoned marketing professional specialising in strategy and marketing communications, with more than 15 years experience marketing to business and consumer audiences. He has worked for marketing & advertising agencies and blue chip companies such as Halifax and LloydsTSB.

Most recently, Jeremy was head of marketing at a national property group where he was responsible for an award winning brand awareness campaign and a major overhaul of the group website.

Before this, at global credit manager Atradius Jeremy had an international role where he successfully delivered campaigns across European markets. He was also responsible for launching the Atradius brand in emerging markets.

Email jeremy_francis@jordans.co.uk

VAT – proposed changes

All VAT returns will need to be filed online from April 2012.

Change too to Salary Sacrifice Schemes following the Court of Justice of the European Union (CJEU) judgement in the Astra Zeneca case. This concluded that the high street shopping vouchers provided by Astra Zeneca to employees as remuneration rather than salary are a supply for VAT purposes.

As a result, any vouchers supplied to employees will need to be included in your VAT return. This will include any cycle to work schemes.

Jordans complete a full VAT service from registration, to the completion of regular returns for HMRC. As part of this service Jordans will act as your tax agent for VAT and will provide advice on any unusual transactions that may occur in your business.

For more information contact
Claire Fletcher



email claire_fletcher@jordans.co.uk
or call 0117 918 1426.

Model articles vs. Jordans?

There has been much debate surrounding the benefits (or otherwise) of the Model Articles. We've compared them to Jordans standard articles for a private limited company and here are the results:

Provision for	Model Articles	Jordans articles
Alternate directors	No	Yes
How a secretary is appointed or removed from company	No	Yes
Nil or partly paid shares and all the consequential provisions—lien/forfeiture/ calls on shares etc.	No	Yes. There are consequential amendments in relation to share certificates, capitalisation of profits and dividends. Provision has been made for consolidation of shares as well
Termination of director's appointment if absent from directors' meetings for 6 months and the other directors agree that he should be removed	No	Yes
Conflicts of interest of directors	Yes	Jordans provide additional clarity.
Issue of shares and pre-emption	Yes	Jordans provisions are much clearer, providing pre-emption rights in relation to shares. Shares may be issued as nil, partly or fully paid
Written resolutions	No – see relevant sections of the Act	Yes – Jordans flag up where the relevant sections can be found and highlight that they cannot be used to remove a director or auditor
Notice of general meetings	No – see the Act	Yes – Jordans show where this can be found in the Act – section 311 etc.
Quorum at general meetings	No – see the Act (s318)	Yes. If there is a sole member this is one. Where there are two or more this is two.
Voting at general meetings	No – see the Act	Yes – on show of hands / on poll and also removes right to vote if shareholder has not paid any sums due to the company
Delivery of proxy notices	No – see the Act	Yes
Communications	No	Yes – useful for setting rules on when documents are deemed received by members via the different methods of delivery, etc.
Company seals	Only provides for one director to sign in the presence of a witness who must attest etc.	Jordans allow for all the possible variations as well i.e. two directors/ director and secretary as well as one director in front of witness etc.
Share transfers	Does not include statutory requirement to notify of reasons for refusal	Jordans do

More information: England and Wales contact Wendy Rees email wendy_rees@jordans.co.uk tel 0117 918 1344
Scotland contact Alastair Drysdale email alastair_drysdale@oswalds.co.uk tel 0131 200 7135.

www.jordans.co.uk

More information

For more information on the Jordans range of services please tick relevant boxes and complete the details below.

Then either post it back to FREEPOST BS2348 Jordans Limited
PO BOX 260 BRISTOL BS99 7BR

or fax it to 0117 923 0063. Alternatively please visit our website www.jordans.co.uk

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Your local contacts

England & Wales

Karen Bowley
Jordans Limited
T 0117 918 1393
E karen_bowley@jordans.co.uk

Mark Bevan
Jordans Limited
T 0207 400 3316
E mark_bevan@jordans.co.uk

Adrian Brown
Jordans Limited
T 0207 400 3304
E adrian_brown@jordans.co.uk

Daniel Stewart
Jordans Limited
T 0113 258 1583
E daniel_stewart@jordans.co.uk

Scotland, North East of England & Northern Ireland

Andrew Cockburn
Jordans Scotland Limited
(trading as Oswalds)
T 0131 557 6966
E andrew_cockburn@oswalds.co.uk

Registered Office
Jordans Limited
21 St Thomas Street
Bristol
England
BS1 6JS

Registered in England and Wales
under no. 865285.

VAT No: GB 137 4442 71

T +44 (0)117 923 0600

F +44 (0)117 923 0063

DX 78161 Bristol

E info@jordans.co.uk

W www.jordans.co.uk