

Financial Advice and Investing

Creating peace of mind by simplifying complexity



BREWIN DOLPHIN

Financial planning



Catastrophe
Planning



Tax efficient
Investing



Retirement
Planning



Estate
Planning

Financial Advice and Investing

Financial planning – Lifestyle, Protection, Succession

The purpose of financial planning is to plan in a timely fashion for your future needs and desires in such a way to sustain your chosen lifestyle and benefit and protect your chosen successors whilst providing protection for you and your family, should something happen unexpectedly.

Whilst it can be particularly important at times of life change – such as repatriating after a period overseas or ahead of the sale of a business, property or other asset of value – it should be a continuously evolving process, not an ad hoc one off, as laws and products change frequently. Before you make any investment decisions it is key to establish the purpose of different pools of value and the optimal ownership structures that this implies.

Why?

General reasons for a financial review now can be;

- **You are aware of a need** - perhaps long delayed, for example in pension or ISA maximisation, to transfer value to family members from you or a grandparent or make a new property purchase for a minor or adult child
- **You may be planning for, or be at risk from, a change** and need to arrange your affairs tax efficiently or judge what asset base is required to generate the income to fund your lifestyle when employment income ceases, temporarily or permanently, or changes nature as you build an income from more than one source.
- **Your assets may have become unbalanced** – too concentrated in one type with regard to risk, returns being achieved or whether they are sufficiently readily liquid to match needs as income - and life – changes.
- **You may anticipate a significant financial event** – such as the sale of a property or business and wish to explore the most tax efficient options for the receipt and ongoing ownership of value created between you and perhaps others in your family.

- **You may have a sensitive multi-generational issue** – unequal resolution in the event of divorce to ensure bloodline protection of gifts; succession planning for assets with an emotional – but also an IHT – relevance, including assisting a parent no longer as able or willing to act alone; to consider deeds of variation to skip a generation.
- **You may not know what is possible** - with regard to what is available in allowances across each family member including children to lower your tax cost as a family... 'owning assets that help pay for them'.

What we do;

We produce a financial plan based on a study of every asset across a household with the objective to sustain a stated lifestyle, given evolving needs for protection of assets or income over the long term, including in succession.

Where we do not directly undertake a function – for example, specific tax advice – we can source, oversee and build in the work of trusted partners into your financial plan. We have trusted partners that will provide solutions in every field, including legal, tax accountancy, mortgages and leverage and alternative assets.

We will run any investment portfolios that your strategy requires, once you have agreed the strategy is suitable for your needs; these may be pensions, ISAs or other general investment portfolios and may be a small percentage of your overall asset value, for example if a significant portion of is in real estate or private business.

A given value of assets under our investment management may simultaneously 'pay' for potentially a much larger value of assets under our financial planning advice.

How it works

- An initial discussion to establish circumstances, needs and desires and whether we are able to help - and you wish us to help.
- A fact find, which leads to a financial planning report which will include strategies for different desired outcomes and any investment portfolios that may be relevant.
- After a review you decide whether to proceed or not. Only at that point would fees become payable on the value of the investment portfolios.

Some things to think about

Geographical relocation

- UK tax domicile in contrast to where you are; sourcing trans jurisdictional advice to address tax optimisation and structuring before repatriation; how assets are best owned, capital gains and other tax, potential offshoring.
- Structuring future employment and remuneration optimally, especially if still working for your offshore employer.
- Planning for future remigration or retirement.
- Use of residential non domiciled status and offshore assets or earnings.
- Mortgage sourcing help after many years away or on asset backed basis.

Cash flow modelling future income

- Establishing how much you cost to run now and in the light of likely or desired lifestyle changes in the future.
- Identifying an asset base required that at an agreed return rate generates sufficient income excluding income currently gained from employment – a 'magic number'.

- Identify surplus income available for investment or gifting where it falls immediately outside of your estate or other assets that can become potentially exempt.
- Liability matching to income and savings in the future – for example for next generation property purchases or school fees.

Ownership – across the household

- Utilising each family member's tax allowances to own assets that may generate a return to help offset their costs whilst potentially being taxed at their (lower?) rate of tax.
- Making use of all of each year's allowances (pension and lifetime ISA with associated tax relief, general ISAs) across each family member including any unused allowances from past years if applicable.
- Exploring how to own different assets tax optimally for their given purposes – for example, whether to gift upside generated from a loan, particularly when passing on value to children.
- Exploring business reliefs as may be applicable – for example entrepreneurs/agricultural etc.
- Liquidity creation through leverage from your assets. This includes mortgage refinancing as well as asset backed lending via external partners.
- Look at overseas assets via one of our external partners to help decide how to be incorporated into your asset base and planning – typically overseas pensions, real estate, company ownership or other items of value.

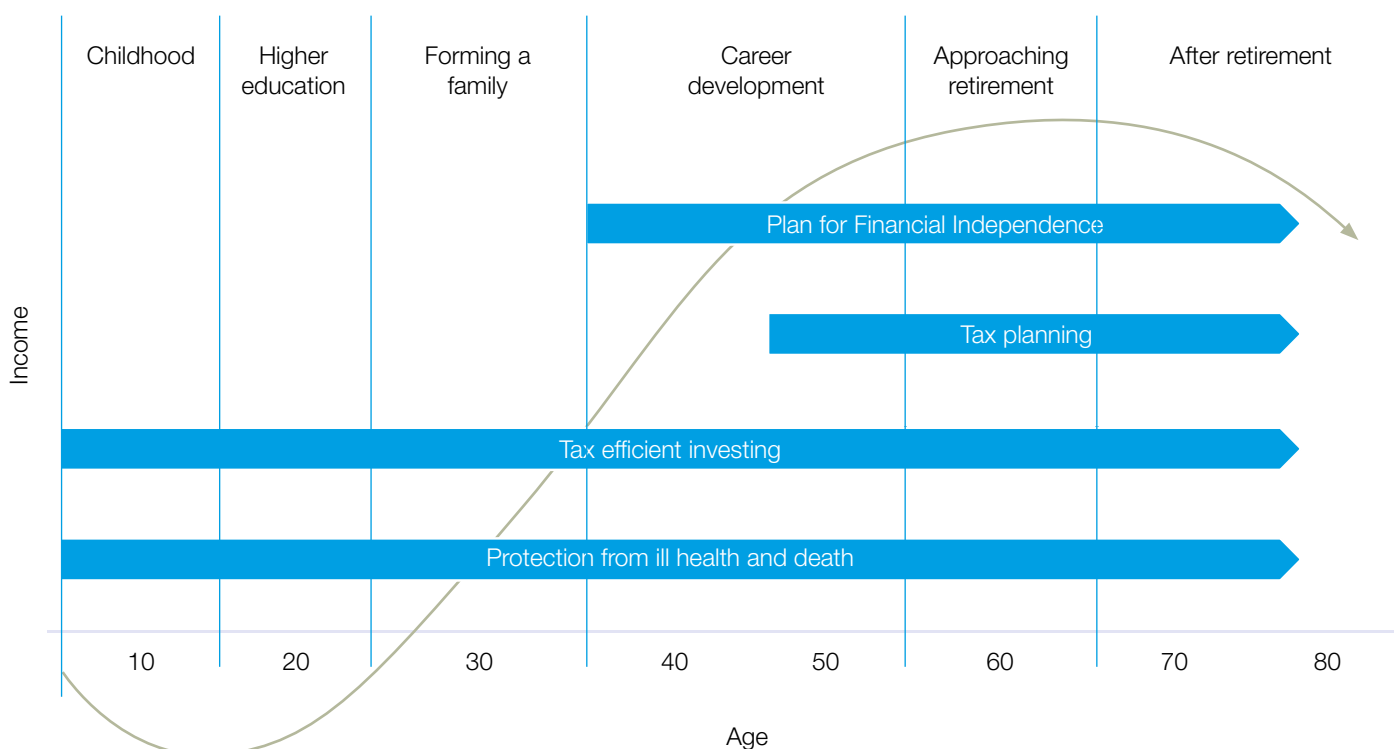
Protection – of income and of control of outcomes

- Wills – absolutely essential, are they up to date?
- Lasting powers of attorney – should you become incapacitated these provide a pathway to decision making on your behalf, whether for financial or health matters.
- Life assurance, and is this written into trust?
- Shareholder protection – if you own a private company with others what happens to the shares of one of the major shareholders if they die? Would there be potentially a problematic change of ownership?
- Critical illness, permanent health insurance (pays an agreed monthly sum until retirement age) and other options for each family member.
- IHT – calculating current liability and devise an evolving mitigation plan, potentially blending over time elements of insurance, 0% IHT rated assets and planning the timing of specified gifting.

Succession planning

- Bloodline protection – for value passed to the next generations to protect assets you have bequeathed against loss from divorce.
- Considering the potential for deeds of variation from prior generation to skip you in favour of your children and beyond to remove likely surplus value from inheritance assets from your estate.
- Physical assets or other property (perhaps of emotional value) which whilst may not be generating a large return will have a value relevant for IHT and are relatively illiquid.

Typical lifecycle of a client family



Planning through all the stages of a lifetime for you...and others

One family may have different members from different generations at varying points along the graph below. It is essential to encompass everyone you elect to include in planning, given how interconnected financial affairs can usually be.

Evolving the plan

A financial plan is a living document. As you tell us that your circumstances or needs change it will be updated accordingly, at the least with a full review annually. Any changes in the interim in regulation or allowances that may be applicable to your plan we will highlight to you proactively.

The value of investments and any income from them can fall and you may get back less than you invested.

Please note that this document was prepared as a general guide only and does not constitute tax or legal advice. While we believe it to be correct at the time of writing, Brewin Dolphin is not a tax adviser and tax law is subject to frequent change. Tax treatment depends on your individual circumstances; therefore you should not rely on this information without seeking professional advice from a qualified tax adviser.

No investment is suitable in all cases and if you have any doubts as to an investment's suitability then you should contact us.