

Tax retainer - pays for itself, maintains compliance and paves way for future savings.

The problem

We were approached by the majority shareholder of a successful business, built up over a number of years. Whilst they had built a successful business, at no point had they received any meaningful tax planning advice for them and their family. The business was comprised of four companies, one of which had other shareholders. The majority shareholder had been unable to get the right level of advice from their existing accountant and was keen to ensure that both the corporate and personal objectives were considered together.

The solution

Following an introductory meeting, we were engaged under our tax retainer service to provide tax services on a monthly fixed fee basis. The retainer service was to include 2 face to face meetings each year to discuss tax planning and wealth management including preparation and meeting notes (and importantly, actions!). Advice was to be provided in relation to the shareholders and children, the companies and the pension scheme. Also included within the fixed fee was ad hoc advice by telephone and email, as well as our monthly tax newsletter with tax tips and guidance.

Within the first meeting, topics covered included:

- the efficiency of the current business structure
- tax efficient remuneration with consideration of child benefit entitlement
- relevant life cover
- pension planning
- a review of the eligibility for Entrepreneurs' Relief
- children as shareholders
- the existence of properties in a company and the availability of ATED (Annual Tax on Enveloped Dwellings) relief

A number of actions were taken immediately to reduce risk and ensure compliance (for example claiming the ATED relief that was available but had not yet been claimed, as well as changing the method of profit extraction). Such were the actions that the annual fees for the retainer service were covered many times by the tax savings generated from the actions identified in the initial meeting.

Our client is now fully informed as to the opportunities available to him and his family and significantly increases their chances of achieving their goals. By having a process in place, it ensures that time is devoted on a regular basis to tax and wealth planning and therefore reduces the risk of missed opportunities or areas that could come back to bite in the future.

We said

“Too often tax is overlooked, where in reality it is one of the most important factors in maintaining a healthy business operation. Businesses should be regularly reviewing their tax positions not only ensuring they are doing things properly, but that they are maximising profits – our Tax Retainer service does just that giving you one less thing to worry about”

Alan Ross, Tax Director,
Wilson Partners