

CLARITAS

Tax Consultancy Services

claritastax.co.uk



Delivering professional
tax advice with
clear conclusions



Contents

Introducing Claritas	02
Our Philosophy	03
Transactions Taxes	05
Innovation Tax Reliefs	06
Private Client	07
Share Schemes & Valuations	08
Corporate & International Tax	09
Venture Capital Tax Reliefs	10
VAT	11
Employment Taxes	12
Grant Funding	13
Land and Property	14
Tax Dispute Resolution	15
Lifecycle	16
Key Claritas Contacts	17

Introducing Claritas

Claritas is one of the UK's leading, full-service tax advisory and compliance practices, focused primarily on entrepreneurial and ambitious businesses, their stakeholders and investors.

As a multi-disciplinary tax practice with a highly skilled team, there's nothing we don't do.

By combining our extensive practice and industry experience, we're able to ensure you receive the very best tax advice and guidance.

We act for individuals, privately owned, private equity owned, listed and multi-national businesses, investment banks and corporate finance boutiques, accountants, law firms, family offices and all forms of investors and institutions including private equity, venture capitalists, and angel investors.

With our team of dedicated tax advisors we can support all of your tax requirements.

Claritas Tax Limited is an ICAEW member firm and is regulated by the ICAEW under their Practice Assurance Scheme.





Our Philosophy

Our philosophy is simple; we pride ourselves on helping you achieve your business objectives through the provision of high-quality, commercially led professional advice which delivers clear conclusions.



Tax Dispute Resolution



Private Client



Corporate and International Tax



Transactions Taxes



Venture Capital Tax Reliefs



VAT



Share Schemes and Valuations



Land and Property



Innovation Reliefs



Grant Funding



Employment Taxes

Transactions

Taxes

Guiding you through a successful transaction

Every transaction has tax implications, whether it's an acquisition, disposal, refinancing, restructuring or initial public offering.

Through our extensive transactional experience across multiple sectors, strong links with private equity and broad commercial focus, we can help you identify the critical strategic tax considerations and explain them clearly in the context of your transaction and future plans for your business.

Our experience also allows us to ensure that buy-side bidders put forward the most tax-efficient offer, whilst for sellers we ensure that a practical and clearly laid-out plan towards a tax-efficient exit puts them in the strongest possible position.

Our approach

If you're thinking about a transaction, you'll naturally have commercial considerations at the front of your mind. By involving us early in discussions, you'll receive practical and pragmatic tax advice that complements your commercial objectives.

In many cases, considering the potential tax involved in different options can guide your decisions. There are many taxes to consider and the way these interact can create opportunities and risks. We work with you to grasp those opportunities and minimise the risks.

We work alongside the key stakeholders in your business as well as your lawyers and corporate finance advisers to devise deal structures, carry-out tax due diligence, recommend management incentivisation schemes and much more.

Additionally, we can manage interactions with HMRC by submitting and agreeing upfront clearance applications and reporting paperwork when the deal is complete.

Our services

- › Exit-readiness reviews to identify pre-sale tax issues and opportunities
- › Business and property demergers
- › Tax structuring for management buyouts (MBOs), partial or full disposal or refinancing
- › Tax due diligence
- › Fund investment / acquisition structuring
- › Shareholder and corporate restructuring
- › HMRC clearance applications



Innovation Tax Reliefs

Making the most of your knowhow

The UK's R&D Tax Relief regime is one of the world's most successful state aids, providing much needed financial stimulus to support innovation across multiple sectors and industries.

We've built a team with extensive experience of dealing with tax relief claims, who are well-equipped to assist claimant companies to identify qualifying activities and costs. Claims for relief will result in a cash benefit either in the form of a reduced corporation tax liability or a repayable cash credit, if loss-making.

We're also well-versed in preparing successful Patent Box claims which can potentially enable a business to apply an effective corporation tax rate of 10% on profits derived from a qualifying patent.

Our approach

Our innovation tax team works closely with you to create a tailored approach to building your R&D and Patent Box claims. Our approach is to get to know your business and its development processes, so that we have a fuller understanding of the nature of your R&D activities and the appropriate costs to claim for. We know you have a business to run, so whilst we're thorough, we're also pragmatic.

We've developed a robust claim methodology and we have regular interactions with HMRC's dedicated Innovation Relief team.

We have a proven track record of producing value for our clients, whilst managing the administrative burden of claiming relief, which has helped us build a loyal, recurring client base.

Our services

- Preparation of the support for your R&D Tax Relief claim
- Workshops and training for your technology leaders to understand R&D Tax Relief
- Reviewing your own R&D Tax Relief calculations and documentation
- Patent Box Relief
- Creative Industry Tax Reliefs
- Innovation Reliefs due diligence
- HMRC enquiries concerning Innovation Relief claims





Private Client

Planning ahead to find the best solution

We advise ambitious families and individuals and the businesses they own and run. Working with early-stage entrepreneurs through to long-established, multi-generational family companies.

We help mitigate the tax impact on your finances and enable you and your family to enjoy more of your wealth. Whether you have your own business, you're considering exiting your company, or you want to provide for your loved ones, we can help you achieve all your goals.

Our approach

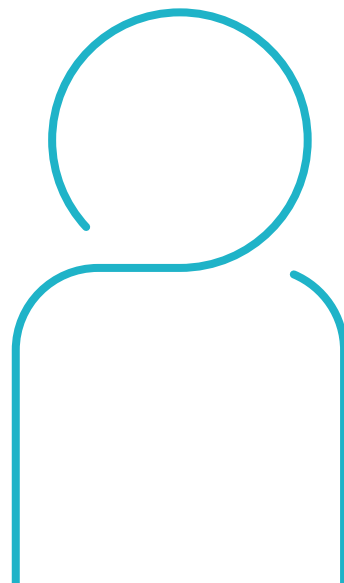
We work hard to build a strong relationship with you and your family. As your advisers, we listen to what you want to achieve and help protect your family wealth across generations in the most tax-efficient way possible.

Our team understands every aspect of how taxes can affect you. You'll get to know one person who can manage everything for you. We will work with your wealth adviser, solicitor, land agents and other professionals to help you develop an investment strategy that meets your objectives.

Even if you have financial interests outside the UK, we can work with experts in other locations to develop your wealth strategy.

Our services

- Strategic tax-planning for you, your family and business
- Family office tax services
- Capital gains tax advice
- Income tax planning
- Exit planning and shareholder planning areas
- Inheritance tax advice
- Personal tax compliance
- Trust compliance and advisory



Share Schemes and Valuations

Attract, develop, retain and incentivise

It goes without saying that your workforce is your most valuable asset. We know that companies who reward employees with equity are more productive and profitable, particularly as those employees who understand the part they play in the company's success tend to work harder to increase the value of the capital they hold in the business.

Share schemes take many forms, from Government 'approved' schemes such as the incredibly successful Enterprise Management Incentive Scheme (EMI) through to more bespoke Growth Share arrangements. Thankfully we're well-versed in implementing all forms of share schemes and we support every share scheme we implement with a thoroughly prepared tax valuation to ensure HMRC are fully onboard from the outset.

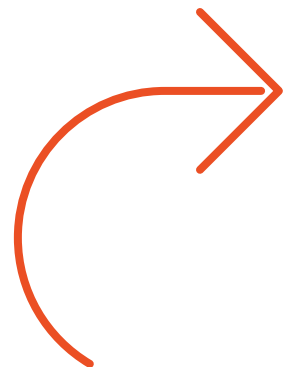
Our approach

We work closely with you and your lawyers to design and implement the right employee share incentive arrangement for your business. We take the time to ensure that both you and your employee(s), fully understand how the scheme works, as well as understanding what you're getting into and how the scheme operates to build future capital value for all involved.

A great deal of this process is about good, clear communication from the beginning which is something we pride ourselves on.

Our services

- Design and implementation of approved and unapproved share schemes
- Share and management incentivisation valuations
- HMRC share option reporting and compliance
- Share valuations for family succession, IHT planning and for separation or divorce
- Valuations required as part of due diligence prior to a company sale
- Transfers of intellectual property
- Capital gains disposals
- Goodwill valuations



Corporate and International Tax

Compliance, Managing Risk and Maximising Opportunity

To help you succeed with your corporate and international tax requirements, our team focus on three key areas.

Expanding and trading overseas increases tax risk exponentially; whether it's related to M&A activity, organic business expansion, financing your operations or a cross border supply chain, our team can work with you to understand these risks and manage their global complexity. We work closely with our international network in other jurisdictions to bring you the best of our global network.

We also know the importance of maximising the reliefs available to you, including innovation tax reliefs and capital allowances. We can draw on our extensive expertise in these areas to help you understand the opportunities for your business and ensure you make the best of the reliefs available.

Compliance is the bedrock of a corporate tax function, and our specialist corporation tax compliance team will manage every step of the process with you, ensuring your returns are prepared accurately, efficiently and on time.

Following several significant legislative changes in recent years, particularly around the rules on interest deductions and offsetting losses, good compliance has become progressively harder to achieve, along with confidence that your overall tax position has been optimised.

Our approach

We work with businesses of all sizes to provide accurate tax returns, manage risk and maximise opportunity. Whether you have one UK corporate tax return to be filed or have a multi-jurisdictional group, we have the technical breadth and depth to support you.

Our approach is always to listen first and, based on feedback from all of the companies we deal with, make things as simple as possible for you. Unlike many firms, we don't make you do all the hard work; we take your source data and prepare your tax computation from that, leaving you free to focus on your day to day finance activities.

Our services

- › Corporation tax compliance and reporting (UK and internationally)
- › Tax accounting
- › Financing and treasury support
- › Property tax matters, including capital allowances
- › Innovation reliefs
- › Corporate loss planning
- › Tax aspects of debt structures, including Worldwide Debt Cap and Interest Restrictions
- › Withholding taxes and profit extraction
- › Tax residence analysis
- › Transfer pricing, supply chain structures and intellectual property
- › UK establishment services, including company incorporation, income tax registrations, payroll, VAT and statutory accounts reporting



Venture Capital Tax Reliefs

Tax efficient investing and fundraising

The tax reliefs available to investors via HMRC's Seed Enterprise Investment Scheme (SEIS), Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) legislation are amongst the most successful tax-motivated investment and fundraising schemes introduced by a UK government.

As a nation of entrepreneur's, these important tax reliefs are designed to encourage investment in start-up, scale-up and fast growth companies.

Based on current legislation, the maximum amount a qualifying company can raise in its lifetime is:

- £250,000 for SEIS investments
- £12 million in total for all relevant investments, i.e. EIS, VCT, and SEIS investments (£20 million if meeting criteria for Knowledge Intensive Company)

Ensuring compliance with the plethora of rules and conditions which must be met in order to qualify for these reliefs is absolutely key, which is where our experience matters.

Our approach

Dependent upon timescales and where you are in your fundraising process, we can either help companies gain comfort that they qualify for the appropriate relief or alternatively obtain 'advance assurance' for the relevant investor tax relief scheme. Both routes require a similar level of analysis and information gathering, but the application for 'advance assurance' generally requires investors to be known and investment cannot be received until HMRC have considered the application.

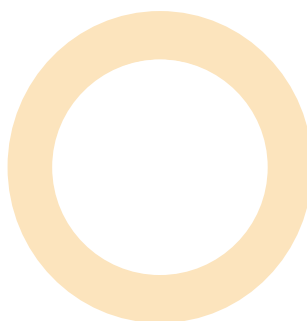
There are surprisingly high rates of rejection by HMRC for advance assurance applications, so our experience of clearly setting out the required information to assist HMRC to reach their decision means that you can be confident that your application will be robust.

We advise clients on how to maximise the benefits of all four schemes available in combination as well as individually. We also review and provide advice on Articles and shareholder and investment agreements, prospectuses and marketing documents and complete and submit Compliance Statements to ensure that all these meet HMRC expectations.

From an investor perspective, we work with individuals and EIS / VCT funds to ensure their investments will qualify and result in the desired tax reliefs arising upon investment and exit.

Our services

- Providing SEIS and EIS opinions to companies seeking comfort on their qualifying status
- Provide advice on structuring investment so as not to preclude companies from meeting qualifying conditions
- Preparation of SEIS/EIS/VCT Advance Assurance applications to HMRC
- End to end SEIS, EIS and VCT compliance support for individuals, companies and funds



VAT

Clear and commercial support

VAT is a notoriously complicated tax and the rate rises and harsher penalty regime introduced in recent years mean the risks it brings have never been higher. VAT is also a transaction-based tax, so we find that queries usually demand a quick answer.

Whether your VAT affairs are straightforward or highly complex, and whether you require one-off specialist advice or ongoing compliance services, you will benefit from working with our specialist team to achieve your aims.

Our approach

Our VAT team operate as an integral part of the wider tax team so that they can anticipate opportunities and problems before they arise. They act quickly to deliver a solution, leaving you to get on with your business.

We never forget the most important aspects of any VAT solution; the advice must be practical and it must not create different problems elsewhere.

You'll find our approach and advice clear, commercial, pragmatic and practical. Working with us, you'll soon understand your VAT position and be able to better manage your tax risk.

Our services

- › VAT advisory services
- › VAT registrations and compliance
- › Providing VAT advice on proposed transactions to ensure VAT recovery is maximised
- › Correspondence and negotiation with HMRC
- › Assisting with audits, assessments and voluntary disclosures
- › Partial exemption methodologies and solutions for partially exempt businesses
- › Conducting capital and revenue spending reviews
- › Performing VAT health checks
- › VAT due diligence



Employment Taxes

Getting it right from the start

PAYE and NIC account for a significant amount of tax revenue and employers face the growing challenges of adapting to new legislation and ensuring their tax risk management, procedures and strategies comply.

Managing and engaging with your employees isn't easy at the best of times. Add into that the burden of ensuring their salary and benefits package is calculated and reported correctly, then it's imperative that you get this right, first time.

Our approach

Our employment tax specialists have worked in industry and practice, giving them a strong understanding of what it's like to manage these taxes as part of a wider finance function. As your adviser, we recommend the best treatment and course of action for all employment-related taxes.

Our team provides a comprehensive range of both advisory and compliance services, enabling you to better understand and manage the risks, identify potential savings and implement cost efficient processes.

Our services

- › Design and advice around strengthening your risk management controls, policies and procedures
- › 'Dummy' HMRC reviews including National Minimum Wage and National Insurance
- › Structuring of pay and benefits arrangements, such as salary sacrifice schemes and flexible working
- › Guiding and supporting you in the complex area of off-payroll workers, IR35 and employment status
- › Support during HMRC enquiries and reviews
- › Senior accounting officer certificates
- › Structuring termination payments
- › Construction Industry Scheme (CIS)
- › Support with HMRC filing requirements including P11Ds and PAYE Settlement Agreements
- › Designing expenses and benefits policies and procedures
- › Employment Taxes due diligence



Grant Funding

Helping to finance innovation and grow your business

We specialise in helping businesses identify and apply for grant funding that is needed to fund R&D projects and/or facilitate business growth.

We can help guide you through the process of applying for grants through UK Research & Innovation (UKRI), research councils and Innovate UK.

If there is no current funding call suitable for your technology, we can also help you identify alternative funding.

Our approach

Our grant funding team will work closely with you to create a tailored approach to securing the required finance. Our approach is to get to know your business, develop a deep understanding of your R&D activity and requirement for funding so that we can prepare an application on your behalf.

We are able to use our many years' experience as chartered tax advisers and R&D tax relief specialists to ensure that the application for funding is both substantiated and robust.

We have many years of working with innovative companies and a loyal client base.

Our services

- Analysis of your innovation and/or business funding requirements
- Review of current grant funding opportunities and identification of those that are suitable for your innovation and/or business
- Writing of technical report to support your grant funding application or proposal
- Consideration of and assistance with project costings to support funding application
- Assistance with gathering evidence to support funding application
- Consideration of and help with business plans prepared to support funding applications
- Support through all aspects of application process



Land and Property

Optimising your property expenditure and investments

As one of the most highly taxed areas of the economy, property developments and investments require careful attention in order to navigate the numerous potential taxes and reliefs.

Capital expenditure on property is one of the most significant costs faced by a business. Fiscal investment incentives can help offset those costs, but this is a complex and detailed area of tax. Missteps or errors here could have a long-term impact on the amount of tax relief available – in a worst-case scenario even resulting in valuable tax relief being lost for all time.

Improved awareness of the impact of land use on the environment has led to shifting standards in property development and construction. This can lead to additional decontamination and remediation costs when regenerating brownfield land or redeveloping existing properties.

Transacting in land and property requires careful structuring to determine the optimal tax outcome for investors, whether it be for short-term gain or longer-term yield and capital growth.

Our approach

Our specialists understand the construction industry and take a holistic view to ensure the relevant and valuable tax reliefs such as Capital Allowances, Land Remediation Relief, Research & Development Tax Relief and the various Stamp Duty Land Tax Reliefs are all considered and utilised, wherever possible.

In addition, we will always take the time to consider and recommend the optimal tax structure to acquire, develop and either sell or hold your land and property investments, minimising tax on sale and profit extraction.

Our services

- › Transaction and deal structuring and support
- › Financial modelling and forecasts
- › Due diligence support
- › Review of historic acquisitions and disposals, including s198 election advice
- › Historical review of investment properties and portfolios for 'missed' allowances
- › Tax efficient construction project design advice
- › Internal audit
- › Full expenditure analysis and valuation report for new builds and refurbishment works
- › Correspondence and negotiation with HMRC and the Valuation Office
- › Annual Investment Allowance
- › Plant and Machinery Allowances
- › Structures and Buildings Allowances
- › Capitalised revenue expenditure
- › Integral Features Allowances
- › R&D Tax Relief
- › Land Remediation Relief
- › Derelict Land Relief
- › Super Deductions
- › Special Rate Allowances
- › Enhanced Capital Allowances
- › Stamp duty and stamp duty land tax (SDLT)



Tax Dispute Resolution

Settling your tax dispute with HMRC in good time and achieving the right outcome

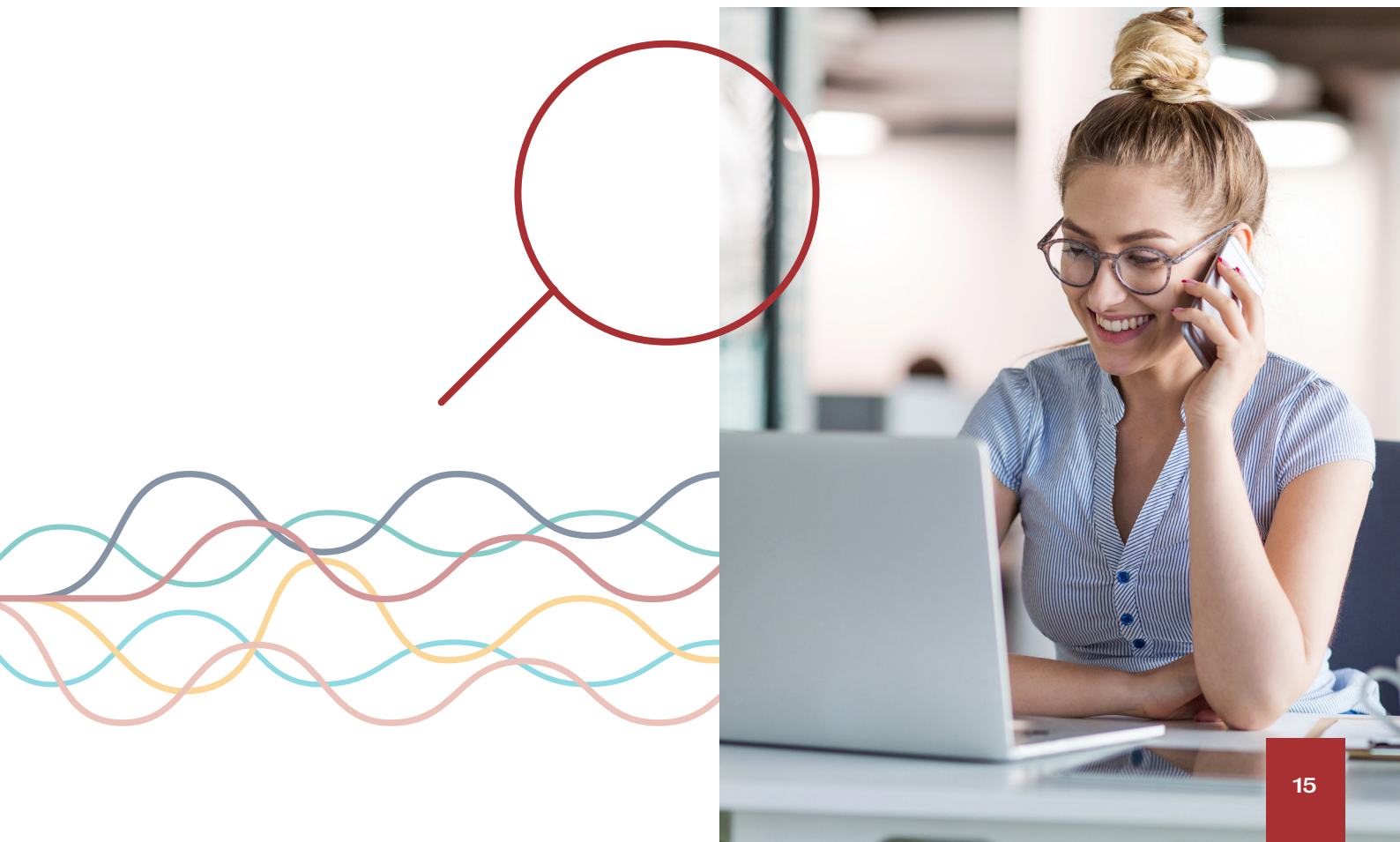
A challenge from HMRC is often distressing and it is important to appoint an experienced professional who is familiar with how HMRC work to handle the dispute and achieve the right outcome. Tax enquiries and disputes can take years to resolve and are potentially costly both in terms of professional fees and the ultimate monetary settlement of tax, interest and penalties.

Our approach

We have partnered with Markel Tax to offer expert support with HMRC enquiries and disputes. The Markel team will undertake a detailed review of the relevant facts and issues relating to any dispute and recommend the best approach to progressing matters. They will liaise with all parties related to the dispute and be the main point of contact for all correspondence with HMRC. With a combined experience of 125 years the Markel Tax team have an in-depth understanding of the inner workings of HMRC to ensure clients get the right advice with a view to achieving the best possible outcome.

Our services

- HMRC enquiries
- HMRC Code of Practice 8
- HMRC Code of Practice 9 and the Contractual Disclosure Facility
- COVID Support Schemes fraud and errors
- Employment status enquiries
- Disclosure opportunities under the Let Property Campaign and the Worldwide Disclosure Facility
- Residence and domicile challenges
- Voluntary disclosures to HMRC



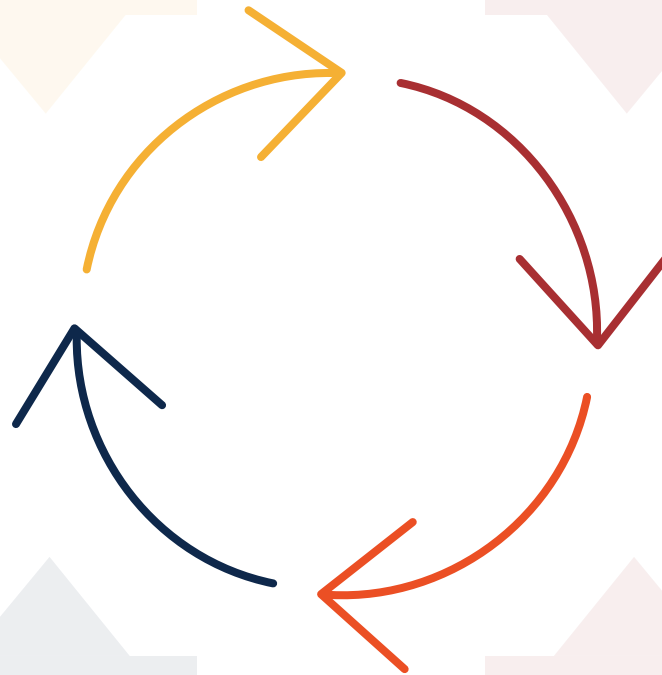
Lifecycle

Exit/liquidity events

- › Tax structuring on sale to PE / Trade / MBO
- › Passing to family/management team
- › Employee Ownership Trusts (EOTs)
- › Company purchase of own shares
- › Reliefs for shareholders
- › IHT & CGT planning
- › Family Investment Companies
- › Trusts
- › Liquidations

Start up

- › Initial structuring
- › Debt and / or equity funding
- › EIS/SEIS
- › Pre-trading expenses
- › Share valuations
- › R&D tax credits
- › Personal and corporate tax compliance
- › VAT registrations
- › Special VAT method or scheme
- › VAT liability of supplies to be made



Maturity

- › Protecting key assets and IP
- › Divestment
- › Corporate reorganisations
- › Demergers
- › Ongoing R&D
- › Exit readiness reviews / VDD
- › Transfer-pricing
- › Tax investigations

Growth

- › Structuring of additional fund raising
- › Acquisitions / tax due diligence
- › Share incentives and reward
- › Profit extraction
- › Funding or grant applications
- › Patent Box + R&D + grant funding
- › Early stage employee share schemes
- › Contractors & IR35
- › New markets / international expansion
- › Property tax structuring and reliefs

Your Key Claritas Contacts



Iain Wright

Birmingham Office Head
iain.wright@claritastax.co.uk



Matt Hodgson

Manchester Office Head
matt.hodgson@claritastax.co.uk



Stuart Brodie

Glasgow Office Head
stuart.brodie@claritastax.co.uk



Robert Brown

Bristol Office Head
robert.brown@claritastax.co.uk



Ses Memhi

Transaction Tax
ses.memhi@claritastax.co.uk



Sam Hart

Private Client
sam.hart@claritastax.co.uk



Minesh Trivedi

Employment Taxes
minesh.trivedi@claritastax.co.uk



Dominic Preist

Head of Sales
dominic.preist@claritastax.co.uk



Richard Smith

VAT

richard.smith@claritastax.co.uk



Guy Kendall

Corporate & International
guy.kendall@claritastax.co.uk



James Cordiner

Tax Dispute Resolution
james.cordiner@claritastax.co.uk



Sonia Hands

Venture Capital Tax Reliefs
sonia.hands@claritastax.co.uk



Caroline Walton

Innovation Reliefs

caroline.walton@claritastax.co.uk



Russell Bennett

Land & Property

russell.bennett@claritastax.co.uk



Alex Hall

Share Schemes & Valuations

alex.hall@claritastax.co.uk

- **Birmingham**
Enterprise House, 115 Edmund Street, Birmingham, B3 2HJ
0121 726 1717
- **Bristol**
One Temple Quay, Temple Back East, Bristol, BS1 6DZ
0117 462 6364
- **Glasgow**
Orega, 9 George Square, Glasgow, G2 1QQ
0141 370 3011
- **London**
0204 548 4317
- **Manchester**
196 Deansgate, Manchester, M3 3WF
0161 470 3011
- **Nottingham**
Cumberland House, 35 Park Row, Nottingham, NG1 6EE
0115 646 3333
- info@claritastax.co.uk
- claritastax.co.uk