

“We didn’t need to wait for our pension, we had an exit plan”

Business planning is a key focus of the [Financial Eye](#) team working with the legal profession, and we are always delighted when these plans are successfully implemented through to the desired conclusion.

We would like to share with you a recent example of us working with a firm called [Bryan & Mercer](#). They first contacted us in 2013 to enquire whether we could help them resolve a set of challenges and objectives that they planned to set themselves for the future success of the business.

The Bryan & Mercer challenge

[Bryan & Mercer](#) are an established and successful high street practice in St Albans, Hertfordshire and they have always taken their regulatory obligations seriously - we knew this to be the case as they had worked with Legal Eye, our sister company, for many years.

The firm wanted to change their practice management system, change to an outsourced book-keeper and get in place a proper exit/succession plan which ensured an ongoing business could be transferred in the most tax efficient manner. In addition, and most importantly, they wanted to ensure they were complying with the COFA regulatory obligations.

As part of Financial Eye’s [COFA plus Support Package](#) we carried out a review of their existing business and soon introduced the necessary documentation and controls suitable for a firm of their size. We outsourced a book-keeper who streamlined the way they operated their client account to ensure errors were eliminated, and that their adherence to the Accounts Rules became second nature. Regular Management Accounts were produced in a format the fee-earners understood and an integrated financial model was introduced which aided budgeting and cash flow forecasts - essential for the management of any successful business, but particularly important for [Bryan & Mercer](#) and their future plans.

We agreed the business plan with Teresa Cuesta-Roca, the sole equity Managing Partner, including a succession plan which would lead ultimately to a successful exit strategy based on a five-year timeline. A specialist tax planning company, highly experienced in dealing with firms of the size of [Bryan & Mercer](#), identified two fee-earners within the business that appeared to have the necessary qualities required to drive the business forward.

In addition the normal day-to-day business challenges had to be dealt with, important decisions such as relocation and refurbishment costs, reviewing the firm’s bankers, getting the team up to speed on managing the new systems had to be dealt with and when you put everything together, the end result is some very time-consuming challenges for any firm.

The Managing Partner’s Opinion

As Teresa Cuesta- Roca recalled: “Whilst we had a good idea of what we needed to do, the guys from [Financial Eye](#) were always on hand to provide practical guidance based on years’ of experience. They also introduced us to other firms who had the technical expertise and knowledge to assist us. Overall the [Financial Eye](#) team’s expertise and advice were invaluable and their patience to guide us all to a successful conclusion even more so”.

A successful conclusion

The business has seen an increase in fee-income and profitability, and over the next three years equity will be released in accordance with the overall business plan. However, the Brexit referendum result was a catalyst to accelerate the plan and at the beginning of 2017, the three shareholders agreed to complete the transfer of the business in June.

The [Financial Eye](#) team has been on hand to offer support and guidance to everyone involved throughout the entire process, and ensured that the business was compliant and in good financial shape for the new owners.

The original owner has been able to exit the business in the most tax efficient way – no run-off insurance was required and Teresa is looking forward to an early retirement in Spain. She also has a pension as part of her tax-efficient planning, but is still too youthful to take it!

Financial Eye continue to work with the new partners

[Financial Eye](#) has been delighted to be involved in such a hugely successful story and continue to work with the new owners to achieve even greater success for the business in the future.

Key areas for Solicitors to consider when planning a succession route:

- What is the current ownership structure?
- Is the business vehicle right for what you want to achieve?
- Who do you want to hand-over to?
- Do you have people in your business to hand-over to?
- How do you achieve your goals using the optimum allowable tax regime?
- What are the insurance implications?



Financial Eye have a wealth of experience in planning, financial risk management and compliance and work with chosen specialists in the field of tax planning, talent management and insurance advisory.

Please get in touch if you would like to discuss how we and our team can help you.



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