

Corporate Simplification

Key Drivers

Entity Reduction



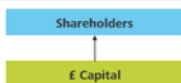
- Cost reduction:
 - Holding costs for dormant > £3,000.
 - iXBRL (avoid need to file on-line with extendable business reporting language).
 - Avoid any IFRS conversion issues.
 - Audit costs.
- Achieves a less complicated structure e.g. dividend flow, and financing arrangements.
- Simplifies inter-company transactions and any mitigated transfer pricing issues.
- Unlocks capital.
- Reduces risk of corporate governance failures/breaches.
- Prevents loss of legacy corporate memory.
- Frees up time/regulatory burden.

Managed Exit



- Parent company wishes to close an operating business unit due to:
 - Relocation
 - Strategic change
 - Poor trading performance
 - Post-merger
 - Site consolidation
 - Regulatory optimisation
 - A sales value less than wind down value
- Avoids the transfer of activity and wind down becoming a major management disruption.
- Avoid the pitfalls and speed up the process by drawing on prior experience.

Return of Capital



- Economic purpose achieved/ exhausted and surplus funds to be returned to shareholders.
- Entity no longer required.

s110 Demerger



- Reconstruction under the Insolvency Act to de-merge or partition a group of companies.

De-merger

- Target assets and business.
- Breaking out divisionalised trade.
- Splitting valuable property from a trading business.

Division/ Partition

- Different shareholder objectives.
- Wealth protection – succession/ inheritance/ divorce planning.