

## Sowing the Seeds of Succession Planning

Planning for succession, when you have not just family but business interests to consider, can be stressful and complex. There can be many, sometimes conflicting, issues to contend with. However, with the right specialist legal and tax advice, it can be tackled successfully and help deliver peace of mind for you and your family.



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Succession planning cannot start early enough. Open discussions with those involved are crucial to ensure that you are aware of all needs and objectives. A strategy regarding the ownership and occupation of the farm should be developed. An assessment of the overall business should be made to establish who owns what and what rights are in place as to occupation of the land. This is particularly important in the case of farming partnerships, where the position can be complex.

There are valuable tax exemptions available for farming assets, to prevent the worst case situation of assets having to be sold to pay Inheritance Tax. However, the conditions for the exemptions are strict. The question of occupation versus ownership is central to this. Where a diversified business operates on the farm land, or where there is potential development land within the farm, there can be good opportunities for succession planning, but also potential pitfalls from a taxation perspective.

Obtaining advice on these matters at an early stage can help with the transition into retirement and ensure that your family is provided for after your death. It is of course important to put Wills in place, but lifetime planning is also crucial to succession. Lifetime gifting or trusts can help smooth the way for the next generation and prepare them for taking over the family business. These matters can be complex and every situation is different. Therefore, legal expertise in a range of areas – including succession law and taxation as well as property, family and corporate law – to view matters as a whole, is essential.

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