

DOING BUSINESS IN THE UK



About Ellacotts LLP

Ellacotts is one of the largest independent firms of chartered accountants and business advisers, and is listed in the top 100 accountancy firms in the UK.

We provide a wide range of accounting, business advisory, taxation and audit services, helping your business improve its performance and protect your personal wealth for the future. Our dedicated team of specialists are knowledgeable and well-informed, approachable and practical and works closely with our clients to deliver carefully planned, clever solutions that are bespoke to your circumstances. With your accountancy and administrative functions taken care of, you have more time to concentrate on the strategic issues of your business.

We are members of the UK200Group, a national quality assured association of chartered accountants and lawyers, and affiliate members of AGN International, one of the world's leading associations of independent accounting firms. We share a commitment to high standards and a common ethos. Through this global network, we can connect you with trusted professionals and resources in over 80 countries worldwide. Being part of these associations gives us the advantage of access to a depth of shared professional knowledge, resources and expertise on both a national and international platform, which is key in today's ever changing business environment.



Forms of business

An overseas business wishing to do business in the UK has several choices, including:

- Setting up a branch office
- Establishing an agency, distributorship or franchise arrangement
- Becoming part of a joint venture or partnership arrangement
- Incorporating a UK subsidiary company
- Acquiring a UK company

The most popular choice is the setting up of a branch or incorporating a subsidiary in the UK. The choice of the ideal business structure depends on a number of factors such as tax, legal and regulatory requirements, product origin, the availability of funding and resources, and the permanence and size of the UK activity.

Branch office

Establishing a branch office is ideal for an overseas company which has a fixed base from which it conducts its business. Certain details of the overseas company and of the UK establishment need to be submitted to the Registrar of Companies.

Since a branch is not a separate legal entity, the foreign company is directly responsible for the UK branch's operations and liabilities, and they are required to file annual accounts and tax returns.



UK subsidiary

Most foreign investors choose to incorporate a UK subsidiary in the form of a UK Limited Liability Company, which could either be public (listed on the Stock Exchange) or, more commonly, private. A company is a separate legal entity, distinct from its members, and its shareholders enjoy limited liability, which means it is limited to the amount unpaid on their shares in the company. Having separate legal entity status allows the UK company to enter into contracts directly, whilst offering the parent company protection from the subsidiary's liabilities.

A UK subsidiary can also be incorporated in the form of a Limited Liability Partnership (LLP). An LLP is a separate legal entity and has similar filing responsibilities to a company. Unlike a limited liability company, it is tax-transparent, meaning that it pays no UK Corporation Tax or Capital Gains Tax. It must have at least two members, and all members have limited liability and are subject directly to tax on profits arising from the LLP.

Preparation of annual accounts

We can assist you in preparing your annual accounts accurately and efficiently, and we will keep you updated on any new legislation which may affect your business.

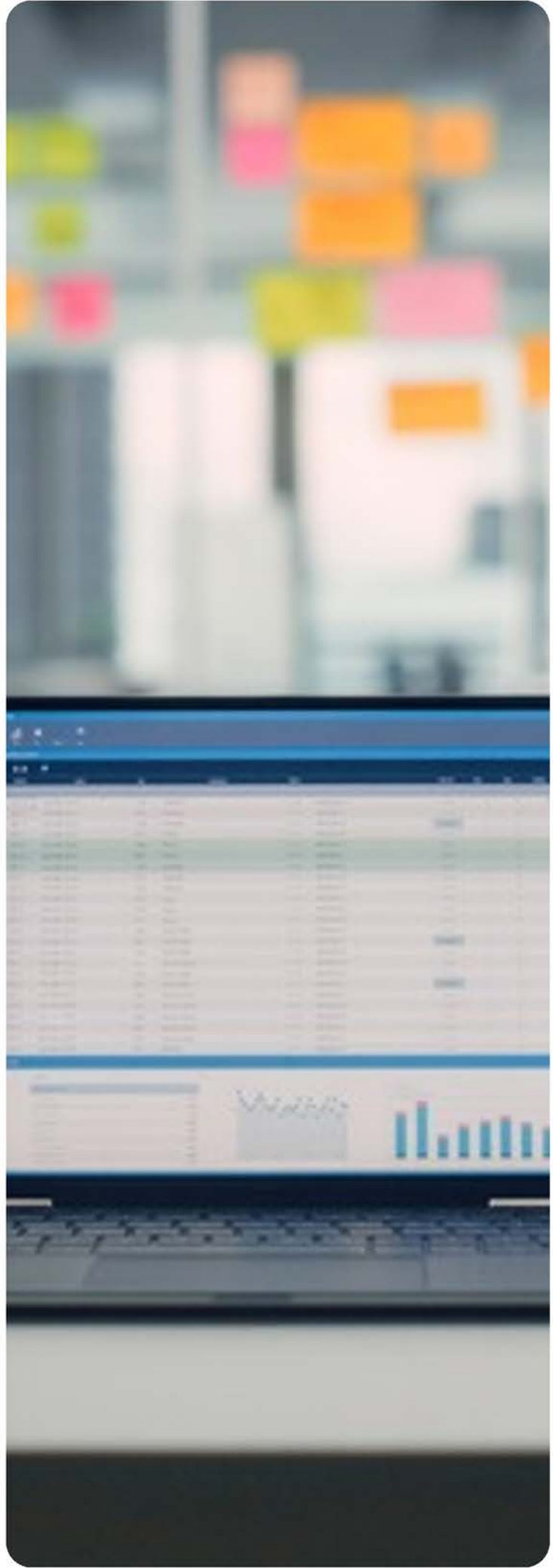
Audit

All businesses incorporated in the UK require a statutory audit unless the company is dormant or if it satisfies two or more of the following conditions for the current and preceding year:

- Annual turnover of £10.2 million or less
- Assets worth £5.1million or less
- An average of 50 or fewer employees

We offer a full range of services to give you the right level of assurance for your business, including statutory audits as well as assurance reviews and agreed-upon procedures for companies which are audit exempt but still want to achieve a certain level of assurance on their financial statements.





Tax compliance

Whatever the size of your business, we will incorporate tax efficiency into your planning and decision-making, as well as taking care of returns and paperwork. Our approach is to develop a tax strategy with you and to deliver tailored solutions to meet the objectives of your business.

Outsourcing

Outsource your financial and management accounting services to Ellacotts to enable you to spend more time on growing your business. We can take on the management of your financial processing and reporting to provide you with real-time, high-level insights into your business. Our UK-based team can handle as much or as little as you need, from day-to-day bookkeeping and payment runs to management accounts, cashflow reporting, and VAT returns, providing expert support tailored to your business.

Company secretarial services

Our company secretarial service helps you to comply with the requirements of the Companies Act and alleviates the stress of Companies House filings.

We can maintain your statutory registers and help you with recording any changes to directors or shareholdings within your business, taking care of the compliance. As part of our company secretarial offering, we can also act as your registered office, ensuring important information is shared and dealt with quickly.

Taxation advice for businesses

We provide expert tax guidance for businesses and business owners to help navigate complex taxation matters with confidence throughout each stage of the cycle. We cover a wide range of areas designed to support growth, transactions and long-term planning. Our services include corporate restructuring, succession planning, employee share schemes, assisting with mergers and acquisitions and corporation tax claims such as R&D and Patent Box reliefs.

VAT Services

Our VAT specialists provide comprehensive support to ensure compliance and optimise VAT efficiency. We provide guidance across advisory & planning services, audits, and dispute resolution, enabling businesses to manage their VAT obligations with confidence. Our expertise spans a diverse range of sectors, including charities, academies, construction, education, sporting clubs and healthcare providers.

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