

Your Firm Name, Chartered Accountants

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Tax Savings Review

Prepared for Sample Client · October 14, 2026

SUMMARY

We reviewed the 2024/25 return and related information and identified 6 opportunities we recommend discussing with you, with a combined estimated benefit of about £33,544. Each item below explains what it is, why it may apply to you, and what we suggest as a next step. Figures are estimates and depend on facts we will confirm together. Amounts are in pounds sterling.

6

opportunities identified

~£33,544

combined estimated benefit

2024/25

return reviewed

Thank you for letting us take a second look at your 2024/25 return and the company's position alongside it. Two items can still be recovered for that year, and four planning moves are worth setting up before 5 April 2027. Nothing here is urgent this week; we will manage the deadlines with you.

Opportunities

1 The employment allowance the company never claimed ~£2,269

Your company employs you as director plus one other person earning £28,000, which means it is not caught by the rule that shuts single-director companies out of the Employment Allowance. If no claim was made for the 2024/25 year, we can still submit one, and the employer's National Insurance the company paid that year of roughly £3,100 can be refunded or set against other PAYE amounts, leaving a net benefit after corporation tax of around £2,300. The same allowance, now larger, should also be claimed for the current year.

SUGGESTED NEXT STEP

We claim it for 2024/25 and the earlier open years through the payroll, and the company recovers the employer's National Insurance.

2 Half of the joint savings interest belongs on your wife's return ~£200

Because the £35,000 savings account is in both your names, the law treats the interest on it as belonging half to you and half to your wife, unless you have formally told HMRC that the real ownership is different. All of the £4,800 of interest was reported on your return, so half of the joint-account interest can be moved to your wife, where part of it is covered by her larger tax-free savings band as a basic-rate taxpayer. We can amend your 2024/25 return and arrange for your wife to report her share, and can also look at how the account is held going forward.

SUGGESTED NEXT STEP

We amend your 2024/25 return for your half and report hers on her own return.

3 **A company pension contribution in place of part of the dividends**

~£18,805

We could set up a personal pension in your name and have Brightwater Systems Ltd pay £30,000 a year into it directly, with your dividends cut by the same £30,000. Because the company gets a deduction for the payment and you are not taxed on the dividend you no longer take, the combination is worth in the region of £18,800 a year in tax across you and the company, and because your income for the year falls below £60,000 the child benefit clawback should fall away entirely.

The payment has to leave the company's bank account before 31 March 2027 to land in the right company year, and the dividend reduction has to be planned across the whole year rather than fixed at the end, so this needs to be set in motion well before next March.

SUGGESTED NEXT STEP

We size it with you against the three years of unused allowance and the company pays it before its year end.

4 **Ordinary shares for your wife so dividends use her basic-rate band**

~£8,250

Your spouse currently holds no shares in the company, so all £60,000 of dividends is taxed on you, much of it at the higher dividend rate. We could arrange for ordinary shares with full voting, dividend and capital rights to be issued or transferred to her as an outright gift, properly minuted and registered, so that future dividends paid on her shares are taxed on her and the first £32,000 or so falls within the basic rate instead of the higher rate.

On the current rates that is in the region of £8,250 of income tax a year, with a possible further reduction in the child benefit charge, provided the shares are a genuine unconditional gift, the company has enough distributable profit, and no dividend is waived in her favour.

SUGGESTED NEXT STEP

We prepare the share issue and the board minute; the shares carry full rights so the settlements rules do not bite.

5 Transferring half of the Stockport let to your wife

~£2,300

Your Stockport rental is held in your name alone, so all of its profit is taxed at your higher rate and, just as importantly, it uses up the slice of your basic rate band that your company dividends would otherwise sit in.

We could arrange a signed deed transferring the beneficial interest in that property to your wife, with her then reporting the rent on her own tax return, which on current figures is expected to save the two of you in the region of £2,300 a year between you, with no capital gains tax on the transfer itself because transfers between spouses living together are made on a no gain, no loss basis.

Two practical points to settle first: the lender needs to agree, and the amount of mortgage debt treated as passing to her needs to be kept below £40,000 so that no stamp duty surcharge arises, and if the property is put into joint names instead there is a strict sixty-day deadline for lodging a declaration with HMRC.

SUGGESTED NEXT STEP

We draft the declaration of trust and check the mortgage lender's consent before anything is signed.

6 Moving the £35,000 of savings inside ISAs

~£1,720

Your £35,000 of joint savings is currently producing around £4,800 of interest a year that is taxed at 40 per cent in your hands, and no part of it sits in a tax-free account. We could arrange for each of you to open an individual savings account in your own name and put £17,500 each into them before 5 April 2027, which would take the whole pot out of tax from that point and should save in the region of £1,720 of tax a year, with a further reduction in the child benefit charge because your income figure falls.

In the meantime, holding any savings outside the wrapper in your spouse's name would mean the interest is taxed at his lower rate, and it is worth knowing that these allowances only work year by year, so nothing can be applied back to earlier years.

SUGGESTED NEXT STEP

We set the contributions for this tax year and the next, split between you.

This summary was prepared by Your Firm Name, Chartered Accountants from the tax return as filed and the information available to us at the time. Amounts are estimates; actual results depend on your specific facts, the elections made, and timing. Please contact us before acting on any item so we can confirm it applies to you.

Prepared with research and drafting software on October 14, 2026: each cited authority was retrieved and compared with its source text, and the firm reviewed every item before release.

Authorities referenced

- 1 **The employment allowance the company never claimed**
National Insurance Contributions Act 2014, s 2 (Statute)
- 2 **Half of the joint savings interest belongs on your wife's return**
Income Tax Act 2007, s 836 (Statute)
- 3 **A company pension contribution in place of part of the dividends**
Finance Act 2004, s 196; Finance Act 2004, s 228A; Income Tax (Earnings and Pensions) Act 2003, s 681B; HMRC Business Income Manual BIM46035
- 4 **Ordinary shares for your wife so dividends use her basic-rate band**
Income Tax (Trading and Other Income) Act 2005, s 626; Income Tax Act 2007, s 8; Income Tax Act 2007, s 701; Finance Act 2026, s 4
- 5 **Transferring half of the Stockport let to your wife**
Taxation of Chargeable Gains Act 1992, s 58; Income Tax Act 2007, s 836; Income Tax (Trading and Other Income) Act 2005, s 274A; Capital Allowances Act 2001, s 59
- 6 **Moving the £35,000 of savings inside ISAs**
Income Tax (Trading and Other Income) Act 2005, s 694; Income Tax Act 2007, s 16; Income Tax (Trading and Other Income) Act 2005, s 626; HMRC Savings and Investment Manual SAIM1090