

Business exit and owner wealth: work from net accessible proceeds

Prepared October 2026 | General information, not personal advice

Owner wealth planning around an exit should use verified net proceeds and realistic availability dates, not the headline sale value. Review tax, conditional payments, household spending and concentration together. Company funds and personal funds follow different rules. Coordinate professional responsibilities before committing to an investment, remuneration or retirement strategy.

Important risks

Where money is invested, its value and income can fall as well as rise and you may get back less than you invest. No return or retirement outcome is guaranteed.

Tax treatment depends on individual circumstances and may change in the future. A general example does not establish your relief, allowance or tax liability.

General information only, not personalised financial, tax or legal advice. Suitability and available relief depend on your circumstances. Obtain appropriate advice before acting on a product, transfer or legal arrangement.

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Before you begin

Separate the transaction timetable from the personal retirement timetable. A sale can include amounts that are deferred or depend on future performance, while household spending begins immediately. Keep any retained property and corporate funds visible in the wider risk assessment. Ask the accountant to confirm the tax position before analysing investments. A change of ownership does not automatically end every guarantee or business-related personal obligation.

Terms in plain English

Capacity for loss

The financial ability to absorb losses without undermining essential spending or the purpose of the money. It differs from willingness to take risk.

How should I plan financially before selling my business?

Prepare spending and retirement objectives before accepting a deal structure. Ask the legal and tax team to explain timing, conditions and expected liabilities, including whether any relief is actually available. Model proceeds only when and to the extent they are realistically accessible. Investment planning should follow the net-proceeds analysis, not an unverified headline business valuation.

Decision boundary: Conditional proceeds, tax and transaction costs can leave less usable capital than expected. Ask the adviser: What proceeds are certain, when are they available, and how would a delay affect my plan?

Sources: G29, F02, M02

How should a director compare salary, dividends and pension contributions?

Start with household spending needs and the company's distributable resources and cash-flow commitments. Ask the accountant to calculate the actual tax treatment of the remuneration options. Include existing pension inputs and access restrictions before deciding how much to allocate for retirement. The analysis should distinguish legitimate company payments from personal investment decisions.

Decision boundary: A nominally tax-efficient mix can fail household access needs or company payment requirements. Ask the adviser: How does each option affect company cash, spendable household income and pension allowances?

Sources: G20, G01, G02, G31

How should rental property fit into a wider financial plan?

Include repairs, vacancy, financing and management costs when discussing rental cash flow. Distinguish asset value from money readily available for spending. Ask the accountant to assess the current ownership and tax position before considering restructuring. A property strategy should also explain how emergencies or retirement withdrawals would be funded without relying on an immediate sale.

Decision boundary: Illiquidity, borrowing costs, vacancies and concentration can combine. Ask the adviser: What remains after costs and tax, and how would we manage vacancy or an urgent cash

need?

Sources: G30, F03, F02

Should my company invest surplus cash rather than pay it out?

Establish the legal owner of the funds and obtain a forward-looking liquidity assessment. Ask the accountant to explain how investment activity and later extraction may affect the company and shareholders. Compare all costs and the intended holding period before choosing investments. Personal ISA or pension rules should not be applied directly to a corporate account.

Decision boundary: Market losses or access constraints can affect money later required by the business. Ask the adviser: Has the accountant confirmed the surplus and the consequences of retaining, investing or distributing it?

Sources: G31, G20, F02

Is too much of my wealth tied to my own business?

Include the business, personal guarantees and property dependent on the business in a household balance sheet. Test a scenario in which income and business value fall together. Record assets outside the business and whether they are genuinely accessible. An uncertain business valuation should not be treated as equivalent to cash available for retirement or emergencies.

Decision boundary: A single business setback can affect earnings, capital value and personal liabilities simultaneously. Ask the adviser: How would our household cope if business income and sale value both fell?

Sources: F03, F02, B01

Your preparation checklist

- Distinguish agreed, conditional and received proceeds.
- Use a verified tax estimate and transaction cost allowance.
- Identify funds legally owned by the company.
- Test lower or delayed proceeds against household needs.

Next steps

Use verified net proceeds and realistic availability dates before making personal commitments. Transaction, legal and tax advice have distinct roles. Check any relief eligibility against the actual facts and current legislation; do not assume a business sale automatically secures retirement or releases guarantees.

General information only, not personalised financial, tax or legal advice. Suitability and available relief depend on your circumstances. Obtain appropriate advice before acting on a product, transfer or legal arrangement.

Sources and further reading

G29: HMRC / GOV.UK - Business Asset Disposal Relief

<https://www.gov.uk/business-asset-disposal-relief>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

F02: Financial Conduct Authority - Investment risk and return

<https://www.fca.org.uk/investsmart/risk-returns>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

M02: MoneyHelper / Money and Pensions Service - What can I do with my pension pot?

<https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/pension-pot-options>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

G20: HMRC / GOV.UK - Tax on dividends

<https://www.gov.uk/tax-on-dividends>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

G01: HMRC / GOV.UK - Tax on your private pension contributions

<https://www.gov.uk/tax-on-your-private-pension/annual-allowance>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

G02: HMRC / GOV.UK - Tax on your private pension contributions

<https://www.gov.uk/tax-on-your-private-pension/tax-relief>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

G31: HMRC / GOV.UK - Corporation Tax

<https://www.gov.uk/corporation-tax>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

G30: HMRC / GOV.UK - Renting out your property

<https://www.gov.uk/renting-out-a-property/paying-tax>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

F03: Financial Conduct Authority - Diversification limitations

<https://www.fca.org.uk/investsmart/diversification>

Retrieved 2026-10-02. Source publication date not stated; retrieval is not a publication date.

B01: Royal London (insurer technical guidance, not neutral product endorsement) - A guide to business protection insurance

<https://adviser.royallondon.com/technical-central/protection-guidance/business-protection/a-guide-to-business-protection>

Retrieved 2026-10-02. Source publication date: 2025-09-09.

Related planning information

<https://castlestonebridge.co.uk/selling-a-business-financial-planning>

Discuss your questions

For a discussion of your circumstances, contact Castle Stonebridge on 01246 308249 or visit <https://castlestonebridge.co.uk>. Any personal recommendation requires an individual assessment.