

Dear Client,

The Pre Budget Report

We have now had the opportunity to consider the impact of the pre-budget report attack on Managed Service Companies (MSC) and are now in a position to advise you of the alternatives you will have, should these proposals become law on 6 April 2007.

The following are the options you have available to you:-

1. The formation of a new Limited company with yourself as company director and having its own unique company bank account.
2. Trade under the proposed new legislation and have to account for full PAYE and National Insurance deductions on the whole of your contracting income, with limited allowance for business expenses

We will not allow you to trade through your existing ACC Company after 5 April 2007 if these proposals become law. We will further contact you after the Budget on the 21 March 2007.

Our sister company J M Taylor Limited has been providing Accountancy Services and Taxation Advice for over 25 years and can, on the formation of a new limited company, tailor an accounting solution to your particular needs.

If you wish us to proceed in forming a new limited company to trade from 6 April 2007 please complete, sign and return the attached form. Alternatively, please visit our web site aberdeen-composite.co.uk where it may be completed online.

If you have any queries please do not hesitate to contact me.

Yours sincerely



Robert Chalmers

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NEW COMPANY FORMATION DECLARATION

Please accept this as authority to incorporate a limited company.

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Name Date

Please provide us with the following details:-

Preferred choice of company name

In the event that this name is not available please provide a further two name choices.

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Your new company will require to appoint a company secretary which cannot be yourself.

Please provide the following:-

Name

Address

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