

## Corporate and Business Tax

At Booth Ainsworth, we have a wealth of experience helping businesses plan their strategies in all areas from tax to acquisitions and sales, from restructuring to risk assessment, from remunerating staff to share options and incentives.

Why not let our Corporate & Business Planning team see what it can do for your business.



### Testimonial

"They work hard to develop an in-depth understanding of our company so that they add value to almost every function." Director, Client Vehicle Finance Firm

### Company and business tax planning

Our Corporate & Business Planning team has a wide breadth of experience and expertise that can meet the majority of your corporate and tax planning needs. Where we need more specialist advice or a second opinion, we also have well-established links with tax barristers, and access to experts within the Horwath Clark Whitehill network, of which we are a member.

We pride ourselves on taking the time to understand your business and personal aspirations, so that we can anticipate your needs, and give you proactive tax advice and workable solutions.

As part of our tax planning service, we offer you at least one structured tax planning meeting a year, and other less formal meetings during the course of a year. We tell you our fees up front, and agree fees for special work in advance so there are no surprises, and you can fully assess the cost/benefit equation of the advice we give you.

### Corporate restructuring

It is surprising how many businesses have a structure which is not as tax-efficient as it could be. This is often because the business has grown and developed over the years and no-one has taken the opportunity to ensure that the structure is tax efficient. Problem areas include:

- By having a number of associated companies, the benefits from the lower rate of corporation tax have not been maximised
- You may have investment properties within the company which can cause complications when you want to sell the company but keep the properties
- Similar issues arise where you want to sell part of the company's business; with advanced planning it might be possible to do this with no immediate tax cost

Tax legislation recognises that businesses mature and develop, and, in appropriate circumstances, allows for companies to be reorganised with no tax cost. At Booth Ainsworth, our Corporate & Business Planning team works with you to understand your business and objectives, so that we can give you proactive and innovative advice to ensure that your business structure is tax efficient, and meets your future needs.

## **Tax efficient business acquisitions and sales**

Acquiring or selling a business is usually a once or twice a lifetime event. The tax cost involved is just one of the factors to be taken into account, and, like all costs, needs careful consideration and planning if it is to be minimised.

At Booth Ainsworth, our Corporate & Business Tax team can guide you through this process and ensure that you make the most of the opportunities.

If you are selling, we will work with you to ensure, among other matters:

- That the commercial cost of unclaimed capital allowances is recognised and reflected in the sale price
- That full consideration is given to the availability of substantial shareholder relief. This is a valuable relief which can mean that, in the right circumstances, you can sell a trading subsidiary with no immediate tax cost
- That capital gains tax hold over or roll over reliefs are available

If you are acquiring a business, we can help you:

- Maximise corporation tax relief for purchased goodwill and other intangible assets
- Recognise unclaimed capital allowances and ensure that the purchase agreement lets you acquire these
- Set up a tax efficient acquisition vehicle

With our expertise and experience, we are ideally placed to work with you through the whole process, from the initial idea through to completion.

## **Exit strategy planning**

You have taken many years to build your business and want to maximise your sale proceeds when you sell it. Tax is one of the key issues, and you must strike a workable balance between you and the purchaser:

- You want to sell shares with the possibility of Entrepreneurs' Relief giving an effective tax rate of 10% on the first £1 million of the gain, and a tax rate of 18% on the balance

- The purchaser, typically, wants the possibility of getting enhanced capital allowances and tax relief for purchased good will, but this can increase the tax cost to you by over 400%

Early planning is essential. As you prepare your business for sale, and throughout the sale process, our Corporate & Business Tax team can help you keep the tax you pay to a minimum by advising you on issues such as:

- Ensuring that the sale qualifies for Entrepreneur's Relief, and the implications of this
- Other strategies to shield the tax liability arising from the sale

We can give you all the specialist help and advice you need to guide you through the negotiations and ensure that you get the best possible figure.

## Remuneration strategies

You can extract profits from your company in a number of ways, each of which has a different tax impact on your company and on you personally. Your best option may include more than one tax strategy.

At Booth Ainsworth, our specialist Corporate & Business Tax team can help you:

- Evaluate the most tax efficient options available, from both a corporate and personal perspective
- Explore other strategies and ideas to reduce the overall tax cost of extracting cash from your business
- Find out whether your business can be restructured to be more tax efficient

See Contact Us to find out how we can help you take the profits you deserve.

## Share schemes

HM Revenue & Customs (HMRC) has approved a number of tax efficient and commercially attractive share and share option schemes. Amongst small and medium-sized companies, the most popular is the Enterprise Management Incentive (EMI) share option scheme.

An independent survey of employers and employees commissioned by HMRC recently on EMIs gave very positive and interesting findings:

- More than 92% of employers thought an EMI's most important feature was its use in retaining staff
- Nearly as important were its impact on staff motivation and its ability to engender a feeling of ownership
- The scheme's tax advantages were also seen as an important benefit for employers and employees alike
- Schemes used to help recruit key employees, to enhance salaries, or to help with cash flow problems were more likely to be in lieu of salary than as a supplement to salary
- On the other hand, schemes introduced for tax advantages, to improve staff motivation or to help with staff retention were more likely to be a supplement to salary

At Booth Ainsworth, our own internal experience confirms this research, and we have implemented EMI schemes for a number of our clients. If you want a full copy of the research, more information on share and share option schemes, or to find out how we can help you set up one of your own, why not see Contact Us, and get in touch?

## **HMRC investigations**

When faced with any type of tax investigation, it is important that you have the right support and advice, so you can concentrate on your business and not be distracted by what is often a detailed and protracted review.

Any investigation into your tax affairs is potentially damaging and not just financially. The destabilising effect of an investigation should not be underestimated. Not only can there be significant personal stress on you and your family during the investigation but vital relationships with third parties may also be at risk.

At Booth Ainsworth, our team of experienced HM Revenue & Customs (HMRC) investigation specialists understands the investigation process in depth. We can see you and your business through all types of HMRC investigations, from those instigated by local offices to those by HMRC specialist offices such as Special Civil Investigations, leaving you to focus on your family and business, while we take the strain.