

The logo consists of a dark teal rounded rectangle with the word "Weightmans" in white sans-serif font.

Weightmans

See the Possibility<sup>♦</sup>

# Plan, Protect, Prosper

A full service legal approach for owner-managers,  
family business owners and entrepreneurs

[weightmans.com](https://weightmans.com)

 weightmans

# Introduction

We know that as an owner-manager, family business owner or entrepreneur, you face the challenge of balancing business and personal motivations. Your ambitions for your business, are interconnected with your aspirations for yourself and your family. We understand and provide solutions.

Weightmans understands your and your family’s needs – which is why our Owner-Managed Business, Private and International Private Wealth lawyers offer expert personal and private client business advice from specialist teams.

Your business is the source of your personal assets and we provide an overall wealth preservation strategy. We help you develop ownership structures that align your personal motivations and plans alongside the operational needs of your business.

Our OMB group can help you to:

-  Plan
-  Protect
-  Prosper

This means that whilst supporting you as you’re managing and building value in your business, or planning for succession or sale, we’ll also be there to advise you on your personal priorities. Weightmans combines specialist corporate, private client family and tax lawyers within one truly integrated service. We are used to working closely with wealth managers, financial advisers and accountants to implement our advice across your professional advisors.

We specialise in advising business owners on different ownership entities, corporate share structures, share and business sales and purchases, and succession and estate planning.

With Weightmans, you’re assured top level, practical, tailored legal advice to help you **plan** for tomorrow, **protect** value today, and enable you and your business to **prosper**.

See the Possibility 







# Plan

All businesses go through ownership change.  
The question is when, to whom and on what terms?

Effective business **planning** involves consideration of future options. Whether you're thinking of a trade sale, management buy-out, third party investment, or passing the business through to the family's next generation, it's never too soon to start planning. If you're preparing for an exit, we can undertake a **business health check** or seller due diligence to identify issues that may need addressing pre-sale. Building up an expert **team of trusted advisors** will give you clarity and confidence, as well as peace of mind that the advice you receive is tailored to your individual circumstances..

At Weightmans, we recognise that each planning exercise is **unique**. As well as a pragmatic and structured approach to your business, our plans will consider your personal estate planning, taking into account **effective tax planning** and not forgetting your emotional attachments..

By reviewing your ownership structure alongside your medium and long-term plans, and making your structure as tax efficient as possible, we aim to give you, your business and your family the best possible **protection for the future**.

## Incentivising and rewarding staff through shares

When our client wanted to establish an employee share scheme as a means of recruiting and retaining key employees, we advised on the company law and tax issues that needed to be considered in detail before proceeding. It was important to our client that the interests of the employees, who are key to the future success of the business, were aligned with that of the owner in order to enhance the growth of the company whilst at the same time taking advantage of HMRC approved schemes. In this particular case, we helped our client establish a share option scheme for the grant of enterprise management incentives (EMI) options which would be exercisable only on an 'exit'. We then worked closely with the owner, key employees and the company's accountants to design a set of EMI scheme rules and to identify what an 'exit' would look like.

Issues we can help you consider include:



Where business assets, such as property, intellectual property rights or surplus cash, should be held and how should they be extracted



How to motivate and retain the best possible management team to ensure the business' ongoing value

Contingency planning for events including illness, death or a breakdown in a significant relationship, for example divorce



The issues (tax and other) surrounding shares and share options allotted to key employees



The impact of new shareholders on future sale plans, the benefits and limitations of "drag and tag" protections



Examining and improving the tax position of shareholders in advance of, or following, an exit



The potential benefits of a sale to management or an employee ownership trust



# Protect

Protecting the value of your business is key to your, and your family’s, future. Any review of your business should include revisiting your structure to consider how to best manage share or other forms of ownership, how to put in place structures to pass on ownership tax efficiently and how to minimise problems arising upon a relationship breakdown or an unexpected bereavement.



**Lasting powers of attorney** can minimise the impact if you face sudden illness by ensuring an appropriate person is appointed to protect your business interests. They can also help to avoid delays should the business already be going through a sale process when ill health strikes.



**Contingency plans** aim to set out what happens if a shareholder is incapacitated on a long-term basis. These plans can include the provision of future incomes, and insurance policies that cover the cost of recruiting a replacement specialist employee.



**Relationship agreements** (cohabitation agreements for unmarried families or pre or postnuptial agreements for married families) can be designed to protect business owners and their business partners if their personal relationships fail. Shareholder agreements, family charters and trusts can also be beneficial, depending on your circumstances. All can be used to provide peace of mind and minimise the adverse effect on the business of a personal relationship breakdown.



**A constitution or family charter** tries to ensure that family obligations and personal preferences do not stifle a business’s future. These are best suited when ownership is already spread among wider family members. We can help to prepare a set of guiding principles that attempt to establish how, and when, the next generation becomes involved in the business.



**Shareholder agreements** can offer real benefits and cover numerous eventualities.. It’s too easy to regard them as “boilerplate” almost standard form arrangements. To the contrary, when given careful thought they can add real value, particularly if you want to bring on board minority shareholders, or you are introducing third party non-family shareholders to your business. Covering issues ranging from authority for key decision-making, share issues, share transfers, exit policy, dividend policy and dispute resolution, a crafted shareholder agreement can be crucial not just in the lifetime of the business but as part of the planning for a potential exit.



**Cross option agreements** are suited to shareholders of similar or equal status. They can ensure financial provision if a shareholder were to die providing accessible cash to his or her family; whilst from the surviving shareholders point of view, ensuring the business can continue without the deceased shareholder’s family becoming directly involved.



**Wills** are crucial for all shareholders, offering the opportunity to plan and determine who will take over your business affairs, and how interests in a business will be left. Careful will and trust planning can also substantially increase the amount of money passed to your family and beneficiaries by reducing tax liabilities. In particular will and trust planning should consider the availability of business property relief.



**Business Property Relief (BPR)** In conjunction with planning around the administration of a business owners estate, owners should consider whether their business assets attract BPR. BPR can provide relief at 100% or 50% against inheritance tax depending on certain conditions and up to specific limits. Planning during a business owner’s lifetime can maximise the benefit of this relief, whilst sheltering value for the next generation and ensuring that the business owner retains an element of control over the day to day running of the business.

## Reducing a client’s tax liabilities at work and home

When the founder of a family-owned retail company was looking to sell to a third party, we advised on pre-sale share transfers to maximise entrepreneurs’ relief from capital gains tax. After the sale, we guided the client through establishing a family investment company as part of a plan to reduce potential inheritance tax liabilities. We also helped revise the client’s will, ensuring his trustees can balance out payments to his children after his death to address any perceived unfairness from gifts he had distributed while living.



Building up an expert team of trusted advisors who understand the detail of your business and your personal aspirations are the key to maximising a successful outcome.

If you're preparing for an exit it is vital to have advisors who understand your motivations to help ensure that the final deal gives the **best overall return to you and your family**. We work closely with wealth managers, financial advisers, banks and accountants to help to prepare businesses for sale whilst also protecting and growing your family's wealth.

When preparing for ownership change or family succession we provide solutions that seamlessly **align your personal requirements with your commercial objectives** to ensure the continued success of the business.

No-one knows what challenges and complications lie around the corner, but with the right plans and structures in place you can concentrate on driving your business forward and ensure success for you and your family.

Future-proofing a client's business

When our client undertook a business restructure, our team helped protect the company from future matrimonial issues by preparing bespoke postnuptial agreements between the directors and their spouses. At the same time, the directors' spouses were granted new shares, with appropriate shareholder agreements. New wills were also produced for all shareholders, ensuring all shares were left to the shareholders' respective beneficiaries, and arrangements were put in place to give the company the option to buy back any shares following a death.

About Weightmans

Weightmans is a top 40 law firm with offices nationwide.

- Leading UK Top 40 law firm with a turnover of £138million
- Offices in Birmingham, Cardiff, Glasgow, Leeds, Leicester, Liverpool, London, Manchester and Newcastle
- 260 partners and over 1,500 employees nationwide
- International reach as members of Insurance Law Global (ILG), Legalink and the International Association of Insurance Law
- 50 strong OMB and private client group offering both personal and business advice from a multi-disciplinary team of specialists
- 146 specialism rankings and 453 individual rankings in Chambers and Legal 500 UK directories





For more information visit our website or contact:



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“Paul Raftery has a robust practice that sees him handle a range of transactions. He often works on acquisitions and dispositions.”

*Chambers And Partners 2024*



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“Emma Collins is outstanding; her knowledge and experience enables her to bring both strategic and tactical excellence to the case at hand.”

*Legal 500 2024*

“Weightmans is a firm which contains very talented lawyers who also happen to be really nice people to work with.”

*Legal 500 2024*



**Weightmans**

Contact us on 0345 073 9900

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