



## **CASE HISTORY**

### **LIMITING YOUR LIABILITY TO HIGHER RATE TAX WHILST MAINTAINING A LARGE INCOME**

A husband and wife team were running a successful and very profitable retail business. They became weary of their ever increasing higher rate tax bills. Lentells advised them to change the status of the business from a partnership into a limited company. The goodwill in the business was professionally valued and 'sold' to the new company for a six figure sum. The cost of buying the goodwill became a Directors Loan within the new company. The husband and wife team then reduced their salaries to minimal levels, and drew dividends plus draw downs against the Directors Loan, thus reducing their tax bills whilst maintaining their disposable incomes.

**Remember, these details are for information only. For advice on individual cases contact us to arrange a free, informal and no obligation initial meeting.**

Offices at: Chard, Lyme Regis, Seaton & Taunton

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