Five quick-fire answers on how to optimise business exit wealth

1. Why should I be thinking about personal wealth planning before, during or after my business sale or exit?

When it comes to a business exit, most owners will experience high levels of stress from competing priorities.

- It's easy to lose sight of yourself during the process, meaning that personal finances may be neglected
- The earlier business owners start to consider their personal wealth – and gain additional support from trusted experts in the process – the greater the chances of achieving the best possible long-term outcome
- Remember, it's never too late to begin any kind of wealth planning – the most important thing is taking those first steps to protect and even grow your finances
- However, delaying wealth planning can make it a more challenging exercise; it could also mean losing the window on tax efficiencies.

If you can avoid leaving money on the table, why not take advantage?

2. What do I need to prepare in advance of a financial planning consultation?

Time is precious as a business owner so, before your financial planning consultation, consider the following three questions carefully. Your answers will help us start to build a picture of your needs and work out what is best for you.

- What are your financial goals in the short and long-term, what kind of lifestyle do you wish to achieve, and what legacy would you like to leave to loved ones?
- What are your current assets (savings, investments, pension, property) and liabilities (mortgage, school fees, etc.)?
- If you have not yet sold or exited your business, how is your company structured, what does your share capital look like, what stage of business exit or sale are you at and what is your ideal timeframe for completion?

»

3. What happens if I don't want to retire after my business exit?

Post-exit can include a number of distinct life stages. These might involve entering another business venture or a 'softer' working period – whereby you undertake directorships, consultancy, or philanthropic work.

There is nothing that says a business exit or sale must require you to retire entirely, or at all! Some of our clients make use of networking events to expand their contacts and source fresh opportunities. We can help introduce you to such events.

But financial planning is essential, whatever you do. Having early conversations about what the future may hold will help you allocate and grow your money where you need it, for less stress later down the line.

Your personalised strategy will explain how best to draw on your funds – as and when you need them. It will also examine the tax implications of doing so, highlighting any tax-free elements that you can take.

We want to ensure your exit is as tax-efficient as possible, by including pension, ISA (if applicable) and taxable investment considerations in the discussion. Your plan will help you structure your post-exit regular income for a reassuring future.

4. I've already exited my business – is it too late to take advantage of a financial planning consultation?

Absolutely not! It's never too late to take a closer look at your finances. Now that you have exited, it's a great time to take stock of what you have – and what you will need for your future. While we can't advise you on how you might want to spend your life post-exit, we can help you factor your future needs into your cash flow planning.

Planning can minimise your tax liabilities and allow for inheritance tax issues that might affect your family. This benefits your peace-of-mind, as well as your money.

It can also help you with any next generation considerations and whether any assets or wealth will be passed on – and how. This can include how to use trust structures to help with private education costs for children and grandchildren, or even future property purchases. You may also want to think about how you will pay for any long-term care that you or your family may need in the future.

Whatever lies ahead, preparation for your future is key and we're here to support you.

5. How does cash flow modelling impact how a business exit is achieved or directed?

When you look at your personal wealth at the same time as your business exit plan, you may consider approaching your exit differently.

Cash flow modelling reviews your income, expenses, savings, and investments, and uses this to identify opportunities and challenges in your exit. It also helps set expectations for what you will need after exiting or selling a business, which may impact your exit decisions, net sale price and timeline. It can:

- Bring your future to life by illustrating how your situation and needs might change
- Give you confidence that your financial plans are on track
- Answer questions like: Will my assets and savings be enough to support my aspirations? Do I have enough savings to retire early? How much money do I need to hold out for if I want to sell my business?

It can also support you in tax efficiencies, such as identifying any applicable allowances like Business Asset Disposal Relief (reducing the tax paid after a sale) and helping you tackle inheritance tax issues.

Discover our can-do approach

To find out more about how we go above and beyond to understand your wealth management needs and aspirations as a business owner – and empower you to achieve them – get in touch. We'll be delighted to answer your questions and provide details of our services.

0207 523 4500

businessowners@canaccord.com

canaccordgenuity.com/wealth-management-uk/get-in-touch

»

Important information

Investment involves risk. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. The investments described in this document may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment adviser.

Any tax benefits depend upon the investor's individual circumstances and clients should discuss their financial arrangements with their own tax adviser before investing. The levels and bases of taxation may be subject to change in the future. This document is for information only and is not to be construed as a solicitation or an offer to purchase or sell investments or related financial instruments. This has no regard for the specific investment objectives, financial situation or needs of any specific investor.

The current inheritance tax rules and tax treatment of AIM shares may change in the future. We strongly recommend that clients discuss their financial arrangements with their tax adviser before investing, as the value of any tax reliefs available is subject to individual circumstances.

Canaccord Genuity Wealth Management (CGWM) is a trading name of Canaccord Genuity Wealth Limited (CGWL), CG Wealth Planning Limited (CGWPL) and Canaccord Genuity Wealth (International) Limited (CGWIL). They are all subsidiaries of Canaccord Genuity Group Inc.

CGWL and CGWPL are authorised and regulated by the Financial Conduct Authority (reference no. 194927 and 594155), have their registered office at 88 Wood Street, London EC2V 7QR and are registered in England no. 03739694 and 08284862 respectively.

Adam & Company is a trading name of Canaccord Genuity Wealth Limited (CGWL) in Scotland.

CGWIL is licensed and regulated by the Guernsey Financial Services Commission, the Isle of Man Financial Services Authority and the Jersey Financial Services Commission. CGWIL is registered in Guernsey no. 22761 and has its registered office at Trafalgar Court, Admiral Park, St. Peter Port, GY1 2JA.

CGWM does not make any warranties, expressed or implied, that the products, securities or services mentioned are available in your jurisdiction. Accordingly, if it is prohibited to advertise or make the products, securities or services available in your jurisdiction, or to you (by reason of nationality, residence or otherwise) then such products, securities or services are not directed at you.

The products and services offered by CGWM in the UK may differ from those offered by other Canaccord Genuity Group Inc. offices.