



Financial Assurance
Helping you navigate challenging times



Helping you navigate challenging times We make what can be a stressful and complicated time smoother and far less demanding.

Often, when a firm is facing financial challenges, the situation is not as bleak as it seems. We encourage firms to tackle any issues as soon as possible because the earlier that you address a problem, the wider the range of solutions available to you.

The solution might be around improving your cashflow or gaining more time to pay key creditors to help you trade through a difficult period.

Or maybe you want to sell part or all of your business. We can help you to find the right partner and then guide you through the whole process, including carrying out due diligence checks.

If you have difficulties that attract the attention of your Regulator, we can also help with that – fielding enquiries, reassuring the Regulator about your position, and buying time to manage your situation effectively.

The last thing that any professional services firm wants is to enter an insolvency process. However, if that is the only or best option for you, we will be your side throughout the process to provide support and advice.

On your side

Our expert team has the experience and industry contacts to help with the whole range of services that you may need – whatever your situation. We will also provide you with one main contact who will manage the entire process for you, bringing in expertise as and when it is needed.

We understand that one of the most stressful aspects of having financial issues is coming under pressure from multiple parties – whether for payments, updates or reassurance that you will deliver.

That's why having a team on your side to field enquiries and make sure that everyone receives the same messages can be invaluable.



Why choose Ashfords LLP

We have the practical, hands-on expertise to ensure you receive the support you need.

We offer:

- The full range of supportive legal and accountancy services a firm may need if it is facing financial challenges.
- In-depth understanding of how to manage the process effectively to achieve the best outcome possible in the circumstances.
- A widely skilled team experienced in issues ranging from cashflow and debt collection to negotiating with HMRC, avoiding regulatory action and finding new merger partners.
- First-hand experience working for Regulators, so we understand exactly what they need from firms in distress.
- Support from our wider team, which offers complementary services including:
 - financial forecasting and cash management;
 - contingency strategy planning;
 - negotiating with key stakeholders;
 - employment and HR support; and
 - property, corporate and commercial expertise.

We can help firms, lenders and partners with a range of issues, aiming to avoid insolvency where possible.

ASSESSING THE SITUATION AND TAKING EARLY PRACTICAL STEPS

Carrying out independent business reviews

In a range of circumstances – for example, if a firm wants to increase its overdraft borrowing – a bank will ask for an independent business review to be carried out by an independent accountant so that it can assess the health of the business.

Improving your cashflow

We provide a range of services to improve cashflow management and debt collection, so that you can pay your business-critical bills and keep trading. We can also assess your work in progress (WIP); when valuing a firm for buyers and lenders, it is crucial that the WIP is accurate and collectable.

On-site support

We can provide hands-on support at your offices throughout the process. Part of the benefit this brings is the ability for us to act as a buffer, dealing with all enquiries and making sure that your creditors and any other relevant parties receive the same messages.

DEALING WITH CREDITORS AND REGULATORS

Buying you time with HMRC

We offer advice and support with time to pay applications for HMRC, including requesting to spread tax payments. HMRC is one of the first parties that will start demanding payment through a winding up or bankruptcy petition, so it is crucial to approach them early and keep them on side.

Help with other creditors

We can also support you with other key creditors that provide business-critical services, such as your landlord or IT support company. We can negotiate arrangements with them and put together a detailed cashflow forecast, helping you to avoid additional borrowing.

Keeping the regulators happy

A key role is providing in-depth support to clients for dealing with their regulators. We can help you to draft compliance and contingency plans and keep your regulator informed, as well as providing guidance on requirements surrounding a merger, as well as how to avoid regulatory actions, including intervention.

HELP SELLING YOUR BUSINESS

Finding a potential merger partner

If you know that you want to sell part or all of your business, we can help by introducing you to firms that may be interested. Our up-to-date market knowledge means that we know who is in the market to buy – and who would make a good fit for your company.

Getting the deal done

Once you have found the right merger partner, we can help you to get the deal done – for example, by negotiating the sale and purchase agreement, carrying out corporate due diligence and drafting non-disclosure agreements. We can act either for the firm being sold, or the potential merger partners.

RESTRUCTURING & REFINANCING

We can assist you to effectively realign your workforce to your business objectives, helping your firm to operate more efficiently and better manage costs. We can also advise on the refinancing of your facilities, giving you more time to execute your strategy.

IF INSOLVENCY IS THE ONLY SOLUTION

Managing the insolvency process

We work with accountants with in-depth expertise in this area, and who are used to taking appointments as part of the insolvency process. We provide other relevant services relating to pre packs, WIP and debt valuations and workouts.

Legal advice

Our expert team offers legal advice on the insolvency process for the lender, firm or individual partners. For example, the lender might want to check that their security will stand, or the firm might need advice on the effect of insolvency on individual partners.

Who we can help

We can help the whole range of professional services firms, from architects to surveyors, designers, solicitors and accountants.

We understand that any professional services firm typically has two key stakeholders that they have to keep on side: the Lender and the Regulator. We have the skills to manage both these and other key stakeholders effectively, giving you the time and space to resolve your issues as efficiently as possible.

As well as working with firms, we can help any of the parties involved in the process – for example, lenders achieving the best available financial outcome, or individual partners concerned about issues such as personal bankruptcy.

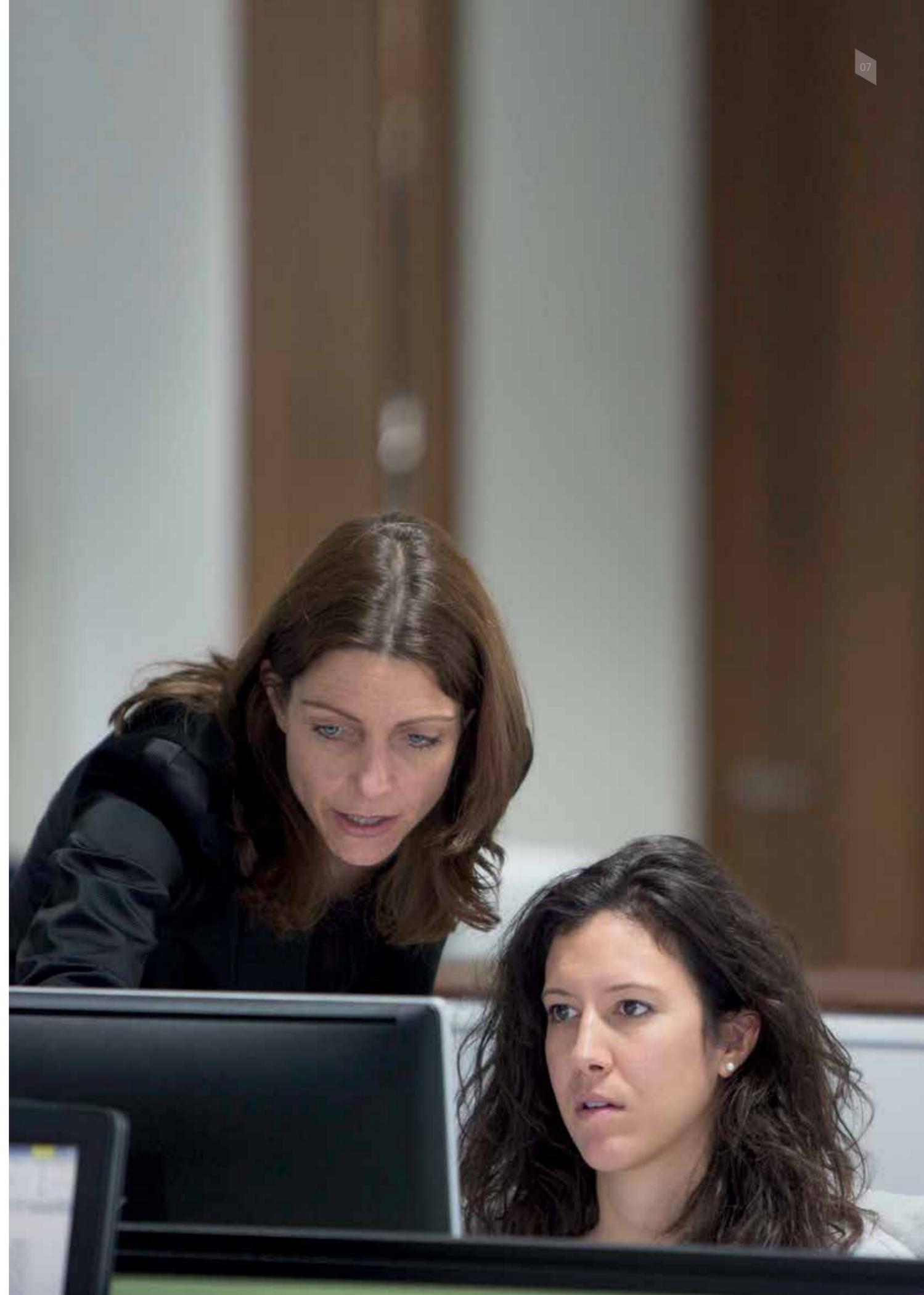
Specialist expertise

We have particular expertise in helping distressed solicitors' firms, which face additional pressure in the form of the threat of regulatory action, including the risk of an Intervention by the Solicitors Regulation Authority (SRA).

Our team has experience working at the SRA, so we are expertly placed to understand what they need from firms in distress. For example, it is crucial to keep the SRA regularly informed, giving them comfort that the situation is being carefully managed and that client interests are being looked after.

While the worse case scenario for a solicitors' firm – and their lenders – is to be subject to an Intervention, if a situation is managed carefully, we can help to ensure that this is not the outcome.

If a firm is intervened, the SRA will try to pursue the partners through to bankruptcy to recover costs which can be prohibitive. The recent collapse of a 2 partner firm incurred estimated intervention costs, for which the partners were liable, of £2 million, and the estimated costs of a larger law firm which collapsed were over £6 million. We can support partners in these circumstances, helping them to achieve the best outcome possible.





Key contact

We are happy to discuss your situation, whatever stage you are at. The earlier that you address any issues, the more we can do to help.

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