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0800 0934299
to book
your free, no
obligation
consultation

As a Business
Owner you will
need a different
kind of **Will**

...and we
know how
to do it.



“Why do I need a Will? I’m not that old yet.”

“We found the consultant very honest and helpful with his answers to any questions we asked. We would have no hesitation to recommend your company to others.”

“Your representative was courteous, considerate and professional in his presentation of the services you offer so that I was relaxed and understood the procedures to be adopted to meet my requirements. I do not normally discuss matters of this nature with friends, but if the situation arises I would recommend them to contact you. Thank you.”

Sound familiar?

People ask us this question all the time. But the fact is that people make Wills in case they die suddenly. In the same way that you would take out life insurance to look after your family if you died suddenly, making a Will is a way of ensuring that:

- ✓ The people you love are supported
- ✓ Your assets can be protected
- ✓ Your business remains afloat and funded
- ✓ Your possessions and Estate are transferred to trusted hands
- ✓ Your staff can all keep their jobs, and your shareholders are protected
- ✓ Your decisions and choices are respected

While a Will doesn’t just deal with your business, business owners like you need to look at your Will in a different way - because people are dependent on you. And it’s not just your direct employees - these decisions impact their families just as much as your own.

Making a Will is like creating an instruction manual, giving somebody (or a group of people) the keys to decisions you would have made, and things you would have done - given the choice. It taps into the who’s, the how’s, and the what’s of your business - and it includes the presentation of a cheque, giving the beneficiaries everything you’ve ever worked for.

Make sure that you are the one who gets to choose the name on that cheque.

Back to business. Let’s look at a few reasons why making a Will is so important for business owners like you.

Tax efficiency

Many businesses are exempt from Inheritance Tax – we call this Business Property Relief. To make the best use of that relief, it is often better to leave any qualifying business assets in a trust for the use of a spouse or partner, rather than directly to them. This means that the value of the business does not form part of their taxable estate when they then die, even if it has been sold by then. *For a business valued at £1million, this can save £400,000 in Inheritance tax, and is completely legal and non-controversial.*

Indemnify your executors

Special powers can be included in the Will so that your chosen executors are able to carry on your business after you’re gone. Without these powers, they can be found personally liable for any losses, and are very likely to want to be rid of the responsibility very quickly. In any market, a distressed seller achieves less value for any assets - meaning the amount that your loved ones receive is substantially less.

Appoint different executors just for the business

It can be a good idea to have different executors who are responsible solely for your business assets. This could be people who work for you or know the business well - leaving the personal assets to be dealt with by your nearest and dearest.

Ensure the right people benefit

You may be leaving your business to someone who has no interest in running it or does not have the required skills. It is important to consider the implications of this, and whether there might be better options available to support both your family and your business. You might even consider leaving shares to loyal employees.

Are you in business with other people?

If you are in business with other people, there are also many other considerations you can look at as part of your Will, such as:

- Partnership agreements (a partnership dies with you unless you have one of these)
- Cross option agreements. These allow the other shareholders to buy your shares from your estate at an agreed price. It is often supported by life assurance to give them the funds to do it.

“Really happy with the service we received today, friendly informative and personal. Explained everything in an easy to understand way. Thank you.”



What if you lost your mental capacity?

If a business owner loses their mental capacity this can have a devastating impact on the business, not to mention their personal life and relationships. Under the Mental Capacity Act 2005, if you lose your capacity nobody can use or spend your money, or sell assets on your behalf, without permission from the Court of Protection. An application to the Court can easily take 6 months if not more, during which time your assets are frozen, and no action can be taken. Here are the problems....

Sole traders

Losing mental capacity can have a devastating effect on a sole trader business, especially when it is your skill that drives the business. With nobody able to pay the bills, wages and call in any debts, the end often comes quite quickly. The story of Gretna Green Football Club with its eccentric owner Brooks Mileson is a good example of what happens when the owner cannot carry out their job.

Limited Companies

If there is just one shareholder in a business, then the problems that can arise are very similar to those faced by sole traders. If there are other shareholders and directors, the problems are not as severe but are still far reaching. If a Director loses capacity, the other directors cannot simply remove them, because of anti-discrimination legislation. Any Director without capacity also loses control over major decisions in the business and loses their voice at the table.

Partnerships

Unless specified in any Partnership Agreements, the loss of capacity of a partner can cause enormous difficulties for the operating partner and for family members, particularly around cashflow.

The Solution?

A Lasting Power of Attorney (Property and Financial Affairs) appoints people, in advance, to make decisions for you and act on your behalf if you lose your mental capacity. Once registered, this document means that the people you choose (we call them your 'attorneys') can quickly take control. They can pay the bills, make decisions that are upheld and respected, and generally "take your place" in the business - even if your loss of capacity is only temporary. Crucially, that means no need for the Court of Protection, and no need for a potentially damaging 6-month delay.

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