



## Inheritance Tax Solution

Having made a significant amount of money from the purchase and growth of a company, this business owner wanted his children to inherit his properties. Here's how Hallidays helped reduce the Inheritance Tax...

### Before

-  The business, which was originally purchased for £2 million, was worth £10 million, leaving a potential Capital Gains Tax liability of £2.4 million.
-  As the business owner's wife had independent wealth, he wanted his children to inherit his properties.
-  Concerned that if he left all his assets to his children on his death, the Inheritance Tax bill would be £4 million and mean a large chunk of the business would potentially have to be sold, putting the business at risk.

### After

-  Following our advice, the business owner's will was reorganised to include a trust.
-  Through this trust, his wife would obtain income from the assets for a period of just over two years after his death. The assets would then be passed on to his children.
-  Hallidays' advice resulted in no Capital Gains Tax or Inheritance Tax as long as his wife lives for a further 7 years. After 3 years, the Inheritance Tax reduces substantially.

## Outcome

By reorganising his will to include a trust, his wife will be able to gain income from the assets for a period of just over two years after his death. These assets would then be passed on to his children.

Our advice resulted in no Capital Gains Tax and we have substantially reduced the chance of the family having to pay Inheritance Tax.

Now the family have peace of mind that they have a tax efficient financial plan in place that will provide for their children on their death. This clever approach gives the children the means to plan their own future and that of their own families with confidence.