



Feltons
CHARTERED ACCOUNTANTS
& BUSINESS ADVISERS

Retirement and Succession Planning

Succession planning is inevitable for any ongoing business and in the case of family owner managed businesses this often includes planning for the retirement of family shareholders and executives. One of the most important aspects of succession planning is the financial implication of growing a business and then transferring the ownership of that business. If you intend the business to continue then management and ownership succession is a reality that has to be planned carefully and should not be left to the last minute.

It can often be difficult to reconcile the competing interests of various people in the business including older owner/managers, family interests and up and coming young business managers who might want a 'slice of the cake'. Against this background the need for proper retirement and succession planning has been brought sharply into focus by:

- **The need to maintain profitability and cash flows in difficult economic conditions;**
- **Problems in the pensions industry with lower annuity rates and falling investment markets;**
- **Constantly changing taxation and company legislation that might have an impact on the planning process.**



Some of the succession issues that need to be carefully planned and areas where we can offer advice and guidance are as follows:

- **Establishing timetables;**
- **Achieving financial security;**
- **Protection of business assets and customer relationships;**
- **Protection of personal assets;**
- **Safeguarding the financial health of family and dependents;**
- **Identification of successor management;**
- **Training, mentoring and retention of key business personnel;**
- **Change management during the succession process;**
- **Exit strategies for owner managers;**
- **Planning to maximize exit values;**