



PRIVATE CLIENT
— SOLICITORS —

PRIVATE CLIENT SERVICES
FOR WEALTH MANAGERS



Private Client Services for Wealth managers

Our specialist and approachable team of Will, Trust and Estate solicitors can work with you to help your clients put their personal affairs in order.

We offer peace of mind with clear advice and practical solutions. Whether it's making a will for the first time, updating an existing will, discussing powers of attorney or helping to establish a trust or provide inheritance tax advice, our expert team are here to help with trusted, tailored advice.

We take time to understand your client's family and business circumstances, needs and wishes. Once we have established how we can help, we will usually be able to give you a fixed fee quote so that there are no unwelcome surprises.

All of our lawyers are STEP qualified (the Society of Trust and Estate Practitioners) or working towards STEP qualification (if more junior) to ensure that the advice we provide is at the highest standard within the industry. We are one of the largest Private Client team in the North West, rank Band One in the "Chambers High Net Worth Guide", feature in the "Legal 500" and appear in the "The Times Top 250 Law Firms" in the UK. Our head office is in Manchester City Centre but we service clients nationally and internationally. →

Meet our Partners



Tasnim Khalid
Managing Partner

tasnim@privateclientsolicitors.co.uk



Paul Gotch
Senior Partner

paul@privateclientsolicitors.co.uk



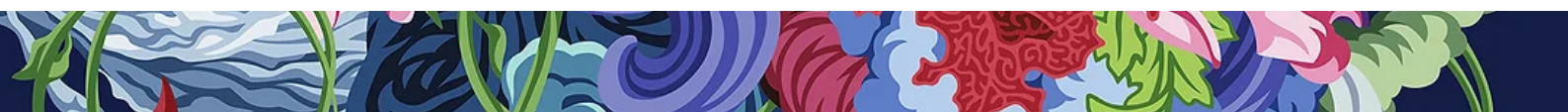
Nicola Walker
Partner

nicola@privateclientsolicitors.co.uk



For business relationship enquiries, contact Ryan Lewis

Client Relationship Director
ryan@privateclientsolicitors.co.uk



Family Investment Companies

A private company whose shareholders are family members Created to ensure that family wealth can be protected and invested in a tax efficient manner. A Family Investment Company can be structured to suit the specific needs of the family and the company documents (such as Memorandum, Articles of Association and Shareholders Agreement) will specify how specific family members will benefit with regards to voting rights, future profits, income and/or capital. Different classes of shareholdings allow individuals to differentiate between the tax planning and succession needs of all family members.

Charitable Trusts

If an individual or family wish to explore their philanthropic aims and give back to others by setting up their own charity, we can provide advice and assistance in this regard. We can assist with the creation, registration and administration of the Charity and work with you to deal with the investment of the funds on behalf of the Charity. We can also arrange with setting up the Charity bank account - a small pledge to the Charity of £5000 is all that's required from your client at the outset. We are happy to discuss with you and your client and provide a fixed fee for the service.

Will Writing

Our solicitors can assist your clients to put in place or update their Will. If your client already has a Will in place we can offer to undertake a free review to give them, and you, reassurance and peace of mind that all is in order.

If a client dies without leaving a Will, there is a risk that the client's preferred beneficiaries do not inherit. Equally, there is a risk that the investments that you manage disappear to unknown beneficiaries. Effective estate planning should therefore start by making a Will.

A Will can provide many benefits, such as:

- **Control over who administers and inherits the estate** — without a Will, the Intestacy Rules direct how the estate is administered and who inherits the assets. This could be extremely detrimental for unmarried cohabiting couples, unmarried couples with children, or couples with children from previous marriages or relationships. A Will allows an individual to make provision for those who they wish to inherit and allows them to appoint Executors and Trustees (and Guardians where applicable) to ensure the most appropriate individuals administer and inherit the estate.

- **Reduce an Inheritance Tax liability** — depending on the client's circumstances, a Will can incorporate a tax efficient trust structure to minimise a client's Inheritance Tax liability and/or provide a structure to pass wealth across the generations.

- **Protection minor or vulnerable beneficiaries** — a Will could create a trust structure to ensure that minor or vulnerable beneficiaries may inherit in the most appropriate way

Will Review

We recommend that a Will is reviewed every three to five years. This is to ensure that the document remains appropriate to a clients individual circumstances, which may change over time.

We are pleased to offer your clients a free review of their Will to either provide peace of mind, or to set out any changes that would benefit the client and his/her family.

Lasting Powers of Attorney

A Lasting Power of Attorney ("LPA") is a document which appoints and provides an attorney, or multiple attorneys, with the appropriate authority to manage a clients "Property and Financial Affairs" and/or "Health and Welfare".

Both versions of the LPA are equally as important to the client.

There are a number of reasons where a Lasting Power of Attorney may be required, such as:

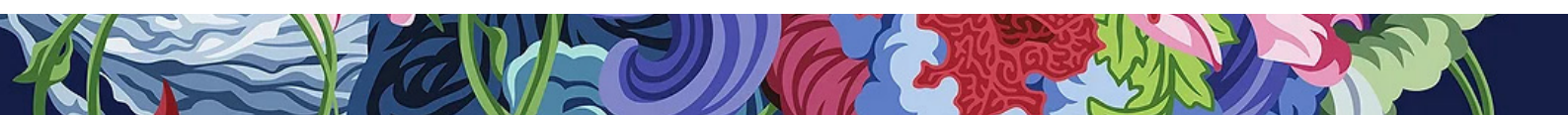
- a temporary scenario, should your client be involved in an accident or be otherwise temporarily incapacitated

- a longer-term scenario, should your client be diagnosed with dementia or Alzheimer's where it could be reasonably expected that may be a time in the future where the client lacks capacity to make their own decisions.

From the perspective of a financial advisor or wealth manager, an LPA to cover "Property and Financial Affairs" is essential to ensure that, irrespective of your clients circumstances (such as a temporary or permanent loss of capacity), you may continue to act on their behalf either directly or via the appointed attorney.

If a client does not have an LPA, an appropriate individual would have to apply to the Court of Protection to be appointed as your client's Deputy.

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This can be a costly process that could take more than six months to complete.

At PCS, we can assist your clients to choose and appropriate attorney, and put the Lasting Power of Attorney documents in place.

Trusts

A trust can be a significant tool when protecting wealth for future generations.

A trust is a legal arrangement that allows one group of people (the trustees) to manage money or other assets for the benefit of other people (the beneficiaries). A trust can be created for many different reasons and the type of trust to be established (such as bare, discretionary or life interest) will very much depend on the client scenario. Typically, a trust could be used to:

- Manage cash and assets for minor beneficiaries or beneficiaries who are considered to lack financial maturity
- Protect assets from claims by former spouses or creditors of the beneficiaries in the event of future divorce or financial difficulties
- Allow beneficiaries to make use of assets without affecting their own tax liability

Some trusts allow you to pass on the benefits of assets, while keeping some control over them. This is especially useful for:

- Business owners who want to benefit future generations while continuing to manage their companies
- Setting aside cash or assets for identified beneficiaries while keeping control of how and when they should benefit.

Creating a trust can also help with tax planning, both for current and future generations.

The management of trusts and family wealth can be complex and time consuming. Our dedicated and helpful solicitors can assist with ongoing administration ensuring all legal and tax rules are followed.

Personal Injury Trusts

In a specialist area of trust law, we assist clients to establish and manage personal injury trusts for compensation and insurance pay-outs.

Funds held in personal injury trusts are not considered for means-tested benefits. That means people can continue to access all the government and local authority help they need, whilst damages payments are ringfenced for the clients use.

We have a vast amount of experience supporting people to consider, create and manage trusts, following compensation awards for clinical negligence and catastrophic injury. As well as creating the appropriate Trust deed, we'll also assist with opening the Trustee bank account.

Trustee Banking

We are able to assist your clients to establish a trust and open an accompanying trust bank account. Our charges to prepare the applicable trust deed and associated documentation will depend on the type of trust required. Please contact us for a fee quotation.

For clients who have already established a trust but are yet to open a trust bank account, we can offer a fixed fee review service. Provided that all is in order with the trust documentation, we can thereafter assist to open a trust bank account. Please contact us for a fee quotation.

Estate administration

Sadly, if your client or a member of their family has passed away, we can assist with the administration of their estate dealing with HMRC, arranging payment of inheritance tax, making the application to the Probate registry and the intricacies of the individuals financial affairs ensuring distribution of the estate in accordance with their Will or the intestacy rules. Throughout the process we highlight to the beneficiaries the importance of any financial planning which may have been undertaken by the deceased (perhaps to mitigate the inheritance tax position) as well as the importance of the beneficiaries obtaining financial advice now as a result of their own inheritance. We will work with you to protect generational wealth. Unlike other firms, we do not charge a percentage of the estate nor an uplift for HNW estates – we merely charge our time spent on the matter or, once we have all the facts, we will deal with the estate for a fixed fee.

Court of Protection (“COP”)

If an accident or situation occurs whereby someone is alive but no longer has the mental ability to deal with their affairs (and does not have a valid Lasting Power of Attorney in place) then an application to the COP is required. This could be an urgent application or a general application.

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There are also other situations where an application to the COP may assist your clients who have already lost capacity (and may well have an Attorney acting) for instance, to undertake some gifting, inheritance tax planning or have a new statutory will put in place. We are happy to assist your clients and their families in relation to all issues where a loved one has lost capacity. We will act as professional Deputies where required or merely guide your clients through the process to obtain an Order. We will deal with all COP matters on the hourly rates set by the COP which are significantly lower than our usual charge out rates.

Inheritance Tax

Our specialist team also advise on how to mitigate Inheritance Tax which is an important consideration when thinking about estate planning.

We will always like to discuss with our clients all aspects of their affairs, from complex business arrangements to adult children in precarious situations who may need specific protection.

Inheritance Tax planning

Many clients can benefit from a bespoke estate planning report outlining their current Inheritance Tax exposure and setting out any potential ways of mitigating the Inheritance Tax liability.

Some of the areas in which we advise clients include:

- Making gifts tax efficiently;
- Inheritance Tax planning when making Wills;
- Inheritance Tax planning post-death including deeds of variation;
- The Inheritance tax implications of setting up a trust.

Our solicitors are highly skilled and will draw on years of experience to ensure your client's estate plan is as tax efficient as it can be.

One commonly used solution for Inheritance tax planning is the use of discretionary trust. We go into more detail here:

What is a Discretionary Trust?

A Trust is a legal arrangement whereby the person creating the trust (the Settlor) gives control of the property (the trust fund) to a person or institution (the trustees) for the benefit of others (the beneficiaries).

In a discretionary trust, the trustees have 'discretion' over how to use the trust fund and can distribute capital and income as they please in accordance with the terms of the trust document. No one beneficiary has any right to the trust fund but is merely a potential beneficiary and therefore the trust fund is one step removed from personal ownership.

A Discretionary Trust can be created as a standalone trust during your client's lifetime or within a Will.

How are Discretionary Trusts operated?

A Discretionary Trust is controlled by trustees who have various duties and responsibilities as laid out in the Trustee Act 2000 and in the Trust deed itself. As well as being responsible for managing the trust, the trustees must ensure that tax is correctly declared and paid on time.

A Discretionary Trust is subject to its own tax regime and therefore liable for inheritance tax, income tax and capital gains tax as a unique individual separate from the Settlor and Beneficiaries.

Does your client lose complete control once they set up a Discretionary Trust?

This largely depends on whether or not you are a trustee. Trustees have complete control of the trust fund. There must be a minimum of two trustees and any decisions made must be unanimous. If the Settlor is not a trustee, then it is advisable to have a "Letter of Wishes" alongside the trust, outlining any wishes the Settlor may have about the operation of the trust. However, a side letter of wishes is not legally binding and therefore the choice of trustees is extremely important.

What are the advantages of having a Discretionary Trust?

There are many advantages to having a Discretionary Trust and a few of these are outlined below:

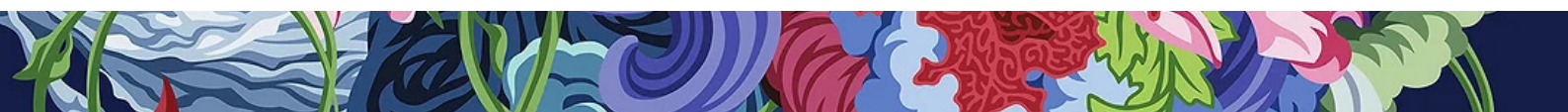
- Controlling assets for young / vulnerable beneficiaries

When families are young / have vulnerable beneficiaries it may not be advisable to pass assets to them outright. Therefore a controlled management structure may be more appropriate.

- Protecting assets against financial difficulty of a beneficiary in the future e.g. possibility of divorce / bankruptcy.

Assets can be ring fenced during the Settlor's lifetime to protect vulnerable beneficiaries. Furthermore,

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on death, since it occurs at an arbitrary moment in time, it is prudent to have the option of holding the assets on a trust. The beneficiaries, together with the trustees, can then take stock of their circumstances and decide whether to retain the trust and the benefits of the same, or alternatively to collapse the trust so the beneficiary may receive the funds directly.

- Beneficiary is on means tested state benefits and he / she can continue to claim those benefits not with standing the value of the estate in a Discretionary Trust

Since a potential beneficiary is not entitled to any of the trust funds outright, the trustees can withhold the funds until a time when it is deemed appropriate. This will protect any state benefits that the beneficiary already receives.

- Flexibility / option to regularly alter the Letter of Wishes, without having to formally change a Will

Sometimes, individuals can be unsure about who they would like to benefit from their estate and when.

A Discretionary Trust within a Will is a completely flexible arrangement, whereby the Letter of Wishes can be amended and updated as often as someone likes e.g. when children are young a Letter of Wishes can detail their schooling requirements, however as they become adults a Settlor can issue guidance about property purchases, wedding funds etc.

- Inheritance Tax savings for future generations
Since a Discretionary Trust can last up to 125 years, a lifetime trust can avoid the 40% inheritance tax which is payable on an estate when someone dies.

This is a particularly useful planning tool when future generations are already very wealthy in their own right. This way, individuals could 'skip' a generation and pass the wealth directly onto the second or third generation.

Does your client need a professional trustee?

Remember that trustees of a Discretionary Trust have ultimate discretion as to how to deal with the trust funds. Therefore, it is important to appoint someone who you trust implicitly to operate the trust. That individual should also be meticulous and organised. In the absence of a suitable trustee, it is advisable to appoint an independent professional who is conversant with this area of law. A professional trustee can also be completely impartial in following your wishes.

For further advice and guidance, please contact the experienced solicitors at Private Client Solicitors by email on enquiries@privateclientsolicitors.co.uk or by calling 0161 509 5020.

