

Professional Practices

At Booth Ainsworth, we have the experience and technical knowledge to meet the needs of all types of legal and other professional practices, no matter what their specialisation, size or location. Many such organisations in the North West already benefit from our expertise, and so can you.



Testimonial

"The dedicated Professional Practices' team at Booth Ainsworth provide relevant and proactive advice to law firms. Their professional training and experience allow them to identify our firm's strengths and problem areas. I would not hesitate in recommending them." Practice Manager, Client Law Firm

Accounting support for professional practices

Compliance has become increasingly complicated, but can also work to your advantage. At Booth Ainsworth, we not only help you implement systems and procedures to ensure that your organisation is fully compliant, but can also make sure that you positively benefit from changes in legislation.

In all cases, we work to your deadlines while minimising the day-to-day disruption to your business, and produce audits and accounts that fully comply with all the relevant principles and rules.

In particular, we can help with:

- Statutory audits - these are required for all incorporated organisations and LLPs above the audit threshold
- Statutory accounts - these are required for all incorporated organisations and LLPs, even if they are exempt from audit. We make sure the accounts give a 'true and fair view' of your firm's affairs
- Sector-specific compliance - for example, Solicitors' Accounts Rules (SAR)

Accounting policies, appraisal and benchmarking

We believe that you can benefit from taking a long, hard look at your business now and planning for the future. If you can attract and retain staff, impose tight financial management, and have a clear and focused strategy, and if you are prepared to put effort into strategic planning, marketing, business development and client relationship programmes, restructuring partnerships where appropriate, then you will have a competitive edge that will stand you in good stead for the future.

In particular, we believe that, by focusing on the right aspects of financial management, you can really make a difference to cash flow and the bottom line.

For cash flow, we can review the critical steps in your work/billing/collection cycle, identify any causes of slow cash generation, and show you how good cash management can help you generate more cash.

Then, by benchmarking against current data on comparable firms, and a profitability health-check, we can show you how to maximise profitability on your turnover.

To make sure we give you the best benchmarking picture, we liaise with other Horwath Clark Whitehill and Associate firms to increase the type, volume and range of data we can look at. This data currently includes:

- Fee income
- Total salaries and staff costs
- Professional indemnity insurance premiums
- Net profit
- Average fees per partner
- Average capital per partner
- Ratio of net profit to fees
- Ratio of salaries to fees

Solicitors' Accounts Rules (SAR)

The SAR were last amended on 14 July 2008 to introduce specific obligations for returning surplus client funds promptly and reporting to clients if funds are retained; and also to allow solicitors to withdraw smaller residual client balances themselves, without recourse to the SRA.

We can examine your practice's accounting records, across all your offices, and report each year on any matters arising that should be brought to the attention of the partners. However, we adopt a pragmatic approach to the report, and benchmark any recommendations against the resources available.

For the latest information, visit the Solicitors' Regulatory Website, <http://www.sra.org.uk>, or click <http://www.sra.org.uk/documents/rules/Solicitors-Accounts-Rules-July-08.pdf>

Limited Liability Partnerships (LLP)

At Booth Ainsworth, we can help you choose the most effective and tax efficient structure for your business circumstances, such as limited company, partnership or limited liability partnership (LLP), bearing in mind that each structure has its own rewards and disadvantages, and is subject to different regulations. In particular, because the tax implications are the main consideration, we explain clearly the tax efficiencies offered by each alternative, to help you with your decision.

Many of our clients have converted to LLP with our help. An LLP gives you the commercial benefit of an incorporated company, including limited liability for the members, but with all the organisational flexibility of a partnership. As an LLP, you can take advantage of profit extraction and tax transparent limited liability.

Tax planning

Tax laws and regulations are complex and constantly changing, and the better you understand them, the better equipped you are to comply with them and plan opportunities. This is why you need a tax service that can help you understand and keep you up-to-date.

Our Professional Practices team has been acting for legal clients for many years. Our portfolio continues to grow through 'word of mouth' and good reputation. In particular, we can help you with:

- Preparing and submitting partnership tax returns
- Choosing an accounting date
- Allocating profit amongst partners
- Tax provisions
- Using overlap profits/relief
- Succession planning
- Partner status

Partnership taxation and partners' tax returns

To attract top calibre staff, you must have tax efficient and competitive remuneration packages.

At Booth Ainsworth, we can help you implement tailored remuneration packages that benefit you, with substantial tax and National Insurance savings, and your employees, by specifically suiting their circumstances and lifestyles.

We can help you set up successful remuneration systems for partners and senior employees, such as lock-step or performance-related schemes.

Our advice is always based on the culture and values of your organisation, as well as on factors such as an employee's length of service, annual performance and overall contribution to your business.

Motivating and retaining staff

Your firm's employees are its most valuable asset. Retaining and motivating them is crucial to your future success.

If you are a limited company, we can help you set up an enterprise management incentive share option scheme, giving senior employees options to purchase shares in your organisation at a later date. These schemes don't cost you anything except setup costs (usually tax deductible), result in a potentially higher reward to the employee, and motivate participants over the medium to long term.

Improving firm profitability

Un-profitability generates division and conflict amongst partners, and attracts negative press coverage. These, in turn, adversely affect a firm's reputation.

At Booth Ainsworth, we can help you mitigate these risks by putting in place an effective business plan that will:

- Boost morale within your firm
- Set out strategic objectives
- Define strategies for increasing profitability
- Address staff issues
- Incorporate risk management
- Adapt and change to ensure the plan is successful

Our aim is always to help you reach and maintain healthy levels of profitability.