

# TAX AND WEALTH PLANNING

## **Ellacotts Tax and Wealth Planning team provide holistic advice for individuals, businesses, charities and trustees.**

We offer tailored planning and tax advice to support all of life's events, big or small. From investments, savings and pensions, to navigating you through the ever changing tax landscape. We want to ensure you are as tax efficient as possible and aware of your options.

We do this by listening, asking questions and working closely with you to understand your goals and ambitions for both now and the future. What motivates you in business and personally is important and understanding this ensures we help you meet your objectives.

---

### **Taxation advice for businesses**

We live in an increasingly regulated and global business environment. Whatever the size of your business, we will incorporate tax-efficiency into your planning and decision making, as well as taking care of returns and paperwork, leaving you more time to manage your business.

Research and Development (R&D) incentives have been around for many years now and they are amongst the most generous reliefs and credits left in the tax legislation. We have the experience to navigate you through the claim process, producing robust and defensible claims, whilst ensuring we manage risk and maintain integrity and reputation with HMRC.

### **Pensions and retirement**

Saving for retirement is an important issue that many neglect until later in life. Long term planning is essential if you wish to have a sufficient income when you cease work. Making pension contributions is one of the few tax advantages still open to individuals and businesses. Whilst workplace pensions will help most workers, specialist advice is useful to make the best of what the rules allow. When reaching retirement there are a number of options available to you so it is important to make the right decisions at that time. We will explain what is available and help you to choose the best course of action for your situation.

### **Residence and domicile**

Where you reside and your domicile can dictate the tax regime under which you fall. Over recent years we have seen many changes to the rules. These include capturing those long term residents as deemed domiciled for all taxes, i.e. having to pay tax in the UK on their worldwide assets, and non-residents now having to pay UK tax when they sell UK land and property.

As ever, the rules are complex and have been introduced in a phased fashion. With careful attention to your residence and domicile position, and indeed the location of your assets, we can explain your tax position, the ability to claim relief of double taxation and any opportunities to plan your affairs more tax efficiently.

### **Land and property**

Whether you are letting, developing, buying or selling land or property, our Tax team have a wealth of expertise to confidently advise you of your tax position, including Stamp Duty Land Tax. We can also explore structures to maximise tax efficiency, from trusts, partnerships and limited companies.

With property taxation having become complex, landlords are feeling the burden of greater rules and higher rates of tax. From the loss of higher rate tax relief on the finance costs related to letting residential property, to higher rates of Capital Gains Tax and the changes to Letting Relief of a main residence, many are unsure which way to turn. We can help you to understand the options available whilst ensuring these support both your short and longer term goals.

### **Personal tax**

As tax legislation on Income Tax, Capital Gains Tax and Inheritance Tax becomes more complicated, together with HMRC's increased powers and data, it is key that compliance requirements are met. Everyone who is subject to tax needs professional advice, simply completing your tax return is no longer sufficient.

As part of our tax return preparation we will consider areas you may benefit from and discuss these with you. In addition we will provide a timely completion of your return and assist in forecasting future tax liabilities to help you understand these.

We can help you ensure you are fully compliant as well as supporting tax savings by:

- Finding ways to help keep you out of higher rates of tax.
- Claiming reliefs to reduce taxable income and gains.
- Passing wealth onto family members in the most tax efficient manner.



### **Investor Tax Reliefs**

You may be aware that the Government encourages investment in start-up companies by private investors. If the conditions are met, investments can provide a wealth of tax breaks. These can range from a reduction in your Income Tax liability, tax free dividend income and sheltered Capital Gains Tax. Start-up investment, if right for you, could be key in forecasting future Income Tax liabilities.

### **Trust and estate planning**

Many people fear how their family and business succession planning will be impacted by Inheritance Tax. Without a plan, a family can risk passing as little as 60% of their estate onto their loved ones. In addition many fear marriage or civil partnership breakdown could dilute their family estate through separation. The key is to plan ahead and not leave this type of planning too late. Whilst this is not always an area families want to talk about, it is key to protecting the family estate.

Trusts can form a key part of estate planning together with careful use of the many exemptions for gifts, understanding the amount by which your estate is exempt from Inheritance Tax and what reliefs you may qualify for. Everyone is entitled to a set threshold before Inheritance Tax but there is an increased amount for the family home and valuable reliefs for business and agricultural assets. The key is to understand the conditions that need to be met to attain these reliefs and, as importantly, not to lose them.

Our Tax team can help guide you through the maze of rules and reliefs to ensure your assets are protected and passed on to those intended in the most tax efficient way.

### **Capital Gains Tax**

There are various reliefs available to help reduce your exposure to this tax and we can review how these apply to your case. In addition to this, cases allow for payment of Capital Gains Tax to be deferred which if complimentary to your future plans, could prove extremely favourably in supporting an immediate cash-flow benefit. This is extremely important for shareholders of a business with recent changes to the key relief of Entrepreneurs' Relief.

### **Extraction of profits and shareholder remuneration planning**

Over recent years the gap between salary and dividends has narrowed. Gone are the days where remuneration planning is the same year in, year out. Given this growing need for an annual review, we take into account both the tax position across your business and for you personally. In doing so we are able to highlight more ways to structure remuneration and achieve more favourable and attractive tax benefit options for you, your family and business.

### **Intermediaries legislation**

IR35 is an area that has been around for some time now, however, over recent years the Government and HMRC's focus has meant this aspect of tax legislation is somewhat in the public eye. Many household names are currently battling the courts to argue their case is that of a person in business in their own right, taking financial risk, and not that of employment.

If you are concerned your working arrangements look and feel like employment, or you operate a business and have people off payroll that are comparable to those on the payroll, you should ensure you seek professional advice.

Whilst compulsory measures are already in place for the public sector, HMRC show no signs of letting up that the same measures will soon be in place for the private sector. With this in mind it makes sense to act now, before HMRC request a review of your position.

### **Wealth Planning**

Our aim is to deliver effective wealth management solutions, which combine financial planning, taxation and other services as part of a more comprehensive approach to our client service. Our role is to help balance your long-term financial goals with current and future cash needs.

We offer active portfolio management solutions to ensure your investments are always aligned to your desired level of risk and these portfolios are constantly reviewed to take account of changes in the financial markets.

### Richard Martin

“I had by chance seen an obscure piece of legislation on the HMRC website regarding the purchase of multiple properties. My solicitor knew nothing about it and doubted it would apply to my farm purchase. An internet search found little except a reference on the Ellacotts website. They guided me, my solicitor and surveyor through the process and I was delighted to save about £15,000.”

### John Forkun

“Ellacotts responses are prompt, to the point and they are always able to apply their technical knowledge and experience in a practical and simple way to the matter in hand. They were proactive in asking me “What if...?” to give me an idea of other options and issues to consider so that I can keep my tax bills to a minimum.”



## Meet some of our team

You will have key contacts in our team available to answer queries and develop strategies.



**Ann Bibby**  
Partner  
abibby@ellacotts.co.uk



**Jennie Brown**  
Director of Private Client Services  
jbrown@ellacotts.co.uk



**Chris Slatter**  
Independent Financial Adviser  
cslatter@ellacottswalth.co.uk



**Kathryn Walshaw**  
Private Client Tax Manager  
kwalshaw@ellacotts.co.uk

### Banbury

Countrywide House  
23 West Bar  
Banbury  
Oxfordshire  
OX16 9SA  
+44 (0)1295 250401

### Kettering

Vantage House  
2700 Kettering Parkway  
Kettering Venture Park  
Kettering  
Northamptonshire  
NN15 6XR  
+44 (0)1536 646000

### London

Suite 100  
99 Bishopsgate  
London  
EC2M 3XD  
+44 (0)203 6937315

For more information about Ellacotts and our services, please visit [www.ellacotts.co.uk](http://www.ellacotts.co.uk)

#### Information for readers:

Ellacotts LLP is a member of the UK200 Group, a national association of UK independent quality assured accountancy and legal firms. We are one of the fastest growing accountancy firms in the UK and listed as a Top 100 Accountancy Firm by the Accountancy Age 2018 survey. We work closely with other professionals such as solicitors and land agents to ensure the best tax position for our clients.

Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk) under the reference number C001386037. For all legal information including terms of business, please visit [www.ellacotts.co.uk](http://www.ellacotts.co.uk). Ellacotts LLP is a Limited Liability Partnership registered in England and Wales, Registered Number: OC319580. A list of members is available for inspection at the offices of the firm

