

9 Powerful Ways IT Business Owners Can Simply & Easily Reduce Their Tax Bills

By:
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— Financial Services



Stop overpaying the taxman: Smart, simple strategies for IT business owners

Running an IT business is demanding.

Your time is valuable, your margins are tight, and every penny counts and yet way too many IT business owners are handing over more to HMRC than they need to. Why? Because they haven't been shown them how to work smarter with their money.

This guide cuts through the complexity and provides 9 straightforward, practical ways to legally reduce your tax bill, without spending hours buried in spreadsheets or long calls with your accountant.

Whether you're a solo consultant or managing a growing tech team, these tips are designed for busy IT business owners who want clarity, control, and to retain more of their earnings.

About me

I'm Sean Fane, and I know your world because I've lived it.

At 27, I founded my first IT distribution company. Over the next three decades, I led software distributors and IT services businesses through rapid growth, tough downturns, acquisitions, and everything in between. From start-ups with just me in a small-serviced office, to multi-million pound exits, I have experienced the highs and the lows, and made a lot of mistakes along the way. I've walked in your shoes, as a founder, a CEO, and now as a non-executive director supporting the next generation of IT leaders.

Nowadays, after qualifying as a financial adviser, I use that experience to help IT business owners, tech entrepreneurs, and senior executives (with share options) make smarter financial decisions, both personally and professionally.

What makes my advice different?

I understand the structure of your business. I know how EMI schemes, earn-outs, M&A deals, and high-growth environments actually work, because I've been there myself.

You won't have to explain what a VAR is or how deferred tax on share options can bite.



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If you're looking for personal financial advice from someone who speaks your language, understands your pressures, and can guide you with clarity and confidence, then you are in the right place..



9

Points we'll cover

1 How to pay yourself the smart way:

Use dividends & salary sacrifice over salary

- Why dividends are more tax-efficient
- How to balance salary and dividends wisely

2 Why spouse's allowances are valuable

(Even if they don't work in tech)

- Income splitting strategies
- Making use of the Personal Allowance, Dividend Allowance, and lower tax bands

3 How to optimise your pension contributions via the company

- Save Corporation Tax and reduce personal tax
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4 Why your company should pay for life insurance

- Use Relevant Life Plans (RLPs) to protect your family, tax-free
- Avoid paying from post-tax income

5 How to claim the right "home office" expenses

- Home office allowances
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7 How to claim allowable business expenses

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- What's "wholly and exclusively" for business use?

8 Invest in your ISA

- Use your ISA and CGT allowances to build tax-free wealth
- Tax-smart investing outside of pensions

9 Plan for the long-term:

Reduce Inheritance Tax

- Use trusts, gifting, and company shares for IHT planning
- Protecting your legacy the smart way

Chapter one:

How to pay yourself the smart way: Use dividends & salary sacrifice over salary

If you are running your IT business through a limited company, one of the simplest and most effective ways to reduce your personal tax bill is by restructuring how you pay yourself.

Many business owners make the mistake of taking a full salary – like an employee, but when you are both an employee and a shareholder, you have far more flexibility.

The strategy:

Aim to keep your salary low, just enough to stay on the payroll and protect your state pension entitlement.

Take the rest of your remuneration as dividends, pension contributions or salary sacrifice products and services.

Why dividends are more tax-efficient

Salary is subject to:

- Personal Allowance: (0% tax on up to £12,570 per annum)
- Income Tax: (20%, 40%, or 45%)
- Employee National Insurance: (up to 8%)
- Employer National Insurance: (up to 15%)

Dividends (on the other hand):

- Also utilise unused Personal Allowance
- Are NOT subject to any National Insurance (employee or employer)
- Are taxed at lower rates:
 - 8.75% (basic rate)
 - 33.75% (higher rate)
 - 39.35% (additional rate)
- Come with a £500 tax-free dividend allowance (2025/26)

By shifting a portion of your income from salary to dividends, you cut out the National Insurance costs and reduce your effective tax rate.

You may also protect your Personal Allowance by using this approach, because if you plan to take more than £100,000 in a tax year, your Personal Allowance starts to be eroded, and could reduce to zero, when paid as salary.

Taking this amount through dividends would leave your Personal Allowance intact.

Protecting your Personal Allowance could save you over to £5,000 a year in tax, depending on your income.

Example:

Imagine your company makes £125,000 in profit.

- If you take it all as salary, you'll lose nearly £47,000 in tax and Employee National Insurance payments.
- Your company will pay £18,000 in Employers NI on top of that.
- If you take a low salary (say £12,570) and the rest as dividends, your total tax bill could be £10,000 to £20,000 less, depending on your situation.

That's a massive difference, just by changing how the money is paid to you.

Below is a 3-way comparison table showing how a UK-based IT business owner could structure £125,000 of company profits in the 2025/26 tax year to minimise personal and employer tax using: Full salary, Low salary + dividends and Low salary + salary sacrifice pension + dividends

	Full Salary	Salary + Dividend	Salary + Dividend + SIPP
Salary	£125,000	£12,570	£12,570
Dividend	£0	£112,430	£52,430
SIPP	£0	£0	£60,000
Gross Income	£125,000	£125,000	£125,000
Total Tax & NI	£46,942	£28,360	£8,103
Net Received	£78,058	£96,640	£116,897
Cost to Employer	£143,000	£126,135	£126,135

ALL TAX AND NATIONAL INSURANCE CALCULATIONS ARE ESTIMATES FOR DEMONSTRATIVE PURPOSES, USING 2025/26 TAX TABLES, AND SHOULD NOT BE TREATED AS SPECIFIC TAX ADVICE, OR AS A SUBSTITUTE FOR SPECIFIC TAX CALCULATIONS FROM YOUR TAX ACCOUNTANT.

As you can see from the chart above, £125,000 paid to an employee can result in as little as £78,058 being received or as much as £116,897 being received by the employee net of tax.

- This is a difference of £38,839 per year for the employee (50% more than the salary-only option).
- Not only this...but the employer would save £16,865 in National Insurance payments.
- "Net Received" figures above include assets received into a SIPP, which can only be accessed subject to age and legislative criteria.

Key benefits of salary, dividends and SIPP contributions:

- Pension contributions are free from tax and National Insurance (both for the employee and for the company)
- Offset Corporation Tax (like salary)
- Over to £38,000 tax saving per year to the employee v salary.

Conclusion:

A combination of pension contribution and dividends is significantly more tax efficient, when compared with drawing a salary.

Run some scenarios to see which combination works best for your situation, and how this impacts the employee and employers National Insurance contributions, to create the best scenario for you and your business.

Bonus Tip: Include your spouse as a shareholder

If your spouse doesn't have other income, consider giving them shares and split the dividends. Doing this will double your access to the £500 Dividend Allowance and lower tax bands, providing more net benefit to family incomes. It also passes assets down through generations applying double the Business Relief.

Watch out for:

- Company profits need to be retained after Corporation Tax before you can issue dividends
- Proper documentation is required

Summary:

Paying yourself smartly is a foundation of good tax planning business owners. Dividends are a tool to help you keep more of your earnings.

Chapter two:

Why spouse's allowances are valuable *(even if they don't work in tech)*

There is a simple but underused way to cut your tax bill (if you are married): share your income with your spouse.

Even if your partner isn't involved in your IT business, there are perfectly legal and efficient ways to use their tax allowances, and it can save you thousands of pounds every year.

How this works

Every UK adult has the same standard tax-free allowances (and lower tax bands):

- £12,570 Personal Allowance
- £500 Dividend Allowance
- Lower income tax bands for basic rate (20%) and dividend tax (8.75%)

If your spouse is not utilising those allowances while you are paying 40% or 45% tax, then *sharing the load* can mean more of your combined household income is taxed at lower rates or not at all.

1.

Make them a shareholder

If you run a limited company, you can gift shares to your spouse (tax-free). In doing this:

- They may receive dividends in their name
- You both get the £500 Dividend Allowance
- You can double the use of lower tax bands
- You both qualify for Business Relief in the event that you sell the company

This works even if they're not involved in the day-to-day running of the business.

2.

Employ them in the business

If they do work in the business; admin, book-keeping, customer service or marketing (even for just a few hours a week), you can:

- Pay them a salary through payroll
- Deduct it as a business expense, reducing your Corporation Tax
- Get them on the state pension radar

Just make sure the pay reflects actual work performed (as HMRC could ask for proof).

3.

Use the marriage allowance (if eligible)

If your spouse earns less than £12,570 and you're a basic-rate taxpayer, they can transfer up to £1,260 of their Personal Allowance to you, saving you another £252 a year.

This is not a huge saving, but worth doing, and you can backdate it for four years if you've not claimed this before.

Real-world example:

Let's say you would like to take £50,000 in dividends as a sole shareholder, all of it above your basic rate band. If your spouse owns half the shares, and they have no other income:

- £25,000 goes to them instead
- They pay little to no tax on it
- You shift that income from 33.75% tax down to 8.75% (and some at 0%)

That's a £6,250+ annual tax saving for your household, just by changing which of you receives the income.



If your **partner** isn't
using their
allowances, you're
leaving **tax savings**
on the table.

Watch out for:

Settlements rules: you must genuinely transfer the income source (e.g. shares), not just the income itself.

Don't go overboard: keep transfers fair, proportionate and properly documented

Summary:

If your partner isn't using their allowances, you're leaving tax savings on the table. With just a bit of planning, your household could take home more, without earning more.

To understand how this works, let's have a short call.

Arrange a Zoom meeting [here](#) or alternatively call: 01202 070071 or send an email to sean@fanefinancialservices.co.uk to arrange a time to chat.

Chapter three

How to optimise your pension contributions via the company

Have your company contribute directly to your pension?

It's one of the most efficient ways to reduce both Corporation Tax and your personal tax exposure, while building long-term wealth in the background.

Why pensions are a double win

When your limited company makes employer pension contributions directly to your pension:

- It counts as a business expense, reducing your Corporation Tax bill
- It doesn't trigger Income Tax or National Insurance
- It accumulates for you inside a tax-free wrapper until retirement

That's a rare triple benefit.

What does that look like?

Let's say your company has £100,000 profit before tax.

- If you take it all as dividends, you'll pay tax.
- But if you pay £40,000 into your pension instead:
 - The company's taxable profit drops to £60,000
 - You save up to £10,000 in Corporation Tax (at 25%)
 - That £40,000 is safely in your pension, growing tax-free



Contribution limits

- The Annual Allowance for pension contributions is £60,000 per tax year (2025/26)
- You can carry forward unused allowances from the previous 3 years (subject to conditions)
- That means you could potentially contribute up to £180,000 if you've not paid in recently
- The lifetime allowance cap was scrapped in April 2023, meaning there is no upper limit on what you can build (though there are limits on tax-free lump sums you can withdraw)

Family pensions

You can also:

- Set up a pension for your spouse if they work for the business (even part-time)
- Use Junior SIPPs to fund pensions for your kids, up to £2,880 net per year (£3,600 with tax relief)

It's a way to move money out of the company and into your family, while keeping tax payments to a minimum.



Bonus: Use pensions for business protection

Some directors even use their pension to:

- Buy commercial property (through a SIPP or SSAS)
- Lend back to their business in special structures

These are more advanced strategies, and would require careful consideration and documentation, but the opportunities for strategic business owners are significant.

Things to watch:

- Employer contributions must pass the “wholly and exclusively” test (i.e. they must be appropriate to your role and income)
- Exceeding your annual allowance can trigger tax charges, especially if you have other income or pensions
- Don't wait until the end of March, plan contributions early in the tax year



Summary

Pension contributions are one of the most powerful yet overlooked strategies for reducing your tax bill and building future wealth, especially when paid directly by your business.

Chapter four:

Why your company should pay for life insurance

Life insurance probably isn't the most exciting topic. It may be more interesting for when you realise your company can pay for it, you save tax, and your family gets a tax-free lump sum if anything happens to you. This type of insurance is called a Relevant Life Plan (RLP), and it's a brilliant way for business owners to protect their families without paying from post-tax income.



What is a Relevant Life Plan?

A Relevant Life Plan is a life insurance policy paid for by your limited company, but the payout goes to your chosen beneficiaries, not the business.

It's like having personal cover, but:

- Paid for by the company
- Tax-deductible for Corporation Tax
- No Benefit-in-Kind tax on you
- Provides a tax-free payout for your family

That's a win-win-win-win



How much can you save?

Let's say you pay £100 per month for personal life insurance:

- You'd need to earn around £180 per month (gross) to cover this after Income Tax and NI (at higher rates)
- If the company pays for it instead:
 - It costs the business £100
 - That £100 is fully deductible, reducing your Corporation Tax
 - You don't pay any personal tax on the benefit

You're getting the same cover, but it's costing you and your business less overall.



Who can have one?

Relevant Life Plans are ideal if you:

- Own your own limited company
- Don't have employees (or only employ a small team)
- Prefer life cover paid by the company, not personally

You can also take out multiple Relevant Life Plans, if you and your spouse both work for the business.

What's not covered?

You can't include critical illness or income protection within an RLP, it's for life cover only

It's not available to sole traders or partnerships (you must be an employee/director of a limited company)

The policy must meet certain conditions to stay outside your estate for Inheritance Tax.





A **Relevant Life Plan** is one of the easiest ways to **protect** your loved ones, **reduce Corporation Tax**, and **avoid paying** for cover with heavily taxed personal income.



Bonus: It can reduce your Inheritance Tax bill too

Because the sum assured can be assigned to a trust, the payment:

- Doesn't enter your estate
- Avoids 40% Inheritance Tax
- Can be accessed quickly and flexibly by your family, outside of Probate.

For high earners or those building a business asset, this is an excellent tool for estate planning, not just tax saving.

To understand the benefits of Relevant Life Plans, and what they cover, lets chat.

Arrange a Zoom meeting [here](#) or alternatively call: 01202 070071 or send an email to sean@fanefinancialservices.co.uk to arrange a time to meet.

Chapter five:

Claim a proportion of actual home costs

Most IT business owners work from home at least some of the time, and yet many forget they're entitled to claim expenses for it. If your home doubles as your office, your company can reimburse you for the costs of using it... and that means lower Corporation Tax.

Two ways to claim for working from home

You have two main options:

Option 1: Flat-rate home office allowance

This is the easy, no-fuss method.

HMRC allows your company to pay you £6 per week (that's £312 per year) tax-free, without needing receipts or calculations.

It's not huge, but it is:

- Simple
- Approved
- No questions asked

Perfect if you're a solo director with minimal household running costs and just want to keep things tidy.

Example:

- 1 out of 5 rooms is used for business (20%)
- 40% of the week it is used for work

You can claim 8% of your annual household costs as a business expense (40% of 20%).

If your total home running costs are £15,000 per year, that's a potential £1,200 claim, reducing your Corporation Tax by over £300.

What about office furniture and equipment?

If you buy furniture or equipment wholly and exclusively for work, the company can pay for them in full, and even reclaim VAT if registered:

- Desks and chairs
- Computers, monitors
- Webcams, keyboards, mouse
- Shelving, lighting, etc.

You can use them at home, but they're owned by the business and used primarily for business.

Option 2: Claim a proportion of actual home costs

This is where things get more interesting. If you use a dedicated room or space in your home for business, your company can reimburse a portion of your actual household bills, including:

- Mortgage interest or rent
- Council tax
- Utilities (gas, electric, water)
- Broadband
- Home insurance (business portion)
- Repairs and maintenance

You'll typically divide costs based on the number of rooms used for business and time spent working there.

A few things to watch out for:

- Mortgage repayments (the capital portion) aren't claimable, just the interest
- Avoid claiming so much of your home that HMRC argues you're using it exclusively for business, as this might affect Capital Gains Tax on your home if you sell it
- Make sure you keep clear records of expenses

Summary:

If you're working from home, even just part-time, your business can and should contribute to your costs.

It's an easy way to save money.

Chapter six:

Why use a director's loan account

Have you ever needed to dip into your company funds to pay for something personally?

You are not alone if you have, and if you're a director of your own company, that's what the Director's Loan Account (DLA) is for.

Administered correctly, it can provide flexible, tax-efficient access to company money.

Administered poorly, it can trigger unnecessary tax charges.

What is a Director's Loan Account?

A Director's Loan Account (DLA) is essentially a running total of money you take out of your company that isn't:

- Salary
- Dividends
- Expense reimbursements

Think of it as borrowing from your own business. It can go both ways:

- The company lends money to you (you owe the company)
- You lend money to the company (the company owes you)

Either way, it needs to be recorded clearly in your accounts.

Feel free to use the DLA, but always with clear records, sensible amounts, and a plan to repay it within 9 months, to avoid costs.

Why use a Director's Loan?

As a business owner, a DLA can help you:

- Access company funds temporarily, without triggering dividend or salary tax
- Lend personal funds to your company, and repay them tax-free
- Smooth out cash flow between your business and personal finances

It's especially useful when:

- You want to pay a large personal bill before your dividends are declared
- You're waiting for profit figures before formalising income
- You've personally funded the business during a start-up or quiet period

The big tax trap: overdrawn loan accounts

If your DLA is overdrawn by more than £10,000, and you don't repay it within 9 months of your company year-end, two things can happen:



Section 455 Tax Charge

- The company will be forced to pay 33.75% of the overdrawn amount to HMRC
- This is refundable later when the loan is repaid, but it can tie up cash for a long time



Benefit-in-Kind Tax

- If you borrow more than £10,000 and don't pay interest, it's classed as a benefit for you
- You could pay income tax on the notional interest
- And the company might owe Employer's NIC

Tip for using your Directors Loan Account wisely:



Plan dividend payments to clear the loan before year-end



Keep the balance below £10,000 to avoid benefit-in-kind issues



If you lend money to your company, you can charge it interest – and the interest is tax-deductible for the company



Summary:

A Director's Loan Account is a useful tool for managing cash flow between you and your business, but it comes with rules.

Used properly, it gives you flexibility. Misused, it costs you more than it's worth.

Chapter seven:

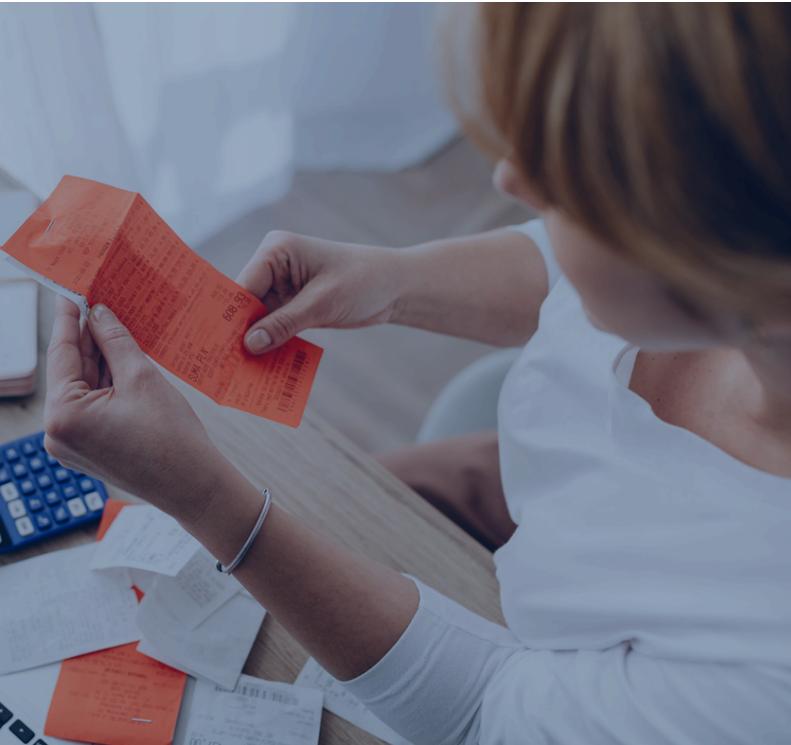
How to claim allowable business expenses

I know this probably sounds obvious, but I am sure I am not the first business owner that has been a little “slack, shall we say, at routinely leaving money on the table by not claiming all of the expenses I was entitled to. Every time you miss a legitimate business expense, you’re effectively choosing to pay more tax than you need to.

The good news is that the rules are actually fairly generous, once you know what to claim. The golden rule: “wholly and exclusively”. HMRC says that for an expense to be tax-deductible, it must be incurred “wholly and exclusively for the purposes of your trade”. But that doesn’t mean you can only claim things used solely for business. Some proportional use is totally fine (like working from home, using your mobile, or buying a laptop you also use personally).

- Laptops, desktops, monitors, webcams
- Specialist software (project management apps, subscriptions like GitHub or Jira)
- Licensing and SaaS tools (e.g. Adobe, Canva, Zoom)
- Business mobile contracts, fully claimable if in the company’s name
- Home broadband, claim a percentage based on business use





Don't forget these commonly overlooked expenses:

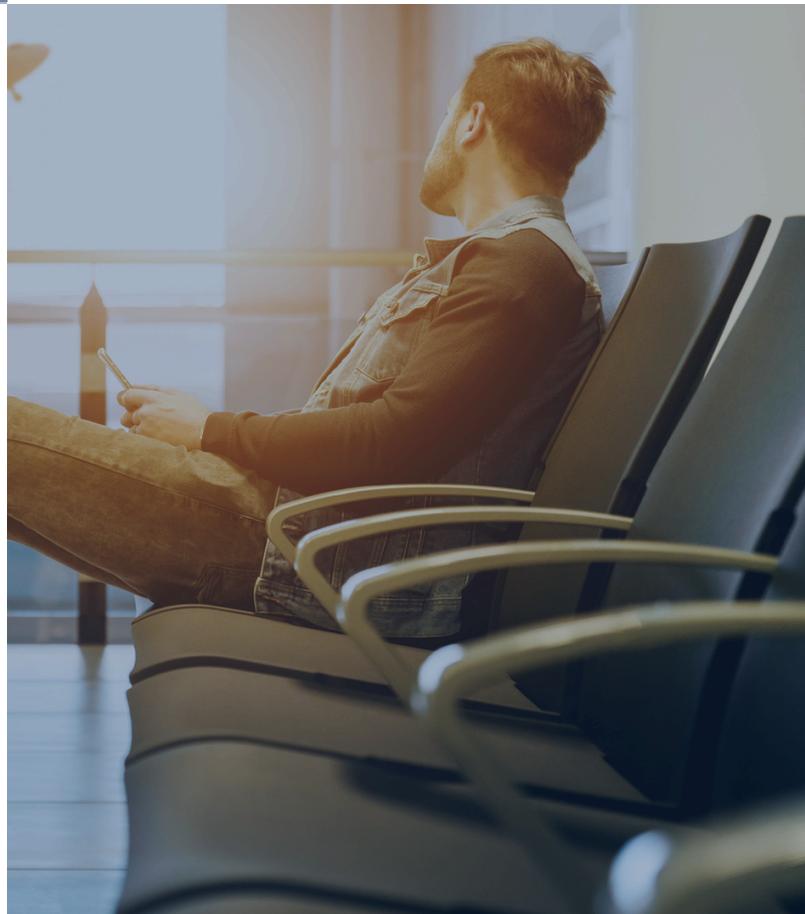
- Business insurance (e.g. professional indemnity, cyber insurance)
- Company formation fees
- Website hosting and domain registration
- Marketing & advertising – Google Ads, LinkedIn boosts, SEO services
- Bank charges and software (like Xero or QuickBooks)

What you can't claim:

- Your own clothes (unless they're branded uniforms or safety gear)
- Fines or penalties
- Personal travel or meals not related to business
- Costs relating to entirely personal use (e.g. Netflix)

Why this matters: a tax-saving example

- If you claim £6,000 in business expenses you weren't claiming last year, then a 25% Corporation Tax saving would be £1,500. If you're also VAT-registered, and those expenses included £1,200 of VAT, you might also reclaim another £200. Claiming properly can add up.



Summary

If it's a genuine cost of doing business, claim it. The more accurately you track your expenses, the less tax you pay, and the more profit you keep. Let's find out if this is an area that can be improved.

Arrange a Zoom meeting [here](#) or alternatively call: 01202 070071 or send an email to sean@fanefinancialservices.co.uk to arrange a time to meet.

Chapter eight

Invest in your individual savings account

If you want to grow your wealth tax efficiently, then Individual Savings Accounts (ISAs) can help.

Used consistently, an ISA can become a valuable tool in building tax-free personal wealth outside of your business.

What's so good about ISAs?

ISAs) are completely tax-free wrappers for your personal savings and investments.

- No tax on interest
- No tax on dividends
- No Capital Gains Tax on investment growth
- No reporting to HMRC

Simple, flexible, and powerful.

The ISA allowance (2025/26)

You can put in up to £20,000 per tax year across all ISAs combined. That includes:

- Cash ISAs (low risk, bank-style savings)
- Stocks & Shares ISAs (for long-term investing)
- Innovative Finance ISAs (peer-to-peer lending)
- Lifetime ISAs (for first home or retirement, with a 25% government bonus)

There is no carry forward, so if you don't use your allowance, you lose it. Use your full ISA allowance every year, and in 10 years you could have £200,000 (plus interest) completely outside the tax system.

The Capital Gains Tax (CGT) allowance is **£3,000** per person in 2024/25. That means you can realise £3,000 of Capital Gains Tax-free each year, on things like:

- Shares
- Investment property
- Crypto-currency
- Business assets (if not covered by other reliefs)

If you're investing outside of ISAs or selling company shares down the line, using this allowance annually helps reduce or avoid big tax hits later.

Double the benefit with your spouse

Just like with dividends, you and your spouse each have your own ISA and CGT allowances.

- Together you can invest £40,000 per year tax-free via ISAs
- You can realise £6,000 per year of gains without paying CGT

That's a lot of tax-free growth when planned right.

Real-life example:

You invest £20,000 into a Stocks & Shares ISA each year for 10 years. Assume 7% annual growth, you could have over £280,000, all tax-free.

If you'd invested the same outside an ISA, you'd likely pay:

- Dividend Tax or Income Tax on income each year
- Capital Gains Tax when selling

That is a lot of tax avoided with an ISA.

What to watch out for:

- ISA contributions must be made from personal funds, your company can't pay in directly (but you can draw dividends first and then pay them into an ISA)
 - CGT allowance has been shrinking, so use it while you still can
 - Investing comes with risk, the value of investments can go down as well as up, so invest in stocks & shares ISAs after advice from a financial adviser
-

Summary:

ISAs and your Capital Gains Tax allowance are easy wins. They let you grow wealth completely tax-free, reduce your future tax bill, and build a solid financial future beyond your business.

Chapter nine

You've worked hard, built your IT business, saved smart, and invested wisely. But there's one final tax obstacle to overcome:

Inheritance Tax (IHT)

Without planning, up to 40% of your estate could be lost to HMRC when you die. That means your family could miss out on a significant proportion of your assets, that might have been spared from tax with a little planning.

Here's how to make sure that doesn't happen to you. The basics of Inheritance Tax:

- Everyone has a £325,000 "nil rate band" (tax-free allowance) referred to as NRB.
- If you leave your main residence to children or grandchildren, you qualify for up to an extra £175,000 (residence nil-rate band)...presuming there is that level of equity in your property. This is referred to as RNRB.
- Anything above your nil-rate bands, up to a maximum of £500,000 per person or £1 million per couple, is taxed at 40%

Your estate includes:

- Your home
- Investments
- Cash
- Business shares
- Life insurance (unless written in trust)

That's why even a modestly successful IT business owner can end up with a large taxable estate.

This can be a bigger issue than you think... because it may result in your beneficiaries being forced to sell all, or part, of your property or business, to meet these tax demands.



Without planning, up to 40% of your estate could be lost to HMRC when you die.



How to reduce or eliminate IHT

Here are some of the most effective strategies you can put in place:

1. Use gifts and the 7-Year Rule

- You can gift money, property or shares and, if you survive seven years, it's fully outside your estate, and no Inheritance Tax is due.
- Annual gift exemption: £3,000 per year (can be carried forward one year)
- Small gifts: £250 per person per year (if not using other exemptions)
- Wedding gifts, charity gifts - all add up

2. Write life insurance in trust

- If your life insurance is in your name, the payment of any claim is settled into your estate and then is subject to IHT.
- If it's written in trust, it bypasses IHT entirely, and will be remitted to your beneficiaries much faster, outside of the administration of your estate through your will.
- Most people never review this, but assigning policies is essential.

3. Make use of Business Relief

If you own shares in a trading business, you may qualify for exemption of the first £1m, and 50% relief from any value above that level under IHT Business Relief, as long as:

- You've owned the shares for at least 2 years
- The company is actively trading (not just holding cash or investments)
- You can leave your shares to children or a spouse IHT-free.
- Your spouse would also be able to benefit from the Business Relief if they were also a shareholder, doubling the benefit.

5. Invest in IHT- efficient portfolios

There are specialist investment portfolios (e.g. AIM-listed shares) that qualify for 100% Business Relief after just 2 years.

Ideal for clients who:

- Don't want to gift assets away
- Want the money to stay invested and accessible
- Still want to remove it from their estate

4. Use trusts for wealth control

Trusts can:

- Move assets outside your estate
- Give you some control over how they're used
- Protect wealth from tax, divorce, creditors and bad decisions

They're especially useful if you're planning to pass on business wealth, property, or large investments.

Summary:

You spend your life building wealth, don't let 40% of it disappear overnight.

A few simple steps can protect your legacy, keep your family financially secure, and make sure your business success lives on for generations.

Plan in advance to maximise IHT efficiencies; it is better to shelter appreciating assets before they increase in value.

Summary:

Keep more of what you earn

As an IT business owner, you have greater control over how you receive your income. You have more opportunities to create tax-efficient drawings, build wealth, and protect your financial future. Often, through lack of knowledge, some of these opportunities are squandered.

Here's a quick recap of what you've just learned:



Structure your income smartly
use dividends, not just salary



Claim home working and business expenses the right way



Involve your spouse to make use of their tax allowances



Use a Director's Loan Account carefully to manage cash



Use pensions to reduce Corporation Tax and build wealth



Claim every legitimate business expense - no money left behind



Get the company to fund life insurance (not your pocket)



Start early on inheritance planning - protect your legacy



Max out your ISA and CGT allowances
for long-term, tax-free growth

At Fane Financial Services, we work with IT professionals and business owners to build tailored, tax-smart financial plans that actually work in real life. Whether you want to:

- Reduce your next tax bill
- Build long-term wealth outside your business
- Protect your family and your future

I specialise in helping IT business owners optimise their personal tax efficiency – helping you keep more of the assets you generate through your company.

Look free tax-saving strategy call

Let's find your quick wins, and build a plan, that keeps more of what you earn in your hands.

Arrange a Zoom meeting [here](#) or alternatively call: 01202 070071 or send an email to sean@fanefinancialservices.co.uk to arrange a time to meet.

THANK YOU.

The contents of this guide do not constitute advice and should not be taken as a recommendation to purchase or invest in any of the products mentioned. Before taking any decisions, we suggest you seek advice from a professional financial adviser. The contents of this newsletter were correct at June 2025.

The value of your investments and pensions (and any income from them) can go down as well as up which would have an impact on the level of benefits available. Past performance is not an indicator of future performance.

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