

Unlocking personal wealth without selling the business.



The background

Our client is an independent, family-owned electrical wholesaler with a long-standing presence in its sector. Built over many years, the business has been successful in generating consistent income for its shareholders, all of whom are actively involved in its day-to-day operations.

As the shareholders approached their late 50s and early 60s, their focus began to shift towards the next phase of their journey. While the business remained strong, the majority of their personal wealth and all of their income, was tied up within it, leaving them heavily exposed and without a clear route to financial independence outside of the business.

The challenge

A detailed wealth review identified that approximately 90% of the shareholders' wealth was held within the business. In addition, their income was entirely dependent on its ongoing performance. A very common problem in many businesses!

Despite this concentration of risk, there was no formal exit or succession plan in place, nor any mechanism to extract wealth in a structured and tax-efficient way. Importantly, the shareholders had no desire to sell the business in the short term; they remained committed to its future and wanted to continue playing an active role.

This created a clear challenge, how to reduce personal financial exposure, build wealth outside of the business and plan for the future, without requiring an immediate sale.

Case study

The solution

We worked closely with the shareholders to design a strategy that aligned with both their personal and commercial objectives.

At the core of the solution was the creation of three independent family trusts, one for each shareholder, tailored to their individual circumstances. Each shareholder sold shares into their respective trust, creating a structure that enabled value to be transferred out of the business in a controlled and tax-efficient manner, without impacting day-to-day operations.

Alongside this, we implemented a plan to support the ongoing extraction of wealth from the business in a tax-efficient way, while ensuring the company retained sufficient capital to fund operations and future growth.

This approach allowed us to balance several key objectives: maintaining a successful and sustainable business, building personal wealth outside of the company and ensuring tax efficiency across both business operations and wealth extraction.

The outcome

The strategy has provided the shareholders with a clear and structured route to begin separating their personal wealth from the business, significantly reducing their financial exposure.

By establishing individual family trusts, we created a flexible framework that allows wealth to be built and protected outside of the business, while still enabling the shareholders to retain control and involvement in its future.

Crucially, this approach also establishes a pathway for succession. It provides a transition point for the shareholders to assess how the business performs over time, while ensuring that, should a future sale take place, value will flow efficiently into the established trust structures.

Perhaps most importantly, the shareholders achieved what they initially believed was not possible: unlocking and protecting personal wealth without the need to sell the business. The result is greater financial security, improved long-term planning and a business that is better positioned for the future.

What the client has to say

“Going into the process, we always assumed that the only way to release value from the business was to sell it.

Wilson Partners showed us that wasn't the case. They took the time to understand what we wanted, not just from the business, but personally and came up with a solution that allowed us to start building wealth outside of the company without giving up control.

The structure they put in place has given us clarity and confidence. We now have a plan, we're less exposed and we know we're set up properly for the future, whatever that may look like.

It's been a really valuable exercise and has changed the way we think about both the business and our personal finances.”

