



Our services to the hospitality sector



First class support from our
specialist hospitality team

Helping you prosper

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Our hospitality expertise

Working in partnership, our aim is to maintain a close, supportive relationship that provides valuable input into your business.

We provide a range of advisory and support services to hotels, restaurants, pubs and bars and other businesses operating in food and beverage.

The UK hospitality sector is one of the largest industries in the UK - but it is not all smooth sailing. Businesses in the industry are facing a growing number of challenges, from staff sourcing issues, fluctuations in exchange rates, increases in the minimum wage, increasing property costs and changing consumer sentiment.

In such a fast-moving, people-driven industry, we understand how difficult it can be to keep abreast of the latest developments while ensuring the everyday running of your business is as efficient as possible.

We also have international capabilities through our international network, UHY, with offices in all of the world's major tourist centres.

As outlined in this brochure, we provide the following services to our hospitality clients:

- audit and business assurance services
- corporate finance, including fundraising, due diligence and flotations
- business review and strategic planning

- management accounts, including outsourced cloud accounting services
- tax compliance, tax investigations and capital allowances
- PAYE enquiries
- VAT advice, compliance services, health checks and help with HMRC investigations
- remuneration and pension planning, and
- recovery and restructuring.

We also advise on all methods of business expansion including scaling up and franchising, and can help you choose the most effective method for your business objectives.



Martin Jones, Partner
Head of Hospitality

About UHY Hacker Young

UHY Hacker Young is a Top 20* network of chartered accountants, with more than 100 partners and 540 professional staff working from 23 locations around the country. As well as a wealth of experience working with hospitality businesses, we have a broad range of clients across many sectors.

A large proportion of our clients have also been with our firm from business start-up positions all the way through to us helping them achieve their public listings. We have grown with and around our clients. We are currently auditors, accountants and advisers to many private and public sector companies across the UK.

It is our focus on tailoring our service for every client and our commitment to assigning an experienced lead partner and team for each engagement that enables us to provide a stand-out service.

Our dedication to maintaining the highest quality standards combined with our understanding of the regional, national and international picture means that our clients receive an unrivalled and attentive service.

*Latest Accountancy Age league tables

Tax and VAT

Our international expertise

Our UK firm is a founding member of UHY International, which is currently the 16th largest accountancy network globally. Since it was established, UHY International has grown to cover 325 business centres in more than 95 countries worldwide, bringing together the global expertise of independent member firms, who are all highly regarded, professional and reputable in their own local markets.

We have developed solid working relationships among our international colleagues and can always call on them when we require any international assistance.

For more information about UHY International, visit www.uhy.com

The world of tax can be a challenging and ever-evolving minefield of information. Ensuring the right strategies are put in place in order to relieve your tax burden and achieve your financial goals should be high on your priority list, but takes time and effort.

Our highly experienced team of tax specialists work with our hospitality clients on a daily basis to do this. The following are just a few of the specialist areas that our team can support you with.

TAX ADVISORY SERVICES

Employee share schemes

Employee share schemes are a popular way for employees to be given a stake in the hospitality business for which they work and benefit from the growth in the company to which they contribute. If the company succeeds, and the value of the shares increases, the employees gain from their own efforts. An employee share scheme is an additional form of remuneration without involving an immediate outflow of cash, and can be tax-efficient.

In addition to assisting you with choosing the type of share scheme that is best for you, we can also help you with tailoring the scheme so your employees must meet performance conditions, as well as valuation aspects, general company law and the accounting aspects of granting options and awarding shares.

Enterprise Investment Scheme and the Seed Enterprise Investment Scheme

The Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) can provide tax relief for individuals prepared to invest in new and growing hospitality businesses. Investors can obtain generous income tax and Capital Gains Tax (CGT) breaks for their investment and companies can use the relief to attract additional investment to develop their business. We can advise you on how to structure your investment or fund raising to ensure that anti-avoidance rules can be navigated around and ensure maximum tax relief.

Restructuring of companies and groups

We are frequently called in to meet hotel and restaurant clients who have, for many

different reasons, an inappropriate group structure. There are a number of tax reliefs available which can be called upon to achieve a commercial solution if structured in the correct way.

Tax advice on transactions and due diligence

Our team can advise you on the tax impact of business transactions including M&A activity, advice to vendors, as well as providing structuring advice and guidance on clearance applications.

We can also provide tax due diligence as a standalone service, or as part of our financial due diligence service. Our team will report on historical tax information, the current tax position of the business, and can review all tax aspects including corporate taxation, employment taxes, VAT and Stamp Duty.

TAX COMPLIANCE SERVICES

PAYE healthchecks

Employers are facing increasingly aggressive pursuit by HMRC over PAYE and National Insurance. There are late payment penalties on PAYE amounts that are not paid in full and on time, including on monthly, quarterly or annual PAYE and Class 1 NICs. A PAYE healthcheck can help you to avoid these fines by reviewing your payroll procedures, checking for any potential issues with your P11d and Benefits in Kind policies, and identifying any compliance issues with National Insurance regulations.

Fiscal share valuations

There are numerous reasons why you may need a share valuation for tax purposes. Our experts can provide a detailed report to substantiate the value of a set of unquoted shares using HMRC accepted principles. Of course, valuation is still at best an expression of opinion but the presence of a detailed

report will enable you to demonstrate that you took considered advice when declaring the tax on the transaction in your return.

VAT health checks and risk management

Hospitality businesses are increasingly finding that VAT is proving to be one of the most difficult taxes with which to be fully compliant, as complex rules must be applied to every purchase and sales transaction as it occurs and systems must exist to capture all of the required data. Mistakes can be hard to avoid and tax assessments and penalties may arise when a mistake occurs.

The first step in the VAT review process is to fully understand the business at a transactional level. Benefits are delivered immediately because commissioning a VAT review is evidence that a business is “taking reasonable care”. In many cases a health check will deliver VAT savings, but our primary aim is to provide peace of mind, either immediately or via a carefully evaluated route map that addresses any potential problems we find and looks at the steps that may be taken to manage future risks.

Tips and tronc

Tips and voluntary service charges are the responsibility of the restaurateur to distribute through the payroll to staff members. However in the absence of an approved tronc, these are subject to income tax (PAYE), employers NIC and employees NIC.

Implementing a tronc can provide a genuine saving for both the employer and the employee on an ongoing basis and, in certain cases, refunds can be obtained for PAYE and NIC paid in previous periods.

To assist with setting up a compliant tronc, our team can help you:

- design the tronc and prepare the required documentation
- appoint a tronc master and explain their responsibilities
- communicate with staff
- obtain HMRC approval and assist with any follow up communication.

Making Tax Digital (MTD)

MTD changes the way VAT returns are submitted to HMRC, and potentially the method you use to prepare them if you are preparing your returns outside of bookkeeping software. It obliges each entity to maintain business records in approved electronic forms and the submission of data to HMRC from that software.

We have a specialist MTD team who can help guide you through the changes and keep you informed about any future developments.



Andrew Snowden
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Sean Glancy
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Cloud accounting advice and support

Cloud accounting is rapidly becoming the must have accounting service for hospitality businesses.

Cloud accounting is suited to businesses in virtually any sector - but works especially well for hotels, restaurants and other hospitality businesses. Cloud software gives you instant access to all of your key financial information, wherever you are in the world and on any device you choose. However, careful planning and consideration of the different options available is important to make sure you get the most out of the cloud.

By combining cloud technology with our expertise, we offer a range of online business support services via the internet, including accounts preparation, bookkeeping, payroll, VAT and corporate tax returns, leaving you free to concentrate on growing your business. And because your UHY adviser will see the same information that you see, we can work more closely with you to give you the type of advice that will help you to make more informed business decisions.

The main cloud accounting packages have matured to the point that they are secure, viable, and highly effective. Other advantages include:

- instant access to information regarding your accounts which can be accessed and worked on from any location in the world with an internet connection, via any device, be it PC, Mac or tablet
- access through iPads, iPhones, Android tablets and other mobile devices, enabled through apps
- the ability to link the accounting software to cloud based POS and management systems, as well as using other apps and most major banks to streamline processes and reduce the need for teams to manually enter data into the system
- the option to tailor the software to meet your specific needs, through various powerful add-on features.

Which cloud system is right for you?

We can also guide you through the process of choosing and installing the best online software for your business, and help you with transitioning from an existing package onto the cloud. Each product has particular strengths and benefits and some are more suited to one sector over another. We have experience working with a range of different cloud providers, including Xero, Sage Business Cloud, Twinfield, and QuickBooks.

We are not tied to one provider like some of our competitors, and we can take the time to get to know you to ensure we are able to recommend the package best suited to your business needs.



Matthew Granger
Senior manager
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Corporate finance guidance

There will inevitably be a stage in your business's lifecycle when you require corporate finance advice. It could be that you want to expand and you need to finance this growth, or you might be contemplating an MBO or MBI and therefore need to consider the various matters concerned. You might have decided it is time to sell your business and are seeking the right buyer and a smooth transaction.

A flexible approach

Our service is tailored to meet your individual requirements. We can provide you with business advice on any transaction, from start to finish, or carry out individual tasks, including:

- Forecasts and projections
- Business valuation
- Analysis of business operations
- Financial due diligence
- Acquisition and purchaser search
- Share issue advice
- Sourcing suitable grants and government support
- Assistance with preparing applications for bank and institutional funding
- Negotiations and relationship management with all involved parties

We can also advise on floating on the LSE main market, AIM, NEX Exchange or any of the international markets, and guide you through the process.



Rob Starr

Director

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"We have worked with UHY for a number of years and have always felt that our tax and audit requirements are in very safe hands. The team are approachable, professional and quick to respond if we have any questions or queries."

Parul Patel

Rivalminster Ltd

Audit and advisory services

"UHY provided a solution to the tight deadline, were responsive and showed an excellent understanding of the operations of hotels and the hospitality sector in general."

Urvashi Parekh
Warwick Hotels

We see our annual audits and assurance engagements as an opportunity to provide you with far more than statutory compliance.

We have a wealth of experience from dealing with a wide variety of hospitality clients, who are of varying size and complexity. Our team are committed to providing you with sound commercial advice on your future direction, highlighting areas of opportunity, as well as delivering a robust and timely audit service.

We are able to assist you with a full range of audit and assurance matters, including:

- Financial statements audit
- Regulatory reports
- IFRS reporting
- Financial accounting
- Independent controls and systems process
- Grant audits
- Independent examinations.

Advisory services

Sometimes you need another perspective, and we use our extensive experience of working with hotels, restaurants and other hospitality businesses to provide this.

We have the specialist skills required to assist you, wherever your business is in its lifecycle. This could include advice on operational matters, strategy, obtaining funding, expansion and exit planning. We can also work with your in-house team and external accountant to improve the quality of financial information you receive for any decision making.



Martin Jones

Partner
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Turnaround and recovery

We have specialist experience of working with hospitality businesses, particularly restaurant chains, in turbulent times. Our specialist turnaround and recovery team can help to rescue or restructure a business to return it to a profitable state.

Independent business reviews

An independent business review will provide a sound base from which management, lenders and investors can move forward. We understand this and are committed to producing independent business reviews based on the commercial realities facing your business, with a focus on practical innovative solutions.

Restructuring

Not every company facing financial difficulties needs to enter a formal insolvency process. We can help you avoid this through drawing on our expertise in private equity, management buy-outs, preparation of the business model, financial modeling and business valuation.

Formal corporate insolvency process

It is our priority to advise you on the best way possible to deal with the financial difficulties your company faces and to achieve the best outcome for your company's creditors. We will advise you on the various options available, including administration, liquidation and Company Voluntary Arrangements (CVA), and explore the most suitable option for your particular circumstance. Our experienced staff work alongside specialist lawyers and valuation agents to ensure business assets are maximised in distressed circumstances.

Members voluntary liquidations

If your company is solvent but you wish to cease trading and distribute assets to shareholders then you may consider voluntary liquidation. This process can offer protection and an orderly wind down. We also have a large amount of experience in dealing with group simplification, assisting organisations in dissolving dormant companies, making their group structure more transparent and reducing operating costs.

Personal insolvency options

We make it our priority to advise you on the best way possible of dealing with the financial difficulties you face, whether through an Individual Voluntary Arrangement or bankruptcy. The recommendations made will depend upon your own particular circumstances and may include a Debt Relief Order.

We will also advise you of the non-formal insolvency options available, together with the risks that are inherent with these other processes.



Peter Kubik

Partner

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Hospitality team profiles



Martin Jones
Hospitality partner

Martin has in-depth knowledge of accountancy in the hospitality sector, including food and drink companies, who he has helped with their plans for fundraising and scaling up.

Martin joined UHY as a partner in 2016 and has over 30 years of experience in audit, financial reporting, outsourced accounts and advisory services to companies of all sizes, including listed companies, but with a particular focus on the hospitality sector.

His experience includes working with a Big 4 accounting firm in the UK and overseas. He has led audit assignments for a variety of businesses, both UK based and those with global operations and has also been involved in various due diligence investigations for acquisitions and IPOs.

Martin has also featured on Radio Four's 'You and Yours' programme to discuss the profitability of restaurant chains in the UK.

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Andrew Snowdon
Tax partner

Andrew Snowdon is a partner and Head of Tax in our London office. Andrew's mission is to bring commercialism into tax. He has previously advised a hotel chain who were growing their business by strategic acquisitions

throughout Europe on how to structure their group in a highly tax effective way.

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Sean Glancy
VAT partner

Sean helps clients manage tax risk through planning, review and control strategies. He works within the spirit of the law to develop cost reduction solutions which are appropriate and avoid client and adviser reputational risk. Sean has worked with a number

of hotels and restaurants on VAT issues, including recovery of VAT on development costs, the application of the reduced rate and the definition of hotels and similar establishments for VAT purposes. He has helped clients with negotiations with HMRC and understands their approach to inspections, including fraud investigations and testing.

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Peter Kubik
Turnaround and recovery partner

Peter's work involves providing pre-insolvency advice to banks, companies and directors and dealing with Liquidation and Administration appointments. He has worked with many clubs and

restaurants, including Criterion, Libertine, Raffles and Kurobuta in both Chelsea and Marble Arch.

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Rob Starr
Corporate finance director

During Rob's 20 years of corporate experience, he has helped a diverse range of businesses from start-ups to multinational companies with their corporate finance needs.

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Rachel Chim
Director

Rachel looks after a diverse range of clients within the hospitality industry. She is responsible for providing a variety of services including audit, preparation of statutory accounts, management accounts and due diligence.

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Mital Shah
Senior manager

Mital is a senior manager in our London office and has over 15 years of experience in audit and financial reporting. He has worked closely with companies within the hospitality industry. His recent experience includes working with AIM listed companies in the food and drinks sector including delivering successful audit and assurance services.

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Matthew Granger
Senior manager

Matthew assists clients in developing their businesses and provides them with auditing services, outsourcing, business tax compliance as well as advising them on the implementation and use of cloud accounting systems. He is a Xero certified adviser.

has previously worked with restaurant chains to integrate systems and develop their reporting practices.

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Phil Grehan
Manager

Phil is a manager in the London office audit department. He has varied experience, managing clients across a variety of sectors including property, manufacturing and hospitality. His clients have included large hotel groups.

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The next step

For further information about the services we provide, please contact one of our hospitality experts directly using the numbers above, or on:

+ 44 20 7216 4600

Or visit our hospitality services page at:

www.uhy-uk.com/sectors/hotels-and-restaurants/

You can also access our Hospitality blog to read commentary from our specialists on the current tax landscape and client issues they have been encountering:

www.uhy-uk.com/sectors/hotels-and-restaurants/hospitality-blog/

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