



Regatta

FINANCIAL SOLUTIONS

Inheritance Tax - Estate Planning Solutions

Welcome to Regatta

Regatta Financial Solutions works with your financial, legal and tax advisors to provide peace of mind when planning for a growing legacy, free from inheritance tax.

Wealth preservation is at the forefront of our investment strategy. We offer a straightforward approach to delivering investment opportunities that provide strong risk-adjusted returns. We believe in simplicity, conducting transactions using clear and concise language, with honesty and integrity at the heart of our business.

Our secured, asset backed lending provides investment diversification and a robust legacy for future generations by utilising the current HMRC Business Relief (BR) legislation.

Key Partners



Tax advice on BR matters
Ernst & Young LLP
1 More London Place, London,
SE1 2AF



Solicitor
Freeths LLP
1 Vine Street,
London, W1J 0AH



FCA Regulated Administrator
Consortium Investment
Management LLP
11 Argyll Street, London,
W1F 7TH



Auditor
BDO LLP
55 Baker Street,
London, W1U 7EU

Who can benefit?

Business Owners

We help business owners who wish to maintain or improve tax efficiency, either within their existing business or following the sale of their company.

We can help: if a business has excess capital and the owner is concerned that it may not qualify for certain tax reliefs; if the business has realised a capital gain; or if the business has been sold and the previous owner wishes to maintain IHT efficiency.

Individuals

Our services seek to provide relief from Inheritance Tax (IHT), whilst allowing investors to maintain control over their capital.

Backed by Business Relief legislation, HNW / Sophisticated investors and advised clients should be able to pass capital to their beneficiaries with 100% IHT relief, as long as they have held the shares for at least two years at the time of death.

Trust Beneficiaries

On establishment and throughout the lifetime of a discretionary trust tax charges may apply.

Business Relief qualifying investments can help settlors and trustees to reduce tax charges at each of the four stages where a charge could arise: no entry charge or chargeable lifetime transfer; no charge upon death; no periodic charge; and no exit charge.

Investment options

Regatta Financial Solutions targets an annual investor return of between 6% and 8% net of fees. We have two core investment options.



Growth Investment

By way of capital shares that target a return of 8% per annum, paid on exit, net of costs and fees.



Income Investment

By way of preference shares that provide a 6% per annum dividend paid annually, net of costs and fees.



Investment strategy

Regatta provides development capital on a short-term basis for property developments and corporate borrowers. Loans are secured against UK residential property and commercial assets.

Demand for UK short-term lending in the property market is strong, and historically funding has been met by traditional banks supported by alternative lenders. Specialist alternative lenders like Regatta Financial Solutions have a robust and streamlined lending process, reaching decisions within days, thus enabling borrowers to proceed quickly and capitalise on financially sound opportunities with good margins.



The key to our success is working with experienced developers with a proven track record of delivery within a defined criteria.



Borrowers are experienced business owners and professional property developers, and all loans are secured over UK property and commercial assets.



Property lending will generally be in areas with a sustainable property market where there is a fundamental demand for housing. This is currently in and around the South East and Midlands, or areas close to other major cities throughout England.



In the current climate we are highly cautious on £2 million+ homes, or property hotspots that are not supported by our fundamental investment principles.



We typically invest in multi-unit developments with a total sales value of £2 million to £15 million.



We work with other experienced lenders, investing primarily in residential development transactions in our market sector.



Projects of this size can accommodate the best professional advisers and will often give corporate and personal guarantees.



Margins on these developments are typically higher than those of smaller developments, meaning that there is greater protection in the project in the event of a housing market downturn.



Demand in our sector is high, meaning properties sell quicker thus providing liquidity in this end of the market.



Market conditions do change over time, and we are committed to remaining flexible and open to lending opportunities which present good risk-adjusted returns for investors.

Risk management

Central to our business is a disciplined approach to risk management. We originate, administer and monitor all funding investments made by Regatta FS. Funds are diversified across the portfolio and secured over all the property and commercial assets. The core components include:

ROBUST PROCESSES AND STRONG DUE DILIGENCE

- ✓ An experienced management team
- ✓ Trusted independent external lawyers, valuers and brokers
- ✓ Independent valuations on all properties / assets
- ✓ Robust processes and procedures
- ✓ Network of professionals with unparalleled market knowledge

BORROWER

- ✓ A complete review of the borrower's assets, liabilities and experience is conducted prior to any funding
- ✓ Full understanding of the Exit / Repayment strategy

LOAN SECURITY

- ✓ Maximum loan offered is 75% to 80% of the gross development value (GDV)
- ✓ Independent solicitors prepare all legal documents
- ✓ Legal documents to ensure that security / legal charges / debenture are obtained
- ✓ Personal guarantees are obtained in most cases (often from borrowers with significant assets)
- ✓ Security is held for the benefit of the investors by an independent bankruptcy remote trustee

MONITORING AND EXIT

- ✓ All loans are closely monitored throughout the duration of the loan with regular monthly updates / reviews of the developments
- ✓ Loans are repaid by the sale of the properties / assets or refinancing



Case study

LEGACY PLANNING WITH TANGIBLE ASSETS

Richard and Sue are recently retired and after selling their main residence, have an estate worth £1 million.

As a married couple, their nil-rate band (NRB) allowance in respect of Inheritance Tax (IHT) amounts to £650,000, meaning that their net estate of £350,000 could leave their family exposed to a potential IHT liability of £140,000. Richard and Sue want to reduce their family's exposure to IHT, and they want to invest in tangible assets that are simple to understand.

Having spoken to their financial adviser, Richard and Sue are keen to invest in Business Relief (BR) qualifying activities to achieve full IHT relief and reduce the liability their family will have to pay.

After considering many different BR options, their adviser recommended a service offered by Regatta which provided diversification from their existing investments and was asset-backed. Investments are made in their name, so they retain ownership of, access to, and control of their capital. They would secure 100% IHT relief for their children after two years, whilst investing in tangible assets seeking to preserve and grow their legacy. They have the option of investing in Income or Growth shares.

Results after two years...

This table illustrates the benefits sought from this solution. Richard and Sue either receive a dividend income of 6% per year or achieve an investment growth of 8% per year, and their children are able to receive the full value of the protected capital as inheritance, with zero inheritance tax.

	NO INHERITANCE TAX SOLUTION	REGATTA PREFERENCE (INCOME) SHARES SOLUTION	REGATTA CAPITAL (GROWTH) SHARES SOLUTION
Estate Value	£1,000,000	£1,000,000	£1,000,000
Asset value incurring no Inheritance Tax liability	£650,000	£650,000	£650,000
Asset value subject to Inheritance Tax	£350,000	£350,000	£350,000
Return from funds invested in Regatta	N/A	6% p.a. (paid annually)	8% p.a. (paid on exit)
Example of return from Regatta after 2 years	N/A	£42,000 (£21,000 paid annually)	£58,240 (paid on exit)
Value of Inheritance left to beneficiaries	£860,000	£1,000,000 (plus interest paid during the period of investment)	£1,058,240 (includes accrued interest over the investment period)
Inheritance Tax at 40% payable to HMRC	£140,000	£0	£0



Meet Richard & Sue

"We want to protect our estate from inheritance tax to leave a growing legacy for our family."



Important information

This brochure has been prepared by Regatta FS 1 Limited ('Regatta'). Registered address 11 Argyll Street, London, W1F 7TH.

You should always bear in mind that your capital is at risk, and you may not get back all that you invest. Tax treatment is based on current legislation and interpretation and may change in the future. Tax rules may change and differ depending upon individual circumstances. Qualifying for Business Relief requires the company to maintain its qualifying status, which is assessed upon making a claim for the relief.

Past performance is not a reliable indicator of future performance. You should consider buying shares as a medium to long term investment.

You can only invest in Regatta if you are an eligible investor able to receive and consider in full the Information Memorandum. This brochure is meant as a guide. Neither the company nor this brochure offers investment, tax, or any other advice.

The comments of advisers and investors merely reflect their opinions, and in no way should be construed as a recommendation to invest. You should speak with a financial adviser and consider in full the Information Memorandum before deciding to invest. The directors of Regatta have taken all reasonable care in preparing this brochure; to make sure any facts stated are true and accurate in all material respects and that there are no other material facts or opinions which have been omitted thus causing this document to be misleading. No representation or warranty is given as to the future performance of the company.

All the statements and opinions concerning the company's history and expected future returns are those of the directors of the company as at the date of this brochure. They may have changed subsequently.

This brochure does not constitute an offer to sell shares and, in particular, does not constitute an offering in any jurisdiction where an offer would be prohibited.

This brochure is a guide for persons who may be interested in Regatta. Potential eligible investors must read in full the Information Memorandum including the important section on risk.

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