

Our expertise, your way



PowellsLaw



Autumn 2017

If you were not around, could your business keep running

A Lasting Power of Attorney is a precaution that people are increasingly familiar with in their private affairs but how many business owners or partners consider what would happen to their business if they were unable to make decisions and manage the business finances?

Whatever happens there will still be bills and staff to pay. If nobody has the legal power to act on behalf of the business there is a very real risk that bank accounts will be frozen. Unpaid bills could even result in insolvency proceedings.

Partnerships are particularly vulnerable. The incapacity of one partner with financial control could lead to the bank freezing the account, even if the remaining partners are fine and, in most cases, appointing a legally recognised deputy will take too long to be an effective solution.

Naturally, nobody thinks this will happen to them but why take the chance when a Business Lasting Power of Attorney will take away that risk

A **Business LPA** has a number of advantages:

- A contingency plan needs to be thought through so it is clear to everyone what will happen if owners or partners lose the capacity to make decisions.
- The business can keep running while longer term arrangements are put in place.
- Families and loved ones are spared the additional distress of having to deal with a crisis in the business alongside what may also be a personal crisis.

Even where partners have assigned Lasting Powers of Attorney for their personal affairs, the person nominated may not be appropriate or qualified to act in a business capacity.



If you think your business would be vulnerable if you or a business partner lost the capacity to make decisions you should act now. PowellsLaw are extremely experienced in dealing with these situations, making them well placed to advise you on the best Business LPA for your circumstances.

For more information or to book an appointment with one of our specialist solicitors contact us on **01934 623501** or visit our [website](#).

You've worked hard for what you have – now make it work for you

Even if you don't think of yourself as a wealthy person you may still have property, savings, a pension and other assets that can add up to a significant sum.

Managing that wealth effectively will help you enjoy the retirement lifestyle you want. It will also ensure that the assets you've worked hard to build up will pass to the people you want to benefit, rather than the taxman.

For many, this means a three pronged strategy: Protect, Release and Pass On.

Protecting your capital has a number of elements. **Making a Will** is a basic and essential step that ensures your wishes are carried out after you die. But it's just as important to make sure you review your Will every few years so that it continues to reflect your current circumstances and wishes.

As part of your inheritance planning you may need to create trusts to protect the interests of your spouse, partner or children, and ensure that your specific wishes are carried out. Transferring assets into a trust can take them out of the scope of inheritance tax. However, there are some fairly complex rules that apply so expert professional advice is essential.

Although none of us likes to think that it would affect us personally, we have to accept that we might, one day, be unable to manage our financial affairs or make important decisions for ourselves. Creating a **Lasting Power of Attorney** while you are still fit and well is always a sensible decision.

Releasing your wealth in a planned way makes all the difference when it comes to meeting your personal financial objectives. Now that **pension fund** holders are not obliged to buy an annuity there are more decisions to make about how to invest and draw pension income.

For those who want a steady income without taking any risk an annuity may still be appropriate. For others, the options of a lump sum or drawdown funds will give them the control to access funds in line with their outgoings and the way their lifestyle evolves during retirement.

Careful planning avoids you paying unnecessary tax and ensures that you balance saving and spending during your working life. You can then, for example, build up the level of savings you need without making more sacrifices than you need to.

Equity release is an increasingly popular way to unlock the wealth tied up in your property before you die. Again, there are many schemes available, often with complex clauses in the small print. Getting professional advice can help you avoid an expensive mistake.



There are many options – such as a deed of gift – to **pass on your wealth** tax efficiently. For example, trusts can help to protect one partner's share of a property should they die and the surviving partner needs to go into care. Lifetime settlements can, in some cases, ensure that the value of your property isn't used to pay for care costs and can reduce probate costs, helping to pass on more of the value of your estate.

Efficient managing of estates and affairs after death can make a substantial difference to the total tax paid on an estate. With the right advice you can use deeds of variation and disclaimers to effectively pass an inheritance on to other beneficiaries and save tax.

You may be reading this and thinking that there is lots to think about and to plan. And you would be right. This is why getting professional advice makes such a difference to how you benefit from your wealth while you are still alive and pass on as much of it as possible to your chosen beneficiaries.

The Private Client team at PowellsLaw will be happy to talk through your priorities and options and carry out the necessary legal work to ensure you, and the people or good causes you choose, benefit from the assets you've acquired.

To talk to one of our specialists call us on **01934 623 501** or visit our [website](#).

Furnished holiday lets – the alternative to buy to let?

Following the impact of [new taxes since April 2017](#) on buy-to-let properties, investors have turned their attention to furnished holiday lets as an alternative.

Provided a fully furnished property is let for holiday purposes for the relevant qualifying period of each accounting year it is regarded as a business with the consequence that it attracts very generous benefits which are no longer available to buy-to-let investors. More particularly:-

For Rates

If the property is let for at least 140 days a year:

- It is regarded as a business so no council tax is payable
- Further, if the rateable value is less than £12,000.00 it will attract small business rates relief at 100%

For Tax

If the property is available for letting for at least 210 days of the accounting year and is let for at least 105 days of that period:

- You can fully furnish the property and set off the expenditure against pre-tax profits
- Mortgage interest payments can be set off in full against tax

You will have to pay Stamp Duty Land Tax on purchase at the higher rate (3% above standard rates) but that applies to any second home.

When you come to sell providing you meet the qualifying conditions then because the asset forms part of a business you should be able to claim Entrepreneur's Relief reducing the charge to Capital Gains Tax to 10% of any gain.



It is unclear how long the government will allow this disparity in tax and rates treatment between buy-to-let and furnished holiday homes to continue but as long as it does, and with Brexit to deal with it is unlikely to be top of the legislative agenda, the advantages for investors are considerable.

If you would like any advice in relation to furnished holiday properties contact Glyn Evans on **01934 637911** or email evans@powellslaw.com



Making access to legal support easy

When you think about accessing legal advice people often worry about the challenges they might come up against – not having an assigned solicitor for your case, not easily being able to speak with or meet with your solicitor face to face, large unexpected bills, not making information clear and understandable.

So, we do all we can to make access to law through us easy.

We do this by ensuring all of our clients are allocated a relevant specialist solicitor to manage their case, giving you a constant reassurance of a single point of contact and being kept up to date. Being based in the town centre of Weston super Mare with free car parking makes our offices easily accessible and convenient for you to pop in and visit your solicitor when required. We also offer [payment options](#) such as fixed fee and pay as you go, which we discuss transparently with you so you are not concerned about unexpected bills. We keep you fully informed in plain English at each stage.

If you like the idea of keeping it nice and simple next time you need some legal advice, get in touch with our team today to discuss how we can help you. Call us on [01934 623 501](tel:01934623501) or visit our website.

today to discuss how we can help you. Call us on [01934 623 501](tel:01934623501) or visit our [website](#).



Macmillan coffee morning

We'd like to thank everyone involved in our Macmillan coffee morning on Friday 29th September. We are delighted to have raised £107 from cake sales and competitions on the day. This donation goes towards supporting all the work [Macmillan](#) do to provide medical, emotional, practical and financial support, as well as campaigning for better cancer care.



www.powellslaw.com