

# GEORGE DAVIES MOVERS & SHAKERS

## An eye for an eye...

One of the most talked about news stories to appear in the press recently involved a doctor in the US demanding his pound of flesh from his estranged wife. The doctor, a heart surgeon, had donated a kidney to his wife in happier times for the couple. However, upon suspecting his wife's infidelity some years later, the husband demanded £1 million for the value of the kidney.

The story was both shocking and unpalatable in equal measures but has generated discussion and debate about the Court's powers to make financial orders on the breakdown of marriage and to what extent the wife's adultery might impact on a decision. On this side of the Atlantic, the Courts have a duty to consider the conduct of each of

the parties where it would otherwise be "unfair to disregard it". The Courts have unanimously decided that for conduct to have any impact on the outcome of a financial claim it has to be both "obvious and gross" and it is not the judge's job to pick over the events of a marriage to decide who was the more to blame for what went wrong.

So, would the doctor in the news story be able to rely on his wife's adultery as an extreme example of conduct to enhance his financial claims against her? The answer has to be no. Will he get his kidney back? Under US law, an organ donation is considered to be a gift and is not a marital asset so it is unlikely that his case will succeed!

## MTSG Appointments

Two of our trainee solicitors have been appointed to the Manchester Trainee Solicitors Group Committee. Lindsay Woolrych takes on the role of Ball Secretary whilst Rachael Mongan is the Secretary. Lindsay's responsibilities include arranging the largest social events in the committee's calendars, the Christmas and Summer balls which will each see around 400+ attendees.

Rachael will be busy working in conjunction with sponsors and graduate partners to attract new members to the Group and will be providing lots of assistance to the Chair in looking after the interests of the Group's 500 or so members. Best of luck ladies!



L to R: Rachael Mongan & Lindsay Woolrych

few to be accredited as a workplace mediator. Sara is keen to promote this service to other law firms (who will be conflicted from mediating workplace disputes for their own clients) and other professionals.

Joanne Frost, a legal cashier in our Accounts Department has been successful in her quest to become a qualified ACCA by passing her examination in Management Accounts. Joanne now

has 12 elements remaining to be examined on and is currently studying in order sit two more elements in June, namely Financial Accounts and Performance Management.

David Easdown, a solicitor in our Corporate Department, has become an Associate of the Securities & Investment Institute having gained his Certificate in Corporate Finance.



Our Senior Partner Anne Fairhurst has been sworn in as a Tribunal Judge in the Tribunal Service (First Tier) Social Entitlement Chamber. Anne presides over disability benefit matters in the North West.

Sara Barrett, an associate in our Employment Department has recently become one of a select

## Forthcoming Events

EVENT	DATE	VENUE	DETAILS	CONTACT
Elevation '09	30.04.09	The City of Manchester Stadium	Jointly hosted with Champion Consulting this year's conference will include a talk by Will Greenwood ex Rugby Union star. Please note that the event is a breakfast conference only this year.	Lisa Pearson on 0161 234 8855.
Managing Disputes and Conflict in the Workplace	13.05.09	HSBC plc, Spinning Fields, Manchester	Managers, directors and HR staff regularly deal with disputes and conflict. Dealing with such issues costs time and money and non compliance with the law is a dangerous and expensive game.	Elaine Smith on 0161 236 8992.
Employment Update	23.09.09	HSBC plc, Spinning Fields, Manchester	We will highlight some of the key employment legislative developments and cases occurring during 2009. We will also give a "heads up" for developments to look out for in 2010.	Elaine Smith on 0161 236 8992.
"MySpace, Your Money"	11.11.09	HSBC plc, Spinning Fields, Manchester	Internet and e-mail abuse in the workplace can prove extremely costly. internet activities are costing employers in terms of productivity and in exposing them to potential litigation and liability. Employers need to understand the importance of controlling and managing workers. An interactive workshop will highlight the problems posed by the MySpace generation and identify the tools required to address them.	Elaine Smith on 0161 236 8992.

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welcome  
to By George.



It has been a trying time for business over the last few months so I am pleased to begin with two pieces of good news; the firm's accreditation in Best Companies to Work For and our incredible fundraising effort for the Prince's Trust.

Inside this edition we'll look at ways to safeguard commercial rent and the benefits of registering land and property. Nicky Collins has a warning for tardy companies when it comes to filing accounts and Paul Horton has information on a new Will planning strategy which could help save thousands of pounds in inheritance tax. We also highlight changes in the guidance on childcare vouchers and Kim Aucott reviews an unusual divorce case from the other side of the pond.

We also have some congratulations to make and details of our forthcoming events too. As always, I hope you find this edition interesting and informative and if you have any comments or feedback please don't hesitate to contact me.

*Mark Hovell*

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Managing Partner  
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THE NEWSLETTER FROM GEORGE DAVIES SOLICITORS LLP

## Officially one of the Best Companies to work for!

We are pleased to report that George Davies achieved One Star Accreditation in this year's Best Companies To Work For survey.

This means that we are now ranked amongst organisations such as Pets at Home and Vodafone as well as AXA and a number of top London law firms, as a first class company to work for. In fact only six other law firms across the whole country were ranked higher than us.

The survey is based on ratings from all staff at George Davies on various matters from how much the firm gives back to the community to the day to day management of the firm and employees' personal growth and well being. Over 90% of our employees' submitted their views anonymously.

Managing Partner Mark Hovell attended the awards ceremony in London where he was presented with a rather impressive plaque which is now proudly displayed in our reception area!



Managing Partner Mark Hovell receiving our award at the Best Companies 2009 ceremony

## All in a good cause

You may recall that The Prince's Trust was our Charity of the year in 2008. It was our aim to raise £15,000 through sponsored events and enterprising projects organised by a number of staff who made up our charity committee.

The committee worked extremely hard and organised some highly entertaining events from football and netball tournaments to a balloon race and culminating in our very own GDFactor pop contest at the staff Christmas party! The hard work paid off and we managed to raise £15,247.20.

The money will help fund the continued good work of the North West region of The Prince's Trust which aims to support 5,000 young people in the coming year who are long term unemployed, living in or leaving care, have struggled at school or are in trouble with the law

The Committee, lead by Mark Jones in our Construction Department, were thanked at a special crinche's Trust.

This year Kim Aucott, head of our Family Department, takes over the reins as chair of the committee and the charities of choice are the Mustard Tree which is a Manchester based charity providing emergency food parcels and resources (blankets, clothing, furniture and learning resources) to the homeless and needy from premises in Ancoats and Derian House which is a children's hospice in Chorley providing palliative care and specialised support for children, teenagers and their families.

Kim and her fellow committee members are busy organising fundraising events which include a Wii tournament and a jail break! Watch this space for more details.



Representatives from the George Davies 2008 Charity Committee receiving our award from ex-Coronation Street star Shobna Gulati

## The Generation Game

Passing your estate on to your chosen beneficiaries in an appropriate and tax efficient manner can raise a number of issues. We have been developing a new Will planning strategy that provides a flexible structure and is extremely tax efficient.

### The Classic Structure

We will often suggest to our clients that they make Wills which provide for a Discretionary Trust to be set up in order to manage the family estate after they have gone. A Discretionary Trust provides complete flexibility. It will give the next generation long term tax saving opportunities and financial protection in the event of a divorce.

### The "Service Charge"

These long term benefits can only be secured if the Discretionary Trust is allowed to continue, and there is a price to pay – there is a recurring 6% inheritance tax (IHT) charge every 10 years after the Discretionary Trust starts – a "service charge". It is based on the value of the trust

assets on each 10 year anniversary. This is often seen as a price worth paying but with more substantial estates these tax charges (even at 6%) can be significant. The Discretionary Trust can be collapsed to avoid these charges but in most cases the long term benefits of the structure for the next generation and beyond are just too attractive.

### Avoiding the Service Charge

We have been working with one of the UK's top tax barristers in developing a structure whereby this 6% recurring IHT charge can be eliminated. Our clients can now establish an arrangement which is effectively free of any IHT charge for up to 80 years – a structure which can be passed down from generation to generation. It involves creating a carefully formatted series of Discretionary Trusts during lifetime into which the estate passes on death.

For further details or to arrange a personal quote please call Paul Horton on 0161 234 8863 or email paulhorton@georgedavies.co.uk

## Standing on solid ground

Do you know if property or land, owned by you or your family, is registered at HM Land Registry? There are many reasons to consider registering land or property and George Davies can conduct a search for you free of charge to see if it is in fact registered. If it is not we can register it for you for a fixed fee of £150 plus VAT and disbursements.

The benefits of registering land/property are:

1. It provides complete proof of ownership – important for anyone who owns property, essential for those with larger portfolios.
2. It reduces the risk of encroachment onto land.
3. It takes away the worry of lost title deeds.
4. It consolidates information and stores it in one place.
5. It offers greater security and peace of mind, helping to keep your affairs in order.
6. Potential buyers increasingly expect land to be registered before buying.
7. Title registers are easily-accessible online, providing simpler access to your property details.

Registration may still be possible even if you have lost your title deeds or have difficulties proving ownership.

If you own land or property which has not changed hands for value since the introduction of compulsory registration in your area (commonly the 1970's & 80's) then it is likely that your title remains unregistered.

The Land Registry's aim is that all marketable property is registered by 2012, and to encourage voluntary registration they are making the process as straightforward and inexpensive as possible. There is a 25% discount on their standard fees, so that the cost can be as little as £30 for property worth up to £50,000, rising to a maximum fee of £525 for land worth over £1 million.

For further details please call Philip Worrall on 0161 234 8873 or email philipworrall@georgedavies.co.uk



## Childcare vouchers - expensive guidance from HM Revenue and Customs?

Recent guidance issued by HM Revenue and Customs on childcare vouchers offered to employees under salary sacrifice schemes states that as a non cash benefit, they must continue throughout ordinary maternity leave and, following a recent High Court decision, additional maternity leave.

Prior to this guidance being issued, staff on maternity leave whilst claiming childcare vouchers for an existing child/ children would have their vouchers suspended.

If staff only receive SMP, the guidance states that vouchers must now be provided (at the employer's cost) because:

- employers cannot deduct the value from pay;
- salary sacrifice cannot take the employee below SMP level; and
- the vouchers are a benefit in kind, not "remuneration" for maternity leave purposes.

For those employers offering an enhanced maternity package, deductions can still be



## Do you file your accounts on time?

If yours is one of the 15% of companies who routinely file their accounts late you, should know that as from the 1st February 2009 Companies House announced that late filing penalties rose by 50%.

Companies can now be charged from between £150 for accounts filed within one month of the filing date upto £1500 if the accounts are filed more than six months after the filing date. Late filing penalties for PLC's are even higher (between £750 & £7500).

If companies file late in 2 consecutive years the penalties double. Companies House has warned that even if accounts are delayed in the post

made to cover the value of the vouchers but only until reaching the SMP point.

A few notable points:

- Employers cannot recoup the cost of the vouchers at a later stage or force employees to opt out as this could amount to sex discrimination.
- The total cost to employers for providing vouchers whilst the employee is on maternity leave can be up to £3,000 per employee depending on the length of the employee's maternity leave.
- Whilst the HMRC guidance is not binding it will be persuasive to the courts and tribunals.

For further information or advice on this or any employment related matter, please contact Alan Lewis on 0161 234 8812 or email alanlewis@georgedavies.co.uk



and are received after the filing date or if they are filed incorrectly and have to be returned to the company to be amended and the correct version is not received at Companies House until after the filing date, late filing penalties will still be incurred.

When accounts are submitted late the Registrar of Companies will simply send an invoice to the company's registered office address for the relevant amount.

For accounting periods commencing on or after the 6th April 2008 private companies have nine months to file accounts and public companies have six months.

For further information please contact Nicky Collins on 061 234 8837 or email nickycollins@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 Paul Horton an associate, in the Personal & Family Law Department.

- 1 **What was your first ever job?**  
A paper round.
- 2 **What was your most unusual job?**  
I spent the summer after finishing University working as a hospital porter.
- 3 **What is the strangest question you have ever been asked at interview?**  
Can you stand on your head?  
A strange question for a training contract interview.
- 4 **What do you do at weekends?**  
I have a one year old little girl at home. Looking after her more than fills my weekends!
- 5 **What was your worst work related experience?**  
My first boss regularly brought his Jack Russell to work. Realising the thing had fleas was unpleasant, as was my boss's reaction when I told him!
- 6 **Where is your favourite holiday destination?**  
Germany.
- 7 **Who is your role model?**  
My Dad.
- 8 **What is in your CD player at the moment?**  
REM, Out of Time.
- 9 **What is the best aspect of your job?**  
The people I work with.
- 10 **If you were stranded on a desert island what one item would you most like to have with you?**  
A radio. I would go mad without Radio 4 and Radio Five Live.
- 11 **What is your favourite children's book?**  
Each Peach Pear Plum.
- 12 **If you weren't a solicitor what would you be?**  
Staying with the Law; I think I would like to have been a Policeman.