

Business Tax Planning



Starting up in business

At Shipleys, we have an excellent reputation for innovative and reliable tax planning. Businesses can benefit from practical tax planning at all stages of their development.

Company shares

Starting up in business

The primary aim of every business is to make profits for its owners. This usually means trading profits that can be paid to the shareholders or partners. However, in some circumstances, the intention is to build up the business so that it can be sold for a capital gain.

Personal services companies

Our tax specialists can help you to identify the best structure for your business, to minimise the tax both on trading profits and on the sale of the whole of, or part of, the business. The business structures we cover include sole traders, partnerships, limited liability partnerships and limited companies (including plcs). Our advice also covers different classes of shares and profit sharing arrangements.

Established businesses

If you are entering into a business venture with other companies or individuals, we can help you structure the joint venture participation for maximum tax efficiency.

Payroll and benefits

Company shares

If you are involved with a limited company which issues shares to other investors, you may need to ensure that the company meets HM Revenue & Customs' (HMRC) criteria for the investors to be eligible for income tax relief, and that their investments in your business enable them to shelter any capital gains.

VAT planning

Personal services companies

It has been common practice for individuals to offer their services through a limited company (personal services company) or partnership. But these

Acquisitions and disposals

businesses can fall foul of HMRC IR35 regulations. We can assess whether your business is affected and suggest changes to the contracts or working arrangements to ensure that, wherever possible, the IR35 rules do not apply.

Established businesses

We work very closely with our clients so that once your business is up and running, tax saving opportunities can be identified when they arise, as opposed to merely entering the previous year's results on the tax return and working out when any liability has to be paid.

Shipleys' Tax team

Payroll and benefits

How staff and stakeholders are paid is very important, so we help you ensure that your strategies are tax efficient. This covers, for example, pension contributions and schemes, share options, allowances, benefits in kind (including cars) and trusts. We can also review your PAYE scheme to make sure that it is being operated correctly, and that you are not building up a big liability which comes to light at an HMRC PAYE inspection.

VAT planning

VAT is, in theory, a cost only to a business which is not VAT registered or is making VAT exempt supplies. If a business can maximise the VAT recovered on its purchases, and minimise the VAT on sales, then this can significantly increase profits.

VAT rules are complicated and there are penalties for failing to comply. An unforeseen liability following a VAT inspection can also have a detrimental effect on cash flow.

There are a number of special VAT schemes which can simplify compliance and may also offer a VAT saving for your business.

Business Tax Planning

We can review your business and its systems to ensure that VAT planning opportunities are considered and the risk of non-compliance is minimised.

Acquisitions and disposals

We have considerable experience of advising on the buying and selling of businesses. This includes not just the sale of a whole business but also the disposal of a division or subsidiary, or the retirement of a partner or shareholder. Larger groups of companies may need to undergo a reconstruction prior to a sale.

We will help you negotiate and agree all terms, including price, the nature of undertakings and guarantees, and the form and timing of the consideration.

It is often advantageous for each party to consider the tax position of the other, since any savings to the other party can be reflected in the price.

For those buying businesses we can carry out due diligence for tax purposes on the proposed purchase, to ensure that no previously unforeseen liabilities come to light after the acquisition.

We specialise in handling complicated purchase and sale issues. Our clients appreciate our hands-on approach and our ability to drive the transaction, if required.

Overseas businesses

Overseas businesses setting up in the UK will need to make some major decisions affecting the form of their presence in the UK, and will also be faced with a potentially unfamiliar compliance procedure.

At the corporate level, businesses will need to choose between options including incorporation of a new UK subsidiary company or registration of a UK branch or agency of the overseas business.

We can help assess whether VAT registration is required or desirable, and deal with the registration application.

Many overseas companies prefer to send existing staff to the UK to help get things up and running

and properly integrated. Our expertise covers the structure of remuneration packages, taking into account the UK rules and working with other AGN International members the overseas rules as well.

We also advise on other UK personal taxes such as inheritance tax and capital gains tax.

Doing business overseas

Working with our AGN members, we can help you with corporate and personal tax issues to ensure you avoid double taxation where possible, and take advantage of any opportunities to reduce your tax and social security bills. It is also important to make sure your overseas structure is easy to run.

Shipleys' Tax team

Not all tax planning ideas are suitable for everyone, but we believe it is important that our clients are given the opportunity to understand all their options. But we ensure that tax planning is integrated with other commercial considerations such as banking and finance facilities.

Our specialist tax planning team comprises private practice experts, as well as former HMRC staff who all take pride in recognising tax-saving opportunities for clients.

Specific advice should be obtained before taking action, or refraining from taking action, on any of the subjects covered above.

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