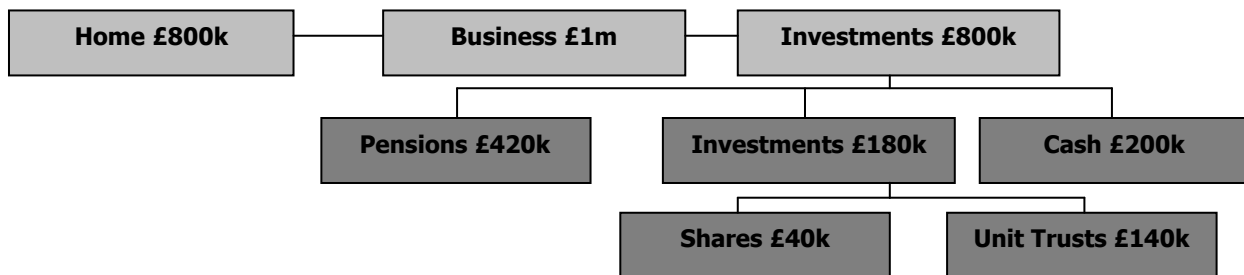




## The Business Owner Case Study

Mr Owner aged 57 and Mrs Owner aged 55. Owner/Chairman of manufacturing business with two grown up children.

### Background



### Challenges

1. Mr and Mrs Owner wanted to consider retiring immediately or working less and uncertain whether they could afford to retire
2. There was an IHT liability of £780,000 and the clients wanted to leave as much as possible to their children
3. Did not fully understand pensions and tax issues
4. Affairs were somewhat disorganised
5. Not used to dealing with investments which resulted in poor investment performance and payment of too much tax

### What We Did

- a) Advised on specific pension options to help create the required level of income with flexibility
- b) Analysed how to draw from business in tax efficient manner
- c) Worked with the clients' solicitor to re-draft wills and completed trust planning
  - Saving £150,000 of IHT immediately;
  - In conjunction with a gifting strategy eliminated the remaining £640,000 of IHT
- d) Simplified and consolidated investments
  - Developed a bespoke investment strategy (within risk tolerances)

### The Results

- Achieved required level of retirement income and retained flexibility; in conjunction with tax efficient drawings from business
- Eliminated IHT of £780,000
- Simplified the management and reporting of the investments (so it was understandable)
- Reduced the portfolio risk and return characteristics (to improve performance)

