A CHAPTER3 GUIDE

What Happens *After You Sell?*

The first 90 days and the first year after the business-sale proceeds arrive.

A practical guide to protecting the proceeds, rebuilding household income and creating a financial structure for the life that follows.

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The deal finishes. The *planning does not*.

Completion day can be surprisingly quiet.

A business sale may involve years of preparation and a large professional team. Then the money arrives.

The transaction advisers step back and the owner is left with a different set of questions:

- *i.* How much *tax* should be set aside?
- *ii.* Where should the *proceeds* be held?
- *iii.* How much can we *safely spend*?
- *iv.* How will salary and dividends be *replaced*?
- *v.* How much should be invested — and *when*?
- *vi.* Can we *help the family*?
- *vii.* What does *life look like* without the business?

These questions matter, but most of them do not need answering immediately. The first year is not about making every permanent decision. It is about turning the sale proceeds into a structure that can support the household while the next stage of life becomes clearer.

> **The money arriving is an event. Turning it into a dependable personal plan is a process.**

> COLIN'S VIEW
>
> *The greatest risk immediately after a sale is not normally doing nothing for three months. It is making a permanent decision before the new life and financial position have had time to settle.*

Protect *the options*.

Hold the cash. Confirm the plan.

ONE *Hold the proceeds safely*
Use suitable cash or low-risk arrangements while the longer-term position is confirmed. Access, counterparty exposure, deposit protection and investment risk should be understood rather than assumed.

TWO *Ring-fence the tax*
Ask the accountant or transaction tax adviser to confirm the expected liability and payment date. Hold that money separately from spending and investment capital.

THREE *Update the real numbers*
Re-run the household cashflow model using the amount actually received, retained shares or deferred payments, the final tax position, any debts or guarantees settled, and realistic spending for the first year.

FOUR *Establish the immediate income*
Agree how much the household needs each month and where those payments will come from while the long-term structure is implemented.

FIVE *Delay irreversible decisions*
Large property purchases, major gifts, private investments and permanent lifestyle commitments can normally wait until the position feels less new.

Usually urgent

- safe holding arrangements;
- tax;
- household cashflow;
- immediate income.

Usually able to wait

- holiday homes;
- major gifts;
- private investments;
- permanent lifestyle commitments.

The first 90 days are for protecting choices — not using them all up.

The *structure*.

One balance. Several different purposes.

The sale proceeds may appear as one large figure in a bank account. They are unlikely to have one single purpose.

Tax

The expected liability, held separately until it is paid.

Near-term spending

Cash for the household's regular income and known commitments during the early post-sale period. Where investments will provide long-term income, this may include a dedicated cash buffer — what Chapter3 calls the **war chest**.

Planned spending

Money for purchases, travel or family support that has been agreed within the wider financial plan.

Long-term investment

Capital intended to support the household over the coming decades. The investment strategy should reflect the spending plan, time horizon and capacity for loss rather than simply the size of the cheque.

Family and estate

Money that may eventually be gifted, passed to the next generation or held through a specialist structure. These decisions should follow proper affordability modelling and appropriate tax and legal advice.

> **The structure should be designed before every pound is permanently deployed.**

The new *household rhythm*.

The household still needs something that feels like a salary.

Before the sale, money may have arrived through salary, dividends, bonuses and company-funded expenses.

Afterwards, the household needs a new income rhythm. The client should experience one dependable monthly payment. Behind that payment, the source may change from year to year. It may involve a combination of cash, pensions, ISAs, general investments, deferred sale proceeds and secure pension income later.

Sale proceeds *and* investments

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Annual *tax and withdrawal* planning

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One regular *monthly household payment*

The planning work determines the amount the household can sustain, which accounts should provide it, the tax allowances and rates available across both spouses, how much should remain invested, and when the position should be reviewed.

Using the wrong accounts or drawing money in the wrong order can create unnecessary tax and reduce future flexibility.

> **The household receives one regular payment. Behind it, the investments, tax and withdrawal order are managed each year.**

The money changes more than *the balance sheet*.

A clear financial position does not automatically create a new routine.

The business may have provided identity, structure, challenge, status, social contact and a reason for the diary to be full. Selling can create relief and freedom. It can also create a strange sense of flatness.

That is not a financial problem, and a financial planner should not pretend to solve it. Planning can still help by removing avoidable money uncertainty and giving the owner time to work out what comes next.

Five useful conversations

ONE

What changes now?

Should spending, travel, work and the family home change immediately or gradually?

TWO

What deliberately waits?

Which decisions will be reconsidered after six or twelve months?

THREE

What does the family need to know?

Agree what remains private, what is shared and how expectations will be managed.

FOUR

How much can safely be given away?

Test gifts against the household's lifetime spending, care and resilience before transferring large amounts.

FIVE

What are the next ten years for?

The business used to answer that question. The sale creates opportunity, but not an automatic replacement.

> **The plan should create enough certainty around the money to leave space for the more personal questions.**

Use real life, not the *pre-sale assumptions*.

The plan should be rewritten after twelve months.

Before completion, the plan is based partly on estimates — expected sale proceeds, expected tax, expected household spending, expected investment behaviour, expected gifts, expected life after the business. After a year, the household has real information.

AT TWELVE MONTHS

Review

- actual spending;
- the final tax position;
- cash still required;
- investment experience;
- the monthly income;
- gifts and family commitments;
- how the owner feels about work and time;
- which deferred decisions now deserve an answer.

AT TWENTY-FOUR MONTHS AND BEYOND

The permanent plan

Less about preserving every possible option, more about supporting the life that has actually emerged:

- income reviewed each year;
- investments managed around the plan;
- tax allowances coordinated across the household;
- gifting tested against affordability;
- family and estate arrangements kept current.

How Chapter3 helps

Chapter3 coordinates the personal financial plan alongside the accountant, solicitor and tax advisers. The work can include:

- the first-year cashflow plan;
- the structure for the proceeds;
- investment and risk planning;
- regular household income;
- annual tax and withdrawal planning;
- family gifting and estate planning;
- ongoing reviews.

Clients work directly with Colin. The scope and fixed fee are agreed before the work begins.

> **The pre-sale plan estimates the future. The post-sale review turns the life actually being lived into the permanent plan.**

Plan the *first year*.

What genuinely needs deciding now — and what can safely wait?

A 30-minute introductory call is enough to discuss:

- the amount received or expected;
- the estimated tax position;
- how the proceeds are currently being held;
- the household's immediate income needs;
- the major decisions already being considered;
- whether a structured first-year plan is likely to add value.

Rough figures are enough for the first conversation. A completion statement or estimated proceeds, the likely tax liability and an approximate household-spending figure are useful starting points.

If the existing arrangements already look appropriate and the important decisions are under control, I will say so.

Book a 30-minute *introductory call*

BOOK YOUR CALL

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No fee for the introductory call. No obligation to proceed.