



Wealth structuring



Following a liquidity event, one of the most important things to do is pause.

Rather than rushing into complex tax or legal structures it can often be helpful to take the time to reflect on what wealth will mean for you and your family. Once you have been through a period of adjustment it can be helpful to consider mentally allocating your wealth to some of the following categories.

Only once that notional allocation has taken place should you then move on to consider what the appropriate structure is for the amounts notionally allocated for different purposes in order to achieve tax efficiency and flexibility in a way that works your circumstances.

Different people are motivated to do different things with their funds. However commonly we find people consider the following options:

- **Safe money** – This is the amount of money that you cannot afford to lose. This is the money that should be protected in order to provide for you and your dependents for life.
- **Gifts** – Some people consider making gifts to family members or making provision for dependents where they hand over control of the funds to someone else to make that provision (through the use of trusts or similar arrangements).

- **Lifestyle money** – Some people take the opportunity to buy a holiday property or a valuable car or other asset for them to use and enjoy.
- **High risk money** – Serial entrepreneurs will often allocate some funds to a higher risk pot – to use the funds to fund their next business venture or to invest in businesses of friends or family.
- **Philanthropy** – Following a liquidity event some people wish to choose to benefit or even create a charitable foundation to promote or assist with a cause close to their heart.
- **Investment money** – This is money not immediately required for any of the other categories. You might want to invest it in a portfolio with the aim of increasing this value.

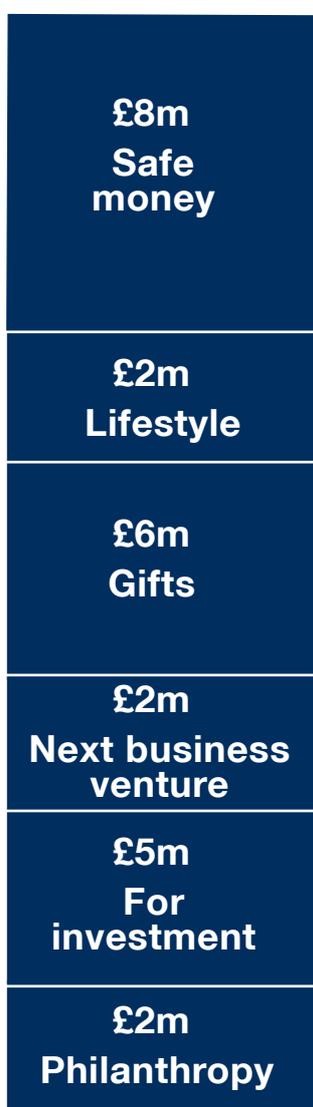
On the next page, we break down how you may want to think about allocating your wealth.



Total wealth



Possible allocation



Having notionally allocated the wealth, you can move on to structuring how you hold it. We can use a number of different structures or options, either in combination or as alternates to each other depending on your short and long term aims.

Some of the structures to consider might include, but not be limited to, family investment company, trust, pension, own business, charity, direct personal investments, offshore bonds etc. These options can also be used in combination. For example, it is possible for a family trust to hold some or all of the shares of a family investment company.

The approach and structuring needs to be considered on an individual family basis to achieve the maximum degree of simplicity and flexibility and should be kept under review as circumstances change.

If you require assistance with any of the above areas, please contact me.



Caroline Le Jeune
Partner, Private client

+44 (0)20 7544 8986
caroline.lejeune@blickrothenberg.com

Blick Rothenberg
16 Great Queen Street
Covent Garden
London WC2B 5AH
+44 (0)20 7486 0111
email@blickrothenberg.com

©October 2018. Blick Rothenberg Limited. All rights reserved. While we have taken every care to ensure that the information in this publication is correct, it has been prepared for general information purposes only for clients and contacts of Blick Rothenberg and is not intended to amount to advice on which you should rely. Blick Rothenberg Audit LLP is authorised and regulated by the Financial Conduct Authority to carry on investment business and consumer credit related activity.