

# Client Case Study 1 – Business Owners Planning Exit Strategy

## Background

- Successful Specialist Engineering Business
- Partners Drawings generous
- Owners looking to exit business in 5 years
- Each has an array of pension and other policies
- Business has assets in land and buildings
- Owners married with children

Partner 1 – age 55 (married with children)	Partner 2 – age 60 (married with children)
Home – Value £450,000 Mortgage - £15,000	Home – Value £250,000 Mortgage - £0
Share of Business value - £167,500	Share of Business value - £167,500
Sundry Pension and other policies value £80,000	Sundry Pension and other policies value £80,000
Potential inheritances	Potential inheritances

## Challenges

### Confusion

- The clients didn't fully understand their pensions and tax issues
- Their pensions affairs were somewhat disorganised.
- The clients did not know what post working income they could expect – They did not know if they could afford to stop working
- The current investments didn't match the client's attitude to risk
- Spouse's retirement income requirements not quantified.
- Inheritance Tax issues

### Retirement Planning

- Incomes of approximately £30,000 per annum (gross of tax) were required in retirement
- Clients wished to retire at ages 60/65 respectively
- Partnership protection issues were compromised

## What We Did

- Analysed all pensions schemes and investments
- Simplified and consolidated investments and pensions
- Developed a bespoke investment strategy (within risk tolerances)
- Using a Cashflow Analysis we calculated lump sum capital required to fund retirement lifestyle
- Liaised with clients solicitors to update Wills and partnership protection issues
- Analysed IHT issues
- Handled all implementation and documentation
- Enrolled clients on to our service offering for future peace of mind.

## The Results

- Clients now understand their investment objectives
- Clients now – at last – have a clear idea of their likely post business income
- Simplified the management and reporting of the investments (so it was understandable)
- Clients have a clear focus on funding requirements for retirement
- Balanced the portfolio risk and return characteristics
- Clarified and made transparent all expenses and charges