

Our Experience in Business & Family Wealth

At a time when commentators are trying to outdo each other with tales of economic woe, it is easy to forget that most of the country's wealth is generated by small businesses. Many of these are family businesses and, in some cases, it is now the second or third generation which has taken over the reins.



Your Unique Challenges

Businesses owned and managed by members of the same family face some unique challenges:

- Complex personal relationships may affect the running of the business. Tensions arise when what may be best for the business and what may be best for all members of the family are not necessarily the same thing
- Where a business has been built up on the back of the efforts of the current owner and manager, problems arise if the next generation is not ready, or does not have aspirations, to take on the running of the family business
- A business which is financially able to support the first generation may not be able to sustain the same standard of living for the second generation if there is more than one child

- The challenge of identifying an appropriate successor (within or outside the family) and managing a successful handover to the new owner/manager is among the most demanding which any owner of a family business will face. Crunch time can often come if a choice has to be made over which child has the skills to take the business forward
- Much of the family's wealth is tied in to investment in the business, which places additional emphasis on the importance of protecting and maximising that wealth

Our unique approach

Lawyers are not renowned for wealth creation! However, MMS has a proven track record of advising family businesses to help them grow and manage smooth succession to the next generation.

Our Business & Family Wealth team – a dedicated group of highly experienced experts - has been formed as part of our continued commitment to working with family businesses and delivering a service bespoke to the needs of your business and the challenges you face. Whether you are an existing client or new to MMS, our aims are to:

- build and maintain a good working relationship with you and to develop a real understanding of the dynamics of your business and family
- provide seamless advice and deliver an integrated legal and tax solution which is sensitive to your business and your family priorities

Our ability to offer premium quality advice across the full range of corporate and private client legal and tax issues means that we are uniquely placed in Scotland to advise family businesses.



What can we do for your business and family?

- Maximising the value of the business as a family asset:
 - securing business property relief to relieve inheritance tax
 - maximising the availability of entrepreneurs' relief (10% tax rate on gains) within families
 - avoiding the trap that investment in the business can change its character to an investment company
 - avoiding unnecessary tax liabilities, for example as a result of the employment related securities legislation which can give rise to income tax liabilities
- advising on trusts and alternatives to trusts such as family limited partnerships
- Long term succession planning advice, looking at both ownership and management of the business and whether these should be split. We emphasise the importance of communication and planning:
 - Both are essential so that properly informed decisions are made for the good of all
 - Communication is important to avoid the risk of misreading signals. While the founder may see a golden opportunity to succeed him/her, the child may see it as a golden handcuff

- Early planning includes planning for the need to implement succession unexpectedly, e.g. on the untimely death of a founder of the business
- Complex estate planning and the personal impact of births, marriages, divorce and death

How can I find out more?

We are confident we can match the aspirations you have for both your business and family. We will ensure you have the right package of advice to meet all your business and family needs, delivered by people you can trust. If you are interested in hearing more, we would be delighted to have a one-to-one meeting at your business premises to discuss your plans for your

business and how we can help your family with wealth creation. For information, please contact any of our Business & Family Wealth team members:

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