

beinspired...

For Professional Adviser use only
Discussion Document Not for
Advice Purposes

Consider EIS for clients looking to reduce their payments on account

Clients with payments on account due in July, may be facing increased payments because they invested less in pensions last year. One route to reduce those payments your clients may wish to consider is an EIS whereby tax relief is granted to those who make qualifying investments into UK companies.

The Opportunity

Investing via an EIS allows an investor to claim 30% of the total amount invested against their personal tax bill.

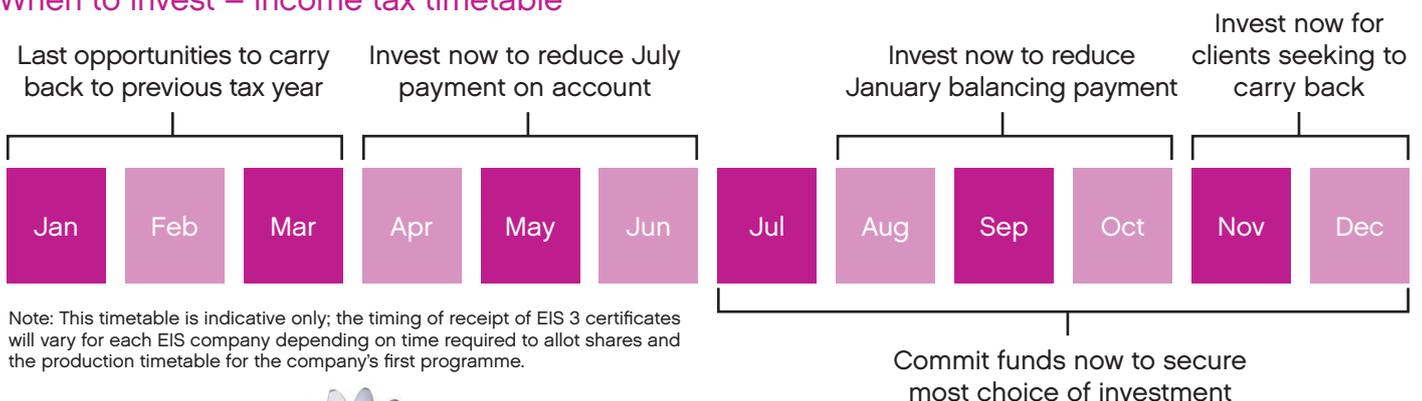
As well as offsetting against the current tax year the relief can also be carried back to the previous year enabling investors to reduce their 17/18 tax bill and could potentially reduce their upcoming payment on account.

It is important to note that our understanding is that investors can adjust their payment on account but before a claim can be made the EIS3 certificate must have been received from HMRC, which can be applied for by the investee company once the investment is made. It's therefore important that the right investment is selected with regard to operating within the expected timeframes.

Administration – Platform Advantage

A key benefit of transacting through the Kuber Platform is that it provides a document depository removing the administrative burden of locating, collating and distributing the multiple EIS Certs that are involved in this form of investing.

When to invest – income tax timetable



VENTURES
Kuber
Opening the door to EIS investment

Contact

Kuber Ventures Limited
25 Sackville Street
London W1S 3AX

Telephone 020 7952 6685
Email info@kuberventures.com
Visit www.kuberventures.com

Consider EIS for clients looking to reduce their payments on account

Case Study

- > Client invested £150k in an EIS in July 2017 with the intention of carrying the investment back to the 2016/7 tax year.
- > They had an income tax liability of £48k due in January 2018 for the 2016/7 tax year.
- > They were also due to make 2 payments on account of £24k for the 2017/8 tax year - one in Jan and one in July.
- > They were able to reduce the payment on account due in July to £0 on the basis of the investment.
- > In September, following receipt of the EIS3, they filed their tax return and reclaimed the earlier tax paid on account.
- > They were also able to reduce their 2 payments on account for the 2017/8 tax year to £0 as well.

Here is how the illustration works

	EIS Investment	Tax payments No EIS	Tax payment (Refund) EIS
Income tax liability 2015/6	£30,000.00		
2016/7 tax liability	£45,000.00		
2016/7 1st payment on account	31-Jan-17	£15,000.00	£15,000.00
EIS investment	01-Jul-17	£150,000.00	
2016/7 2nd payment on account	31-Jul-17	£15,000.00	£-
Reclaim 1st payment on account	30-Sep-17		-(£15,000.00)
2016/7 balancing payment	31-Jan-18	£15,000.00	
2017/8 first payment on account	31-Jan-18	£22,500.00	£-
2017/8 2nd payment on account	31-Jul-18	£22,500.00	£-
Total due to HMRC	£150,000.00	£90,000.00	£-

If the tax was the other way round – i.e. they had a 45k liability for 2015/6 and a £30k liability for 2016/7 it would look like this

	EIS Investment	Tax payments No EIS	Tax payment (Refund) EIS
Income tax liability 2015/6	£45,000.00		
2016/7 tax liability	£30,000.00		
2016/7 1st payment on account	31-Jan-17	£22,500.00	£22,500.00
EIS investment	01-Jul-17	£100,000.00	
2016/7 2nd payment on account	31-Jul-17	£22,500.00	£-
Reclaim 1st payment on account	30-Sep-17		-(£22,500.00)
2016/7 balancing payment	31-Jan-18	-£15,000.00	
2017/8 first payment on account	31-Jan-18	£15,000.00	£-
2017/8 2nd payment on account	31-Jul-18	£15,000.00	£-
Total due to HMRC	£150,000.00	£60,000.00	£-

Important Notice

Please read the following information carefully as a professional adviser.

The information contained in this flyer is for discussion purposes only for professional advisers and their clients, it is not for Retail Clients. The example provided in this flyer is for illustrative purposes only and should not be relied on when taking or advising on any investment decision.

EIS/SEIS/BPR Funds are not suitable for all investors as the underlying investments are often illiquid and therefore high risk. Investors may not receive back some or all of their initial investment. Advice should always be sought from a professional adviser prior to investing.

For purposes of compliance with the UK Financial Services and Markets ACT 2000 (FSMA), this material is communicated by Kuber Ventures; and the contents of this financial promotion have been

approved for the purposes of section 21 of the FSMA by Sturgeon Ventures LLP which is authorised and regulated by the Financial Conduct Authority (FCA) and it has its trading office at Linstead House, 9 Disraeli Road, London SW15 2DR.

Kuber Ventures Limited's advisors are all regulated by the Financial Conduct Authority (FCA) and can be found on <http://www.fca.org.uk/>

Kuber Ventures Limited (FRN 574987) is an Appointed Representative of Sturgeon Ventures LLP which are authorised and regulated by the Financial Conduct Authority (FCA).

Kuber Ventures Limited, 25 Sackville Street, London, W1S 3AX

Registered number: 8693809, VAT: 175 9290 69.