

Our expertise, your way



PowellsLaw



Summer 2017

Unresolved legal issues costing SME businesses millions

A smaller business with limited time and budget will often see contacting a lawyer almost as a last resort. So how much are unaddressed legal issues costing SME businesses?

According to research conducted by the Legal Services Board, 23% of SME businesses reported significant loss of income, 12% reported an increased cost, 9% reported damage to their reputation, and 6% reported that employees had to be lost or the business closed down – all through unaddressed legal issues.

46% of SMEs reported that unaddressed legal issues impacted their business, with an average cost per issue of £13,812. Multiply this by the number of SMEs affected and you soon get to an eye watering number.

Those figures suggest that a staggering amount of cost and disruption could be saved if more SME businesses sought appropriate legal advice much earlier. In truth, many costly legal disputes and tribunals that SMEs become involved in are avoidable. Similarly, many SMEs delay enforcing their legal rights because they assume it will be too costly or complex.

With such significant potential costs and impact on their business, why are many SMEs reluctant to seek the legal advice they need? Sometimes it seems to be a concern about potential costs that could run out of control. Sometimes it's a failure to recognise that there is an underlying legal issue that needs to be addressed or it may just be a hope that things will sort themselves out without legal action. Decisions are often directed by assumption rather than fact, which is rarely good business.

Take Control for just £30 per month

Given the possibility of financial cost and disruption to your business it's better to know exactly where you stand – to know whether you have a potentially expensive liability or whether you have legal rights that can be enforced or that legal action is required at all! If you also know the probable costs of any legal action you can be fully in control of the situation. You can then make smarter business decisions and avoid issues snowballing.



Recognising the predicament that smaller businesses face, PowellsLaw launched the Law on Call service. For a fixed monthly fee of £30, businesses can call the team as often as they need, to go through an initial assessment of your concern which could be, for example, employment, property, contracts, ownership or disputes.

Once you have had that assessment and are aware of your options for the best route forward, you can then make an informed choice how best to proceed. There are no obligations but you'll be clear where you stand and you will be making your business decisions based on fact rather than assumption.

For more information on the Law on Call service contact us today on **01934 623501** or visit our website.

SMEs join us for breakfast

Each month we host a **Bite-Size Breakfast** meeting to get together with **local businesses**. It is informal and a **great place to discuss issues and opportunities that we might be able to address together**.

We understand your working days are extremely busy, so whether you drop in for 5 minutes or for the whole meeting, we'll aim to make each session interesting, interactive and focused around your issues so you get the most out of the Bite-Size Breakfast.

To find out more information about our Bite-Size breakfast visit www.powellslaw.com or to register for our next event please email helpforyourbusiness@powellslaw.com.

If you would like to give a short presentation at any of our breakfast meetings, please contact our Practice Administrator Rebecca Sage on **01934 637908** to discuss or alternatively email her directly rsage@powellslaw.com.



Do you have a question?

It might only take 15 minutes and cost you nothing to put your mind at rest.

People come to us for all different reasons, from all walks of life – whether you are a business owner or you have a concern with a business, or perhaps you are an individual who needs assistance or advice.

It is understandable when people feel confused by the ins and outs of the different specific sectors of law, which is why we like to make it as simple as possible to help you get the most out of our service. This is why we offer a free initial 15 minute consultation designed to help you see what your options might be. We also have free factsheets and Q&A's that you can access on our website. They cover a wide range of subjects, aspects of law and questions you might have and they provide a simple solution to any one-off questions.

If you have a quick question why not take a look at our Q&A's here but if there isn't an answer available on this section for you please get in touch on **01934 623501**.



The risks of property investment and the bank of mum and dad

There's little doubt that financial planning for later life has become more complex. Returns from savings are at record lows and pensions are not the reliable source of retirement income they once were. As life expectancy increases there's also the potential for high care costs to consider.

The growth of the 'bank of mum and dad' is another factor. Research by Legal and General and the Centre for Economics and Business Research estimates that £6.5bn will be lent by parents and family members this year to help the next generation onto the property ladder. Most of the cash goes to fund deposits rather than repayments.

Digging into savings, or possibly remortgaging to release equity to loan or gift to your children, probably wasn't in the financial plan you had a few years ago. Statistics show that the bank of mum and dad generally receives no interest on the loans it provides.

Low savings returns and annuity rates are also prompting people to invest in the property market as part of their retirement planning.

All of these decisions have implications that you need to be aware of.

Multi-generational purchases certainly have issues depending on whether the money is a gift or a loan. Gifts could have Inheritance Tax implications. If you are lending or gifting the money you need to think about what would happen if your son or daughter separates from their partner or defaulted on the mortgage. A deed of trust could protect everyone's interests.

Some people choose to formalise the arrangement so that parents have an option to recover the money should things go wrong. Be aware that if the money is 'repayable on demand' and you are made bankrupt, your creditors could well call on your children. At the very least there needs to be a clear understanding on all sides whether the money is a gift or a loan; this is not something you want to establish later in court.

The main mortgage lender will possibly also want reassurance that you have no financial interest in the property, despite funding the deposit.

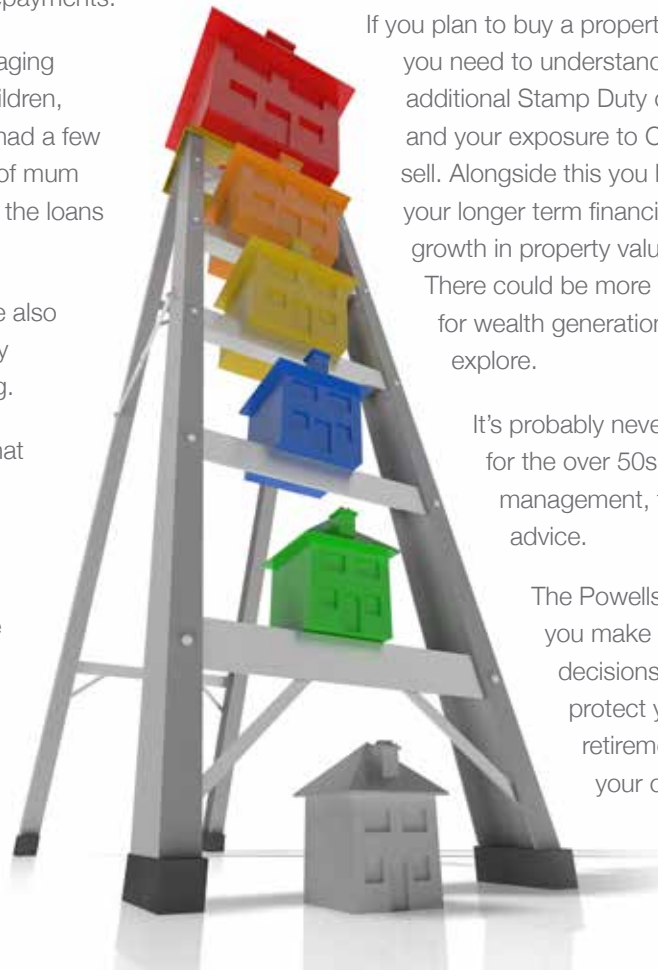
If you plan to buy a property as an investment you need to understand the implications of additional Stamp Duty on second homes and your exposure to Capital Gains Tax if you sell. Alongside this you have to think about your longer term financial needs. Continuous growth in property values isn't a certainty.

There could be more secure opportunities for wealth generation that you should explore.

It's probably never been more important for the over 50s to get sound wealth management, financial and legal advice.

The Powells Law team will help you make better informed decisions. You can then protect your assets, maximise retirement income and help your children with minimum risk. Call us on

01934 623 501.



New look website

We have recently updated our website to improve the look and feel for our users. We aim to make every interaction that you have with PowellsLaw as easy and supportive as possible. Take a visit to our new site to see our latest news, our Q&A's, testimonials and much more. You'll find us at the same website address as before www.powellslaw.com



Community update

We are very pleased to be an active part of the community in Weston Super Mare, sponsoring the local football and swimming club. On top of this we also get involved in many other community and charity based projects and events. Some of our recent involvements include:

Recently PowellsLaw Partner Bobby Ferrari and husband took part in the Eddystone Charity Sailing Pursuit in Plymouth on Saturday 17th June. Sailing on Millie, a 35 foot boat, a total of £481.56 was raised in aid of the RNLI. The Eddystone Charity Sailing Pursuit is a 26 mile offshore course from Plymouth Sound and back, with this year's race raising a grand total of £73,565.12 for charities across the UK. Despite the race being shortened due to lack of wind, Millie made it to the finish line to complete the race.

We hosted our first young professionals networking event this month. The guest list included solicitors, mortgage advisers, financial advisers, managers, and small business owners. The evening was filled with wine, excessive amounts of cheese and plenty of networking. The event seemed to be enjoyed by all with one commenting, "judging by the turnout I think it shows that an event like that has its value in Weston and that there is an appetite for it." We are hoping to hold another event in coming months. If you would like to sign up to receive emails about future events then please email rsage@powellslaw.com



Welcoming our new Will Writer to the team

Karen Ridge has worked in solicitor's offices most of her life, initially enjoying Conveyancing but then she moved into Wills about seven years ago as a hands-on secretary.



She then decided to move to a local financial advisor to train as a Will Writer. However, after missing the client contact and when the opportunity arose to join PowellsLaw as a Will Writing fee earner, Karen relished the opportunity.

Karen is married with two adult sons and has recently acquired a daughter-in-law. She has recently joined Rock Choir and started singing but also enjoys quiet times with a book and a glass of wine.

Our new residential conveyancing team

Within our Property & Commercial Department we have created a new dedicated residential conveyancing team (our Home Move Department) to deal purely with residential sales and purchases.

This new department is headed up by Gill Moore who we would also like to congratulate on becoming an Associate at PowellsLaw. If you would like a competitive quote for your residential sale or purchase please email gillmoore@powellslaw.com



Have you heard us on Breeze FM yet?

We currently have a new set of adverts going out over Breeze FM.

These new adverts reinforce our commitment to providing high quality customer service as well as experienced technical expertise. Making it simple for you to get the advice you need and the resolution you want. So, if you are tuned into this station, take a listen.



www.powellslaw.com