



GEORGE DAVIES
SOLICITORS LLP

Autumn 2010

By

GEORGE

THE NEWSLETTER FROM GEORGE DAVIES SOLICITORS LLP

welcome



to the Autumn edition of *By George*.

We start with news of our new home at 1 New York Street. Although we are just around the corner from our old offices, our new look premises are a world apart from Fountain Court as you will see on your next visit to us. It's great that the whole firm is on one large floor and we are all looking forward to working in a more modern environment.

Also on the front we learn about Zahra Siddiqui's expedition up Kilimanjaro - good luck Zahra!

Over the page Kim Aucott provides some advice on asset disclosure on divorce, Caroline Hanratty updates us on how the property world is adapting to the new CRC scheme and Alan Lewis tells us about the Government's plan to axe the compulsory retirement age.

Zahra explains how our FREE Will Review Service works and Chris Ross looks at Family Businesses. Biju Augustin from our IT department is in the hot seat for meet the team.

On the back we welcome four new faces and we recognise five staff members for their long service to the firm. We also update you on our charitable exploits - all in a good cause!

I'm off to finish the unpacking!

Kind regards

Mark Hovell - Managing Partner

Start spreading the news...

After 25 years at Fountain Court we have upped sticks to a new home round the corner.

In a cost neutral move, we have exchanged the 15,000 square foot Fountain Street offices for state of the art floor space on the 8th Floor of Bruntwood's, 1 New York Street, one of the city's most architecturally renowned and modern buildings which has been shortlisted for the Chamber of Commerce Building of the Year award. Shrinking our overall space requirements by 6,000 square feet.

This is the culmination of a two year project, working with architects and space planners, designed to jettison underutilised space in order to embrace the more flexible way of working adopted by a number of our 86 staff.

The new floor space will also factor in future growth.

Managing Partner Mark Hovell commented "When the space planners told us that the combined square footage of our existing four floors in terms of common parts, meeting rooms, kitchens and staff facilities equated to a spare seat for every member of our staff, we really could not ignore it".

Their findings also showed that due to

- external client meetings
- training
- staff working flexibly
- holidays; and
- travelling

many of our workstations remained underused.

In addition we were determined to adopt fresh thinking about other operational needs such as storage and archiving. We want to be more eco-friendly and eventually strive for a paperless working environment.

All these facts and aims pointed to a move to premises which would allow flexible working all on one floor with the efficient use of less space in a more modern working environment.

The new building will allow for a large floor plate enabling better communication and co-ordination, flexible

and shared workstations and break out areas instead of dedicated meeting rooms.

Our new address details are 8th Floor, 1 New York Street, Manchester, M1 4HD. All telephone numbers and email addresses remain the same, and, more importantly, so do our hourly rates!



George Davies partners Mark Lockett, Mark Hovell and Jonathan Kay obscuring the view of 1 New York Street

Ain't no mountain high enough!

This month sees Zahra Siddiqui, a partner in our Wills and Trusts team attempt to climb Mount Kilimanjaro in eight days. It's all for a good cause - Zahra will be raising money for Derian House Children's Hospice, the charity that George Davies are supporting throughout 2010.

Derian House is based in Chorley and provides specialist care and support for children with life threatening or terminal illnesses and their families. It requires more than £1.7million

each year to run and is almost totally reliant on voluntary funding to raise this.

The total trek is just over 100km with an

overall height gain of 4405 metres. It will take Zahra six days to ascend and two days to descend. Zahra has set herself a fundraising target of £1,500 and is raising money via her Just Giving page - www.justgiving.com/ZahraSiddiqui if you wish to make a donation.



Zahra is on top of the world after her practice hike up Snowdon.

In addition to the climb Zahra has also arranged a Champagne fundraiser at RBS's Spinningfields office in Manchester city centre to help her reach her fundraising target.

The event is open to all and tickets are priced at just £20. If you would like further information please contact

Zahra on 0161 234 8862 or email zahrasiddiqui@georgedavies.co.uk. Please book as early as possible as places are limited.

Del Monte case makes it easier to conceal assets on divorce

Picture the scene, you are a wealthy businessman having set up in business 15 years ago selling inflatable bananas to Manchester City fans. You married young but you're not as happy as you used to be so you decide to split from your wife and start divorce proceedings. A few weeks later your soon-to-be ex drops in at your office and, when she's gone, you notice your briefcase and your laptop are missing. Your ex has been arguing about financial disclosure and has been convinced you are hiding your millions from her.

Or perhaps you are the soon-to-be ex. Your husband has sent through details of his fortune and, either he's been lying to you all these years or, he has hidden assets so as to appear penniless and do you out of what you are entitled to. You decide that enough is enough and nab his briefcase and laptop when he's not looking. You will find out his true value and claim what is rightfully yours.

In this scenario, if the wife learns of missing millions can this evidence be used in the divorce proceedings?

The Del Monte Case

That was the question the Courts had to answer in a recent case involving the multi million pound owner of Del Monte foods.

In that case, computer files showing the husband's true wealth had been obtained by the wife by illegal means. The Court had to decide whether these documents could be used as evidence. The Court decided in favour of the husband. The judges recognised that there "was a lack of candour" on the part of divorcing couples determined to conceal the true value of their assets but the solution was not for spouses to illegally obtain evidence. Instead, they should use the powers of the courts to obtain search and seizure orders, freezing injunctions and similar remedies.

Expense

The problem with these remedies are that they can be expensive to obtain so, unless the wife in our scenario is able to fund her legal costs to obtain a suitable remedy through the courts, it may be easier for the husband to conceal his true fortune in this case.

If you are about to start divorce proceedings or you are going through a divorce and need some advice on how this case affects you please contact Kim Aucott on 0161 234 8874 or email kimaucott@georgedavies.co.uk

Does the CRC scheme affect you?

You may recall we featured an article in our Autumn 2009 edition about the proposed Carbon Reduction Commitment Scheme (CRC for short). The CRC is now in place so we thought it was a good time to provide a quick update on it and on how the property industry is dealing with it.

What is it?

A new UK-wide mandatory emissions trading scheme which applies to large businesses and public sector organisations. It came into force on 1st April 2010.

Who does it apply to?

The Government estimates that it will apply to around 5,000 organisations, mainly those whose annual electricity bills are around £500,000+. These will include large retailers and offices, NHS Trusts, schools, private equity funds and utilities companies.

How will it affect property acquisitions?

For buyers that are participants in the CRC, the crucial issue is whether they will take over responsibility for the energy supplies to the property. If so, they will have to report on that consumption and buy allowances to cover the emissions. Such buyers will want to know:

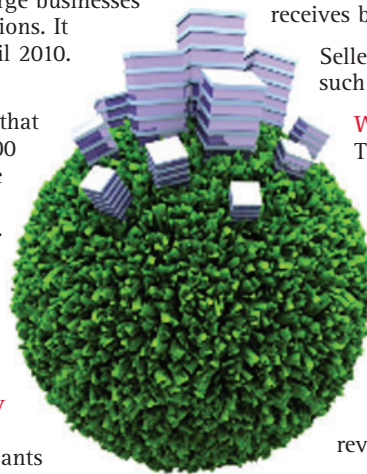
- What is the likely energy consumption in the property? A buyer will probably ask for figures for the past two years.
- Can they buy CRC allowances from the seller?
- What has been done to improve energy efficiency? What could still be done? This could affect the buyer's position in the CRC league table and therefore how much it receives by way of recycling payment.

Sellers need to be ready to respond to such enquiries.

What about leases?

The property industry is divided as to how the CRC should be dealt with in leases. There has been debate as to whether the CRC costs should be included in the normal service charge or whether landlords should run a separate CRC service charge. However, landlords do not want a CRC clause which could have a negative impact on rent review.

If you think the CRC could apply to you, you should seek specialist advice. Please contact Caroline Hanratty on 0161 234 8819 or email carolinehanratty@georgedavies.co.uk for further advice and to be put in touch with an appropriate consultant.



Phasing out the default retirement age

The Government has announced details of how it will remove the default retirement age (DRA) of 65. At present when an employee reaches 65 years old his/her employer can force the employee to retire.

However, the Government has argued that this discriminates against people on the grounds of age (although many believe the true reason for the proposed change is to alleviate the financial burden of retirees on the state).

Whatever the reason, the Government proposes to begin phasing out the DRA from April 2011.

What do employers need to know?

The key proposals are:

- Retirements under the DRA will cease completely on 1 October 2011 for most sectors and no new notices of intended retirement may be issued after 6 April 2011;
- Employers may still be able to compulsorily retire employees at 65 in some professions provided this can be objectively justified (e.g. manual or highly skilled roles where

performance can be linked to age such as police officers or air traffic controllers);

- Transitional arrangements will apply to retirements that have been notified before 6 April 2011 to take effect before 1 October 2011. Retirements notified before 6 April, but intended to take effect after 1 October, will not be valid (unless objectively justified).

Consultation

The Government consultation closes in October 2010. There are lots of issues to iron out during this consultation period including whether workers' benefits will continue if they choose to work beyond 65 and what happens to an employee's state pension if he/she chooses to continue working.

Action

If you are an employer you have a limited window to still use the forced retirement route but you need to act quickly if you wish to do this. Please contact Alan Lewis for further advice on 0161 234 8812 or email alanlewis@georgedavies.co.uk

Is it time for a review?

If you have made a Will but:

- it was made a number of years ago; or if
- your circumstances have changed since you made the Will (e.g. perhaps you have got married, divorced, or had children); or if
- you are not sure how the Will works e.g. who are the executors and what do they need to do; or if
- you are unsure that the Will you have made works in the way that you want it to,

then the George Davies **FREE** Will Review Service is for you.

We will review your Will and either meet with you to discuss it further or, if you prefer, produce a report outlining the key features and any matters that need attention - all completely free of charge!

An example

We reviewed a Will a gentleman had made with another solicitor. The solicitor who had drafted the Will hadn't given the client any advice or made any suggestions on the "structure" of the Will.

When we reviewed the Will we discovered:

- it was very basic and wholly inappropriate given his circumstances.
- the client owned shares in a private company but there was no provision in the Will to transfer the shares into a Trust leaving his wife with the ability to sell the shares and a potentially large tax bill for his children on her death.

So in our report we suggested an amendment to the structure of his Will which could substantially reduce the inheritance tax charge on the family estate.

Having read our report the gentleman and his wife came to see us, and we agreed a structure that resolved all of the above issues which means the family now stand to save thousands of pounds in inheritance tax. In addition, the structure that is in place looks at the longer term situation which means that the wealth that the gentleman has built up will stay within the family and will not go to ex-wives if his children were to divorce.

If you would like your Will reviewed for free please contact Zahra Siddiqui on 0161 234 8862 or email zahrasiddiqui@georgedavies.co.uk

Meet the Team



In each edition of By George we profile a member of the team at George Davies. In this edition we find out more about Biju Augustin, a systems software developer in our IT department.

- 1 What was your first ever job?**
I worked for a bank as a junior bookkeeper for 3 months
- 2 What was your most unusual job?**
Volunteered as security personnel for a parliament election (India) in 1992
- 3 What is the strangest question you have ever been asked at interview?**
Don't remember so I mustn't have been asked any strange ones!
- 4 What do you do at weekends?**
Play with my kids (aged 3 and 7) and, if I get time, do some home DIY
- 5 What was your worst work related experience?**
Worked in a factory for 2 nights to fix a company despatch system - it was dark and hot (around 38°C - no air conditioning!)
- 6 Where is your favourite holiday destination?**
I have not been to many places but I'd like to go to Austria to see the Alps.
- 7 Who is your role model?**
My father
- 8 What is in your CD player at the moment?**
Indian ghazals
- 9 What is the best aspect of your job?**
Gaining lots of valuable experience
- 10 If you were stranded on a desert island what one item would you most like to have with you?**
I'd love a Hummer so I can speed around on the sand - it'll stop me getting bored until I'm rescued!
- 11 What is your favourite children's book?**
Don't have a particular one but prefer classic stories
- 12 If you weren't a system software developer what would you be?**
A Sports person, I'm a keen footballer and I also like to play cricket.

Specialist advice for family businesses

According to the Institute of Family Business (IFB), family firms account for a huge 65% of private sector enterprises in the UK economy. This amounts to three million family businesses which provide jobs for 9.5 million people. This means that one in three people in the UK are employed in a family owned business.

But at a recent IFB conference Grant Gordon, the director general of the IFB, recognised that one of the factors preventing growth of many family firms is a failure of business advisors to understand the challenges to the sector.

It is essential that family businesses use trusted advisors who understand the sector and who can help plan strategies that are tailored to family businesses. This is where we can help.

Specialist advice

Chris Ross, a partner in our Company Commercial team, has a wealth of experience

advising family businesses, having advised numerous key family firms over the years including the San Rocco restaurant chain and Bents Garden Centre.

Chris has teamed up with leading family business advisors Steuer Gregsson to bring you an up to the minute seminar focusing on the legal and business issues currently facing family businesses.

The seminar will look at:

- How to structure the business
- The family constitution
- Giving shares to other family members
- Succession and passing the business on to the next generation and much more

The seminar is on Tuesday 2nd November 2010 at the De Vere Cheadle House Hotel in Cheadle, Cheshire. For further details or to book your place on this free seminar please contact Lisa Pearson on 0161 234 8855 or email lisapearson@georgedavies.co.uk



GEORGE DAVIES MOVERS & SHAKERS



L-R Sebastian Lang, Tina Wirth, Robin Charrot and Kelvin Parry

The Summer saw two new starters at George Davies; namely family lawyer Robin Charrot who has joined the firm as a partner and construction solicitor Kelvin Parry.

Robin arrives from Altrincham based Stowe Family Law and has a wealth of experience advising high net worth individuals on complex divorce matters and other family matters often involving company assets, trusts or international elements.

Kelvin who joins us from Halliwells LLP, spent 24 years working in the construction, engineering and energy sectors and has a number of engineering qualifications, before retraining as a solicitor in 1995. Kelvin specialises in mediations and adjudications in the construction arena, disputes in the Technical and Construction Court, defamation matters and general commercial litigation matters.

In addition to our new starters, we would like to officially welcome former trainee solicitors Tina Wirth and Sebastian Lang who have been offered positions with the Insolvency and Dispute Resolution teams following their qualification as solicitors this month.

Partner Chris Wilkinson, who is responsible for the recruitment of trainee solicitors commented "It is always pleasing to offer roles to our trainees on qualification. Both Tina and Seb have worked hard throughout their training contracts and have clearly demonstrated their abilities to us."

A warm welcome to you all!

Swot Spot!

Congratulations to trainee solicitors Gemma Mahon & Rebecca Nolan who both managed to score more than 90% on the Finance & Business module on the Professional Skills course; Joanne Frost who is one step closer to becoming a certified chartered accountant, passing two further modules in her ACCA exams; and Lindsey Farrelly who has passed her first module of the CIM professional certificate in marketing with distinction.

30 years and counting!

This year sees five staff members at George Davies complete 30 years (or in one case 33 years) of service.

General office administrator Carol Taylor, secretaries Margaret Gibson, Debbie Forrest, Joanne Pole and senior partner Anne Fairhurst all started at the firm when Mr George Davies was at the helm in 1980 (or in Debbie's case 1977!). Margaret Thatcher was just getting used to being at no. 10, Reagan was appointed president, John Lennon was assassinated and Kenny Rodgers, Blondie, ABBA and David Bowie all celebrated no. 1 hits.

When asked whether the firm has changed much in the last 30 years Margaret Gibson commented "Thankfully our current managing partner doesn't insist we call him Mr Hovell and there are a lot more female solicitors around now. We've seen a lot of the trainees progress to partners (including

Mark) and some from brunettes to grey (mentioning no names here!!)".

Incidentally partners John Hewison and Stephen McCann are set to celebrate 40 and 35 years of service respectively next year....watch this space for celebration details!



The "lifers" minus Anne Fairhurst, who was on holiday celebrating her 30 years service!

Congratulations Claire!

We sponsor an annual law prize at Manchester Business School which is awarded to the graduate who has performed outstandingly on the Employment Law Course.

This year's prize was awarded to Claire Wainwright, a graduate of the BSc Management Course. Claire was grateful to receive her cash prize from partner Stephen McCann.



Professor Michael Luger of Manchester Business School along with Claire Wainwright and Stephen McCann

Fundraising Events

We continue our fundraising efforts for Derian House, this year's nominated charity. To date we have raised over £5,000 and we are hoping to double that by the end of the year.

So what have we been up to? Well, the more sporting ones amongst us put on a charity 5-a-side tournament in July to help us reach our fundraising total. 18 teams entered with Securitas emerging as overall winners, defeating RSM Tenon 2-1 in the final.



The winning Securitas team with their trophies

The event raised over £2,000 - well done to all who took part!

We have a number of events planned over the coming months including a netball tournament, a quiz night, a murder

mystery event and a ladies pre Christmas shopping event at LK Bennett. For further details please contact Louise Robinson on 0161 234 8876 or email louiserobinson@georgedavies.co.uk

