

JUST HOW MUCH IS YOUR BUSINESS WORTH ?

Your business is valuable, but have you ever wondered just how much it's worth? There are many reasons why proprietors might need to place a value on their businesses. For example you may be considering selling or perhaps you want to bring in a partner. We are often asked to assist in these types of valuation.

Taxing problems

Once you know how much your business is worth you need to ensure that you keep as much of that value as you possibly can. There are plenty of tax-planning opportunities to keep the tax bill down when you sell your business. Currently this country's legislation allows businesses to be disposed of at very favourable rates of tax. With proper planning this can be as low as 10% (and sometimes even lower!). However it is vital to organise matters properly and to plan well in advance of any disposal.

Remember it is not just selling a business that needs efficient tax planning. You may wish to retire and simply extract the assets from your business to help provide a pension. This must be correctly structured to avoid paying higher rates of tax. You could be saving as much as £30,000 on £100,000 of value - enough to indulge, now that you have the time to do so. In fact any change in your business structure should always be well planned. You may for example be bringing in a new partner or shareholder, such reorganisation needs careful consideration in order to minimise current and future tax bills.

Advice now can avoid problems later. Make sure that the chancellor doesn't get his hands on any more of your hard earned money than is necessary.

Plan early, plan often.

INDUSTRY FOCUS - THE CONSTRUCTION TRADE

Amongst our diverse client base of owner managed businesses we have a large number of clients in various areas of the building sector. Set out below are a range of relevant matters on which we have been asked to advise.

- Dealing with CIS certificates and vouchers, including obtaining registration cards.
 - Deciding on the best way to obtain relief for the 18% deduction at source
 - Incorporating the business - most of our sub contractor clients have incorporated to take advantage of the tax savings
 - Advising on VAT matters such as the treatment of new build or refurbishment works.
 - Giving advance notice of when to pay your taxes
- Remember the payments must be made on time otherwise you may have a problem getting your certificates reissued**

KEEP THE SYSTEMS FLOWING

We act for over 250 limited companies and have nearly 1000 income tax returns to prepare this year. As you can imagine such a volume of compliance work requires tight systems of control. So a big thank you to **all of you** for sending in your records on a timely basis. We have made a good start to this year's tax returns and are almost one third of the way through. **Do return the forms as soon as possible to keep the systems flowing.**

TAX BREAKS - RUNNING YOUR BUSINESS FROM HOME

If you run or administer your business from home, then we claim tax relief on your behalf on some of your household expenditure. We are sometimes asked if this will affect your Capital Gains Tax position when you sell your house - rest assured that we make the claim in such a way as to avoid any such problems.

dmc partnership Chartered Accountants

Yew Tree House, Lewes Road, Forest Row, East Sussex, RH18 5AA

TEL 01342 824181 FAX 01342 825323 EMAIL info@dmcpartnership.com

This newsletter has been written for the general interests of our clients. Please seek advice on specific issues as there may be certain errors or omissions for which we cannot be held responsible.