

MBA FACTSHEET 2012- VALUING YOUR BUSINESS

Description: We undertake valuations for self employed clients, or clients in a partnership (normal or limited liability partnership) looking to sell their business to their own limited company to save tax.

What do we do?

Main Tasks

- We review your past figures and complete your latest self employed accounts.
- We need to value any stock and assets at the date of the disposal
- We need to forecast anticipated 2012/13 performance if no limited company was formed.

We will review all the above information received to maximise your relief and prepare a valuation report and agree/negotiate with HM Revenue and Customs including:

- sales agreements
- CG34 form
- Capital Gain Tax Calculation
- Valuation Report

What are The Benefits of Doing This

- Benefit from lower limited company tax rates eliminating 9% national insurance over £7,605 profits
- This goodwill is allowable over several years as an expense to lower company profits.
- The new limited company owes you personally goodwill money you can take out tax free

What is the Cost of Doing This

- Capital gains tax in January 2014 of 10% above £10,600 with entrepreneurs relief
- We will charge from £900 plus vat – quotes on application
- 1 off Company set up costs + extra accountancy fees of £500- £800 per annum

Estimated Benefit Calculation assuming Profits and Valuation of £40,000

- a) £2,900 saving in Business Tax on £40k profits **PER ANNUM**
 - If self employed tax will be around £9,400
 - If Limited Company tax will be around £6,525
- b) £1,600 per year for 5 years Limited Company Saving in Corporation Tax
- c) £11,600 Personal tax saving – 29% on £40,000 timeframes would depend on profits made and dividends.

Please note all the above figures are estimates as a guide to potential clients .

Call us on 02083370775 for a no obligations consultation about your business.