

Brabners
we make the difference

A photograph of a man carrying a young girl on his shoulders. The man is wearing a white and grey striped t-shirt, and the girl is wearing a yellow top and dark shorts. They are both seen from behind, with their arms outstretched. The background is a bright sunset or sunrise, with a warm orange and yellow glow. The sky is clear and blue.

Family Business:
**Personal Wealth
Management**

Protecting your wealth

The wealth that is held within the family business holds immense importance for the individuals who have a role within the business as well as the family who are directly impacted by it.

Wealth can be a subjective term, with many people measuring wealth in different ways. We define what it means to us and we seek to grow and subsequently protect our wealth for ourselves and future generations. Protection may be sought

through tax planning, investments or forming a strategic plan for the wealth within the family business.

If approached in the correct way the management of your personal wealth will enable you to mitigate the effects of taxation, invest in a way that fits in with your life plan, be a philanthropist and to reap the benefits of your skills and entrepreneurial spirit that have enabled your to achieve your goals.

IHT and estate planning

The main way to protect your wealth is by mitigating your exposure to taxes such as inheritance tax. In most cases the rate of inheritance tax is 40%, so understanding where your exposure lies and then forming a plan to reduce the impact of that tax can make a significant difference for future generations.

Your involvement with a trading business can also be a valuable tool in reducing the impact of inheritance tax. The current Business Relief rules can be a complex area to navigate but once understood, they can provide the opportunity to claim relief from inheritance tax at rates of either 50% or 100%. Beware though, as prudent planning is required to avoid inadvertently giving away the tax advantages.

As cornerstones to any estate planning exercise, having the right legal documents in place, such as your Will and Lasting Powers of Attorney, will ensure that your intentions are clearly set out and any available tools that can be used to protect your wealth are incorporated.

A holistic approach to inheritance and estate planning is however a multi-faceted exercise and you will benefit from your advisers working together. Your solicitor, independent financial adviser and accountant can ensure that you have a comprehensive and bespoke plan covering all aspects of the management of your wealth beyond the legal documents.

We regularly work with many professional advisers in supporting our clients through the estate planning process. In bringing together our expertise and our understanding of you, your family and your business we can support you in implementing the right solution and providing the peace of mind which comes from knowing that you have the right protection in place.

Charitable Trusts

There are many ways in which we, as individuals or businesses, can give back. Assessing how you can make the most of your charitable giving, and what that might mean for you and your business is important in order to understand the wider benefits you can derive.

For example, charitable giving can act as an estate planning tool to achieve effective tax planning, it can help manage your assets strategically, and it can ensure that all generations are involved in the

responsibility of how charitable funds are directed – all whilst making a significant contribution to a charitable causes that you care about.

Whether you already have an idea of how you would like to contribute to charity or would like guidance on the options available to you, our Private Client and Charity Law experts can help you navigate the legal regulations of charitable giving and tax planning.

Pension Management

For family business owners, leveraging commercial property is an efficient way to increase your pension fund and ultimately enhance your wealth, especially where you have a self-invested personal pension (SIPPs) or a small self-administered pension scheme (SSASs) in place.

By leveraging existing properties or acquiring new properties and being strategic in your asset management approach, this can significantly support your pension contributions. Leasing properties either to your business, or to a third party who then pays rent into your SIPP/SASS will maximise the wealth you can gain through your business.

This process, however, requires careful planning and knowledge as it is only commercial property, and not residential, that can be held in a pension scheme so understanding your portfolio is essential to making the right decisions when managing your property. Our Property and Pensions law experts can advise you on how to manage your property effectively and boost your pension fund.



Part-disposals

There are a number of reasons why a family business may decide to dispose of part of the company, such as refocussing your strategic direction or exiting unprofitable areas.

However, more often than not, a part-disposal of a family business will be driven by tax matters and wealth management planning.

There are a number of different structures that can be adopted, and our corporate experts can advise on those structures and work closely with your financial adviser or accountant.

Key person protection

Key person and shareholder protection integrates closely with inheritance planning and personal wealth management. These insurance products can benefit the business when a 'key person', i.e. a significant employee or director, or a shareholder passes away.

More often than not, those matters are not a consideration or priority for family business owners; however, ensuring your business has the necessary protection in place in these scenarios is crucial to ensure that your business and family are protected when the unexpected happens.

Our team of Family business lawyers can advise you on what documents should be put in place to protect your business in the event that 'things go wrong' and can help to ensure your family business has the right protection in place to coincide with your inheritance planning and personal wealth management.



Family Investment Companies

There are a number of different ways that a family business can protect its assets, accumulate wealth and, at the same time, incorporate tax planning and succession planning.

You might have a family trust in place as part of your estate planning. However, for a family owned business an alternative option is to use a family investment company. Often used to transfer value

to family members and, at the same time, retain the control of the company and its assets, a family investment company is a private company, whose shareholders are family members, which supports you in accumulating and protecting your wealth in a tax efficient manner. Our team of Family lawyers can help you to understand if a FIC is a suitable structure for your business and how to implement one if so.

Cash withdrawal planning

Setting up, securing and ensuring the longevity of your family business can take priority, often to the detriment of your own financial needs. Whilst the success of your business will ultimately enhance your wealth, ensuring that you manage your finances well, particularly with respect to retirement planning and personal wealth management will protect your future wealth when you step back from the family business.

As well as leveraging the range of tools and mechanisms above, cash withdrawal is a critical

part of the wealth management process for a family business owner and you will want to ensure that your financial plan is put in place to withdraw cash in the most tax efficient way. Whether through dividends, salaries or other distributions there are a number of ways of efficiently withdrawing cash from the business without negatively impacting its financial position. Our team of Family business lawyers can work with your financial advisers to create a financial plan to withdraw funds for your retirement or other future plans.



How we can help

Managing and protecting your wealth in the most efficient and suitable way for both you and your business will help you and your family to reap the rewards later on.

Our expert Family business team bring together specialists in these areas and can guide you through the options, helping you to understand what works best for your business and how you can maximise your personal wealth.

The Team



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