

POWER OF ATTORNEY



SCENARIO Mr Patel is in his eighties and lives in sheltered accommodation. His family live nearby but appreciate that Mr Patel wants to keep as much independence as possible but isn't able to look after his own financial affairs. Mr Patel's children, therefore, have a Power of Attorney to look after Mr Patel's finances.



PROBLEM Due to the Power of Attorney, Mr Patel cannot easily use gift or trust based IHT planning solutions.

Proceeds from the sale of Mr Patel's previous house are currently covering the cost of sheltered accommodation but Mr Patel's income will need to be topped up within the next five years to cover outgoings.



POTENTIAL SOLUTION Mr Patel's Power of Attorney invests £500,000 into a Business Relief (BR) qualifying proposition.

After the second year, Mr Patel receives an income of £30,000 which adequately covers his outgoings. Mr Patel's Power of Attorney retains access to the assets and can exit with 28 days' notice if required.



IF THE INVESTOR DIES AFTER 2 YEARS £500,000 returned to the estate, saving £200,000 in inheritance tax.



DEEPBRIDGE FEES CHARGED TO THE INVESTOR Nil. If invested via a financial adviser, there are no fees, dealing costs, custodian fees or exit penalties charged to the investor at any time during the investment, all of the investment is deployed affording up to 100% tax relief.

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