

Corporate Case Study 3

Holistic Investment Approach



Company Z has always had a prudent approach to money and the directors are aiming to sell the business in a few years' time, extracting the full value of the business as an on-going concern and also the assets held within it.

The company had built up cash reserves of over £800,000. This was well in excess of the necessary cash flow demands and prudent reserve but the highest marginal rate of personal tax meant it was difficult to extract the money efficiently. Therefore we undertook a review of their exit strategy and their capital gains tax position and recommended that the excess cash, that was earning a derisory rate of return, be invested into a bespoke portfolio. This portfolio was tailored in such a way that an element was designed for capital growth, an element for capital protection and an element to defend against inflation. By careful risk management we have been able to improve their company finances without anyone having to work harder, instead

we arranged for the reserves to work harder. In time, if the top rate of tax falls it may become more advantageous to move money out of the company environment and into the directors' but for now we are making sensible investment decisions in the most tax efficient way possible. Using careful planning we were also able to construct tax efficient exit planning for the directors as an optional extra benefit.

If you would like to discuss any of the above in more detail please do not hesitate to contact us.

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