



# Kumilos LP

## CUTTING RED TAPE & TAX

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### ENGLISH LLP OR COMPANY

#### **Why would I register an LLP rather than a limited company?**

It depends on the type of business you have. LLP's are usually set up by the types of professions that typically operate as traditional partnerships. The advantage of an LLP is that it provides those professions with the opportunity to continue operating as a flexible partnership structure, whilst protecting the personal finances of the partners with limited liability - one of the most favourable advantages of a limited company structure. Although this is the type of business typically attracted by LLP's their use is not limited. Remember, unlike a limited company, you must have a minimum of two people to set up a partnership.

#### **How many people are required to register an LLP?**

You need at least two people to be able to set up an LLP. There is no upper limit to the number of partners (known as LLP members) your LLP has, but partnerships tend to remain quite small in terms of their number of owners. However, it is possible to set up a dormant limited company and appoint that company as the second partner, but it would be worth seeking professional advice from an accountant before doing so.

#### **Can I use Nominees as Partners?**

You can, although we consider that you do not really need this although we can provide 2 partners who are not residents of any country in Europe for you.

#### **Do I need a registered office for my LLP?**

Yes, all LLP's must have a registered office address in the same part of the UK in which they are incorporated. Therefore, you must provide Companies House with details of a registered office in England and Wales, Wales alone, Scotland, or Northern Ireland. You may use a residential address as a registered office. You can add our Registered Office Service to your formation package. Please note – A Registered Office cannot be used as a place of business unless you pay the appropriate fee for a place of business. We have both available for you if required.

#### **What is a Limited Liability Partnership Agreement?**

An LLP Agreement is not legally required but it is essential if you want to clarify the rights and duties of each partner, avoid confusion, and prevent future disputes. This document will enable you to set out the values and objectives of the business, outline the way in which the LLP should be managed, state the role of each member **and their profit-entitlement**, and clarify the way in which business decisions can and must be made. Without an LLP Agreement, you're simply relying on the unrealistic expectation that all members will agree with each other at all times. As a precautionary measure, use our free draft LLP Agreement to outline the rules and regulations of your internal affairs. Banks always ask for a copy of your Agreement.

#### **Am I required to lodge accounts with the Companies Office?**

Yes, but if you are smart you will add our Bookkeeper to prepare your accounts taking the entries from your marked bank statements, or if relevant submitting a nil return.