

# Investments



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## Informed management of investments

Assuming that a company with spare cash on deposit or a share portfolio did have wide powers to invest under its articles, which most would, what would be a company’s investment objective? Any corporate investment strategy would embrace all or some of the following objectives:

- Simplifying administration.
- Reducing tax on income and capital gains.
- Deferring tax on income and capital gains.
- Securing control over the timing of any tax liability.
- Improving after tax investment returns.
- Minimising risk of investment.

Many companies and organisations are currently either enjoying healthy profits now, or over a period of time have accumulated monies or a portfolio of assets. Until recently the above mentioned accumulated wealth has remained either in a deposit account in a bank or building society or if invested, in a share portfolio as a direct asset of the organisation. However, there are other opportunities to shelter these assets in order to control the Corporation Tax liability in the future and offer an alternative investment choice. One example is an Offshore Single Premium Bond.

Under current legislation an Offshore Investment Bond may be appropriate to achieve all or some of the above objectives whereas a UK Investment Bond would not be appropriate from a tax stand point.



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## Take control of your investment planning

Currently, if a company holds a wide ranging portfolio of stocks, shares and cash, the divided income from this portfolio is not subject to Corporation Tax but will, of course, have attached a tax credit which effectively cannot be reclaimed.

Rearrangements of the portfolio, i.e. disposal of shares would result in CGT liability and there are no annual exemptions available. The interest on the cash element would be liable to Corporation Tax annually on an arising basis. What's more, due to the level of interest rates over the last few years, funds left on deposit may well have produced disappointing investment returns, therefore, Offshore Bonds are worthy of consideration as realistic long term solutions for corporate investors and offer the following key benefits:

- Virtually tax free growth
- Wide investment choice
- Tax free investment fund switching
- Control over the timing of the Corporation Tax charge
- Potential for investments to be denominated in a wide range of currencies

Offshore Bonds are a particularly attractive investment vehicle for UK resident companies who have funds on deposit and who are looking for medium to long term tax efficient investment growth. These Bonds can also offer a significant degree of control over the timing and thus level of any Corporation Tax liability.

Call now on **01743 285777**

and speak to one of our specialist advisers or  
email us **[investments@mardons.co.uk](mailto:investments@mardons.co.uk)**



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