

SETTING UP IN THE

# UNITED KINGDOM

INWARD  
INVESTMENT

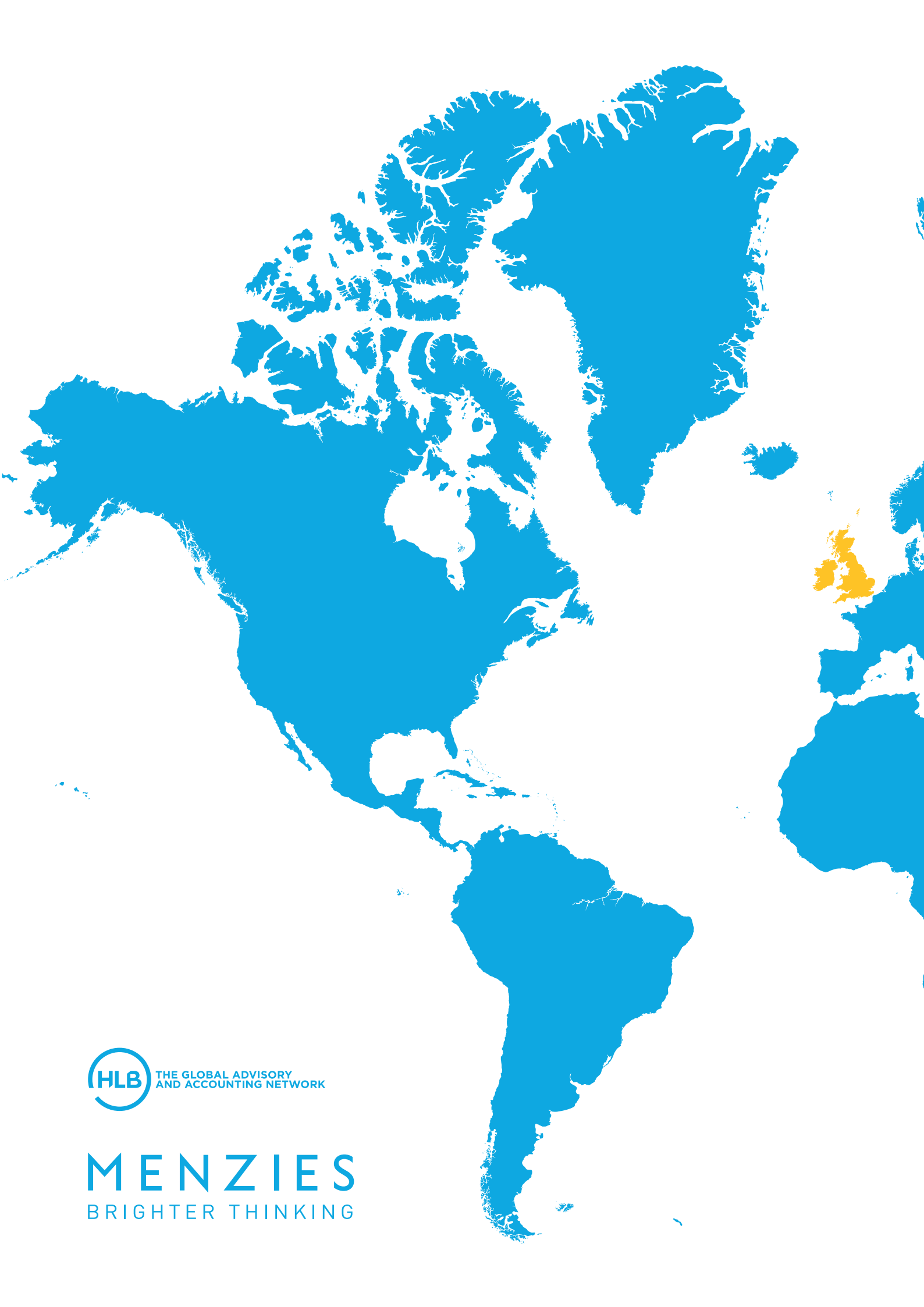


**MENZIES**  
BRIGHTER THINKING



THE GLOBAL ADVISORY  
AND ACCOUNTING NETWORK





**MENZIES**  
BRIGHTER THINKING

# GLOBAL EXPANSION

Setting up in the UK might be your first venture outside your home country, or the next step in a wider expansion plan. We recognise setting up in a new country can be challenging, which is why we offer a **one stop solution** to help guide you through this journey and make the UK a great place to grow your business.

At Menzies, we service a wide variety of sectors where our specialist teams will support you in building your UK business. On top of this, our country desks are supplemented by fluent speakers covering seventeen languages.

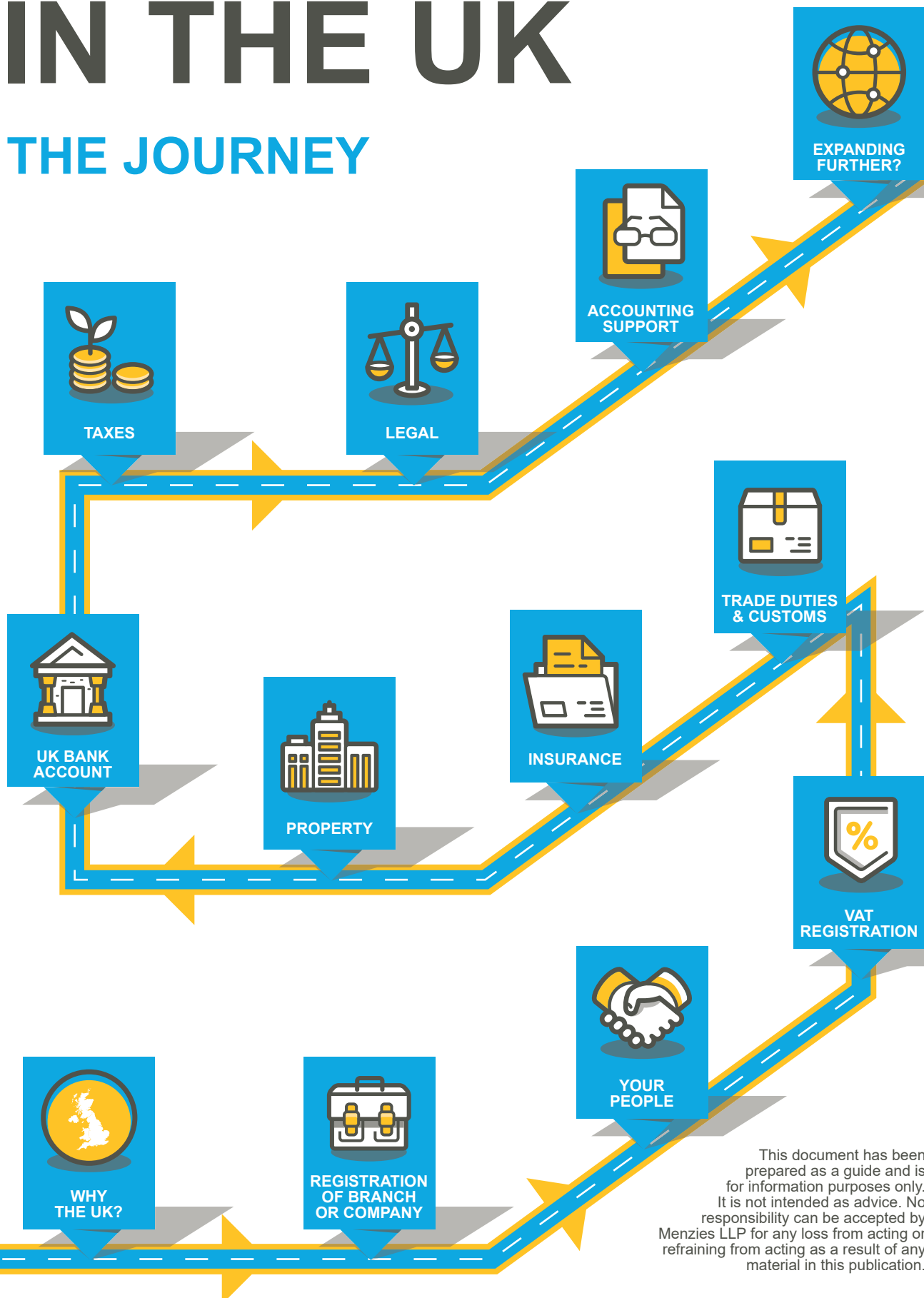
We consider ourselves a partner on your journey and aim to make your experience of setting up and doing business in the UK as simple and tax efficient as possible.

We will work closely with you to provide a one solution service, from deciding which business model best fits, registering the UK business, to taking care of ongoing requirements. Along the way our team make recommendations, based on our local knowledge, on matters from staff pay and benefits to introducing local providers for insurance, banks and property needs.

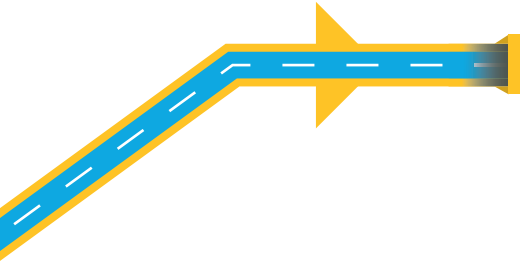


# SETTING UP IN THE UK

## THE JOURNEY



This document has been prepared as a guide and is for information purposes only. It is not intended as advice. No responsibility can be accepted by Menzies LLP for any loss from acting or refraining from acting as a result of any material in this publication.



# WHY THE UK?

The United Kingdom has been pivotal for international trade for centuries - from the days of sail and exploration, through the development of core trade routes to today's fast moving world, made smaller by electronics and travel, we have been at the forefront of trade and business; a key gateway in and out of Europe and the wider world.

## GEOGRAPHY

The UK is often considered to be the gateway to Europe given it's multicultural environment. It is well recognized as the international place of business, especially in the Retail and Technology sectors. London being its financial epicentre, there are many Tech parks, making it an attractive place to do business.

## POPULATION

The UK has a large and expanding population with a skilled workforce. There are currently 8.9 million people living in London.

## TAXES

Corporation Tax 19% to 25%.  
A mature Tax System

## TRANSPORT

### Key airports:

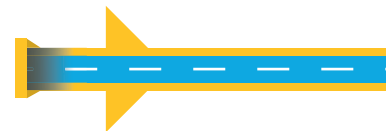
London Gatwick, London Heathrow

### Key ports:

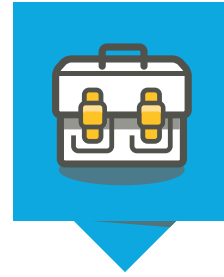
Felixstowe, Southampton, London Gateway, Liverpool

### Transport link:

Eurostar, with links to Paris, Brussels, Amsterdam, Rotterdam



# BRANCH OR COMPANY?



We can discuss which type of business arrangement works best for you when setting up a Permanent Establishment in the UK - with staff and perhaps a premises.

Our experience is that most businesses choose to set up a UK limited company, but we can discuss with you the pros and cons of the options available.

# YOUR PEOPLE

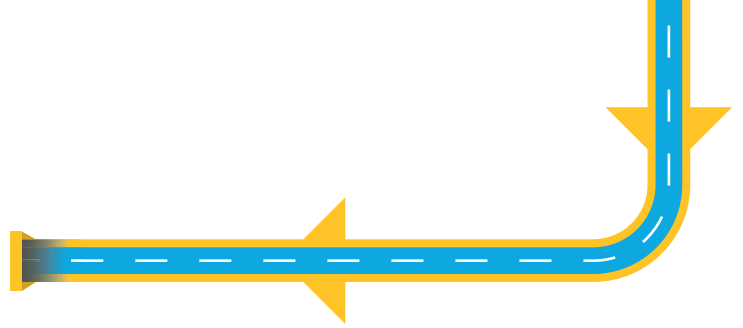


Whether you are sourcing new staff in the UK, or using your own existing team, Menzies provide a full solution for all employment related matters and we would be delighted to provide you with local introductions to providers of VISA application services, and assisting in finding residential property.

## We can assist with:

- Global mobility advisory
- Operations of a UK payroll
- Auto enrolment (pension support)
- Benefits - advice and support, healthcare, gym etc.
- Employee share options
- UK employment contracts - tailored to comply with UK rules
- UK Handbook (or mini handbook - usually recommended where you have fewer than 5 employees)
- Director's and employee personal tax returns, if required

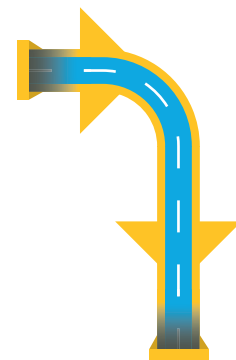
# VAT



Whilst registering a company or branch can be done quickly, VAT registration can take a few weeks to be agreed with the UK authorities.

For non-established UK entities, we can assist you in completing the application for VAT registration documentation. We recognise the importance in this process of being able to demonstrate an intention to trade. This might mean including evidence of orders received with your application.

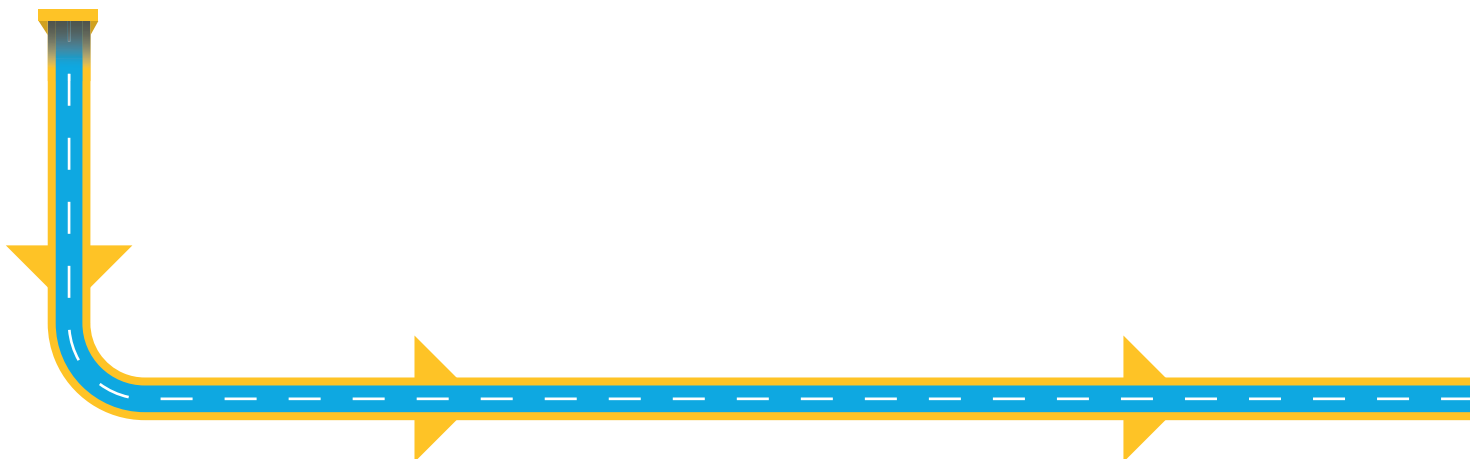
We have a specialist VAT team who will work with you throughout this process.



# TRADE DUTIES & CUSTOMS



If you haven't already sourced your Transport and Logistics partner, or need a bit of help to navigate customs and duties. We are pleased to provide trusted contacts and support.



# INSURANCE



Insurance should be a consideration on your checklist when setting up in the UK. Even if you have no property or equipment and minimal sales. If you have employees, there is an obligation to put insurance in place.

We can provide local introductions to insurance providers for further assistance, although clients often will speak with their global insurance provider first.

# PROPERTY



Location is important for any business, and we can provide guidance on suitable areas. This might be local tech parks, high foot-fall locations for Retailers.

If you don't need a premises (either because you have no employees, or they are working from home), then we can satisfy the requirement to have a UK registered office, by offering either Heathrow or London as your UK registered office.

We do not offer serviced desks at our offices, although meeting rooms can be used by arrangement.

We can provide local introductions to property agents who will be able to give you an indication of associated rental costs.



# UK BANK ACCOUNT



Whether you are operating a company or a branch in the UK it is recommended (although not essential) to set up a bank account designated to the UK business.

This enables all UK transactions to be separately identifiable and simplified for reporting purposes. Particularly if the UK authorities chose to carry out a review.

We know setting up a bank account in the UK can be challenging for overseas controlled businesses, particularly where you have no UK location or UK based directors.

The bank's KYC "Know Your Client" requirements are detailed and we can support you through completing the significant paperwork involved.

We can provide local introductions to any of the major UK banks, although clients often will speak with their existing bank first.

# TAXES

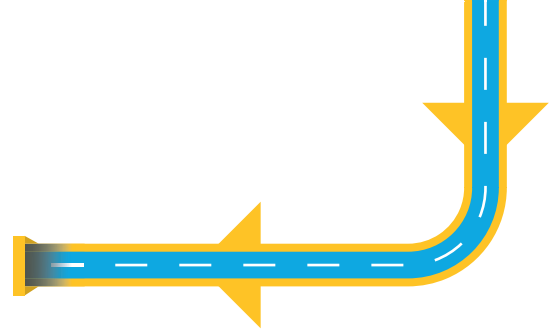


As well as VAT and Payroll taxes, both a UK Company or UK Branch will need to prepare tax computations and submit a CT600 return. This is prepared in conjunction with preparation of the statutory accounts.

Our International Tax specialists can work with you to discuss Cross-border / Transfer pricing requirements.

Corporation taxes are typically payable 9 months after the year end, although for larger groups there may be requirements to pay corporation tax in instalments.

# LEGAL



It is likely you will need to consider 3 aspects here:-

## 1. Employment

In the UK employees are required to have legally compliant employment contracts, setting out matters such as salary, holiday entitlement, pension etc. It is also usual for UK companies to have a handbook (or mini-handbook, perhaps where there are fewer than 5 employees) setting out the company rules in respect of matters such as Health and Safety, Data Protection, Equal Opportunities, Disciplinary Rules and Procedure and Grievance Procedure.

We have a specialist in-house HR team who will work with you throughout set up and can be used on a retainer or ad hoc basis.

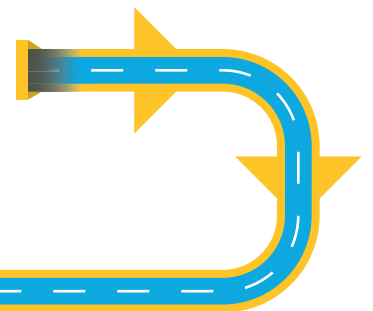
## 2. Company Secretarial Services

In the UK every company must maintain statutory registers and make various submissions onto public record at Companies House. Failure to do so can result in legal proceedings against individual directors. If there are changes to directors, shareholders or wider structure – these need to be formally documented and declared.

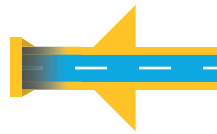
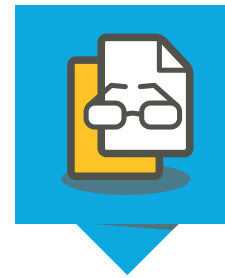
We have a specialist in-house Company Secretarial team who can provide this service and ensure you remain compliant for a fixed annual fee.

## 3. Property and Other Legal

For other legal matters we can provide local introductions to UK lawyers – specific to your needs.



# ACCOUNTING SUPPORT



## Company

Every company in the UK is required to file statutory accounts on public record at Companies House. The deadline is usually 9 months after the year end.

Irrespective of the size of the UK company - there may be requirements for the UK subsidiary to have its accounts independently audited where the Group is above a certain size.

We can provide assistance preparing the accounts and help you to determine whether there are any audit requirements.

## Branch

Every branch in the UK is required to file the accounts of its overseas company at Companies House. This is the case, even where such financial statements are not locally published.

This can be one of the main reasons overseas businesses tend to set up and operate a UK company, rather than a branch.

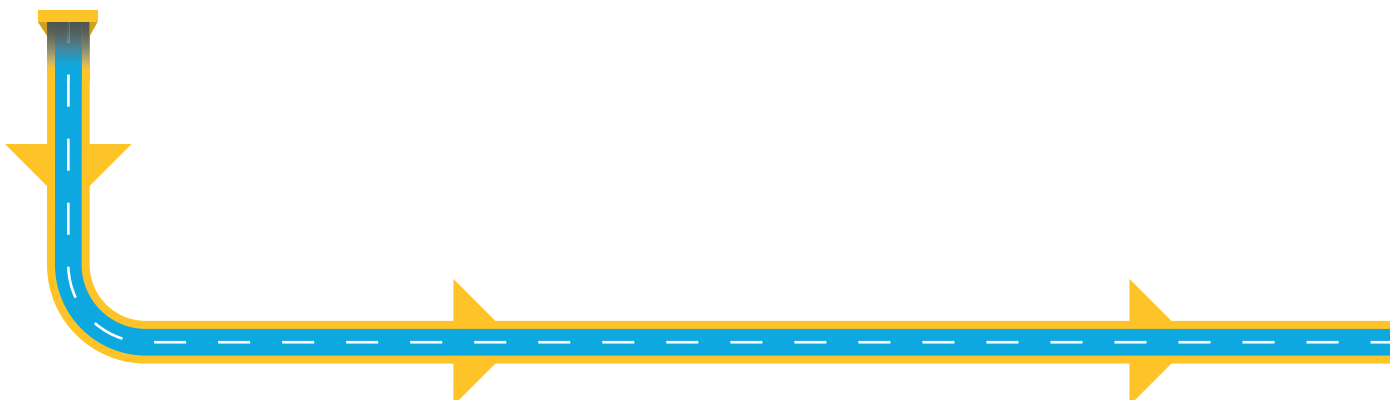
Branch's struggle to obtain Employers Liability Insurance from UK insurers, therefore, if you are planning on having UK employees, this may prove a challenge in using a branch.

## Outsourcing – Accounting Systems

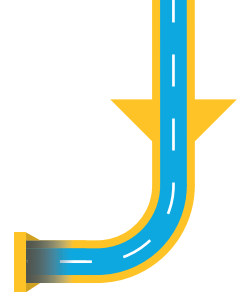
We are able to provide **a full service solution**, maintaining the UK operation accounting records for you.

This is popular where VAT returns are required to be prepared on a quarterly basis and overseas accounting systems are not geared up to produce this information. We can also offer to maintain the UK operation accounting records on your global accounting system.

Our dedicated Outsourcing team would be happy to talk through your requirements and provide an indication of costs.



# EXPANDING FURTHER?



Once your UK business is established, you may wish to service Europe through the UK business, or even set up further entities across Europe.

As part of HLB international we can provide a joined up solution to deliver support as you expand.

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## HLB NETWORK

Our internal capability enables us to offer a comprehensive range of international services, and this is made truly global. That is where our membership of HLB International can help.

Ranked in the top 10 international accounting networks, this fast-growing, dynamic network of worldwide accounting firms and business advisors, services clients through its member firms in over 150 countries.

As the largest HLB member firm in the UK, we offer a comprehensive range of services – for both companies and individuals.

Many global companies and brands are setting up subsidiary operations in the UK. With offices in central London and at the UK's major international business gateways of Heathrow, Gatwick and Southampton, we are ideally placed to provide the close personal support that you need to establish successful operations in the UK.



# CONTACT US

If you require any further information on any of the issues raised above, please get in touch and we would be delighted to advise and support you with any queries you may have involving setting up your business in the UK.



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# ABOUT MENZIES LLP

Menzies is a leading UK business advisory and accountancy firm with international reach. We help accelerate your ambition, with a proven track record supporting both businesses and individuals to successfully reach their goals.

Our 10-sector specialist teams work with Menzies experts in Strategic Business Advisory, International Expansion, Outsourced Services and Financial Planning, to create value and transition clients to the next stage in their journey.

Even as we scale, we continue to take a Partner-led approach to our client relationships. We use our Brighter Thinking methodology to empower clients with greater confidence and certainty in the face of increasing complexity.



CHARITIES &  
NOT FOR PROFIT



FINANCIAL  
SERVICES



HOSPITALITY  
& LEISURE



LEGAL  
SERVICES



MANUFACTURING



PROPERTY &  
CONSTRUCTION



RECRUITMENT



RETAIL &  
WHOLESALE



TECHNOLOGY



TRANSPORT  
& LOGISTICS

- ✔ ACCOUNTANCY
- ✔ COMPANY FORMATION SERVICES
- ✔ TAX COMPLIANCE
- ✔ HR SOLUTIONS
- ✔ OUTSOURCING
- ✔ CONSULTANCY
- ✔ CROSS-BORDER
- ✔ PAYROLL & BENEFITS
- ✔ VAT SOLUTIONS
- ✔ EMPLOYEE SHARE OPTIONS

## LOCATIONS

LONDON

FARNBOROUGH

CARDIFF

LEATHERHEAD

SOLENT

STEVENAGE

HEATHROW

WOKING

