Cranleys
CHARTERED ACCOUNTANTS



CRANLEYS' CUNNING PLANS · No. 13 · GROWING

Tax-Efficient Growth: Dividends, Pension and R&D Checklist

Tick it, print it, pin it up. Every box you cannot tick is a conversation worth having.



By Colin Davison FCA, Managing Partner, Cranleys Chartered Accountants. In practice since 1998. Reviewed 15 November 2026 against the 2026/27 rules.

THE QUICK ANSWER

Growing companies can take money out through salary, dividends and employer pension payments, claim R&D and capital allowances, and leave profit in for growth. The mix matters, because dividend rates rose in April 2026 and the director's loan charge is now 35.75%.

THE KEY FIGURES

The key facts	What to know
Dividend rates 2026/27	10.75%, 35.75%, 39.35%, £500 allowance
Director's loan charge	35.75%
Pension annual allowance	£60,000
Full expensing	100% for companies on qualifying new plant

The checklist, box by box

	The check	What to do	Keep as evidence
☐	**Is the salary and dividend mix reviewed each year?**	Rates and thresholds change. Review before 5 April and before the company year end.	Pay plan
☐	**Are employer pension contributions considered?**	They can be deducted from company profit and avoid employer NIC, within the annual allowance.	Pension statement
☐	**Is R&D properly assessed?**	Many growing businesses do qualifying work and never claim.	R&D review
☐	**Are capital allowances planned?**	Timing investment can bring relief forward.	Asset plan
☐	**Is the director's loan under control?**	Clear before nine months and one day after year end to avoid the charge.	Loan account
☐	**Is profit left in the company on purpose?**	Retained profit can fund growth but has its own tax on exit.	Reinvestment plan

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MY PRO TIP

the best tax plan is made before the year end, not after.

A worked example

A company pays £10,000 into a director's pension. The payment is deducted from profit, so at 25% corporation tax the tax saving is £2,500. There is no employer National Insurance on it. A £10,000 bonus would have cost the company an extra 15% NIC and created income tax for the director.

The trap to avoid

Taking dividends without checking distributable profits. Unlawful dividends have to be repaid.

The Rufus test

One question that tells you if you have the right adviser:

What is the cheapest, lawful way to get £10,000 out of my company this year?

What has changed recently

- Dividend rates rose in April 2026. See the savings and dividends checklist.
- R&D has two schemes. See the R&D checklist.
- Pension planning gets more important. See the pensions checklist.

Questions I get asked

Should I pay myself salary or dividends?

Most owner-managers use a mix. The best mix depends on profit, other income and current thresholds.

Can my company pay into my pension?

Yes. Employer contributions are generally deductible if wholly and exclusively for the business, within allowances.

Can a growing company claim R&D?

If it works on projects that seek an advance by resolving technical uncertainty, yes.

What is the director's loan charge?

35.75% on loans not repaid within nine months and one day of year end.

The 9 CAD Keys link: Development

Development is turning profit into long term strength, through pension, investment and planning.

Colin's 9 CAD Keys. CORE: Clarity, Capability, Consistency. ADVANCED: Analysis & Positioning, Alignment, Acceleration. DYNAMIC: Differentiation, Dexterity, Development. Score each key 1 to 5 in the free Business Value Assessment Scorecard, total out of 45. *Freedom is built. One CAD Key at a time.*

Tick these next

Business checklist 14 Funding Growth: Loans, Investors and Grants Checklist	**Business checklist 23** Tax on Exit: BADR, Holdover, EIS and Pension Checklist	**Tax checklist 04** Savings, Dividends and Investment Income Checklist 2026/27	**Tax checklist 13** R&D Tax Relief Checklist 2026/27

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Go deeper: my books

For this topic, start with **Business Growth Secrets**, part of The Cranleys Business and Tax Secrets Series: Property Tax Secrets, Inheritance Tax Secrets, Business Tax Secrets, Starting Up Secrets, Business Growth Secrets and Business Exit Secrets. The books are launching soon. Join the launch list at cranleys.online/books and I will tell you the moment each one is released.

YOUR NEXT STEP

Ring me. Free draft plan, no hard sell.

I will build you a free draft tax plan or business plan on my 9 CAD Keys: a scorecard, a 12-month cashflow forecast, a 90-day action plan and a review with me. **1** Get in touch. **2** Short intro call. **3** Your free draft plan in plain English. You decide what happens next.

Tick the boxes, then grow.

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Scan to read online, tick it on screen and take the Scorecard



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