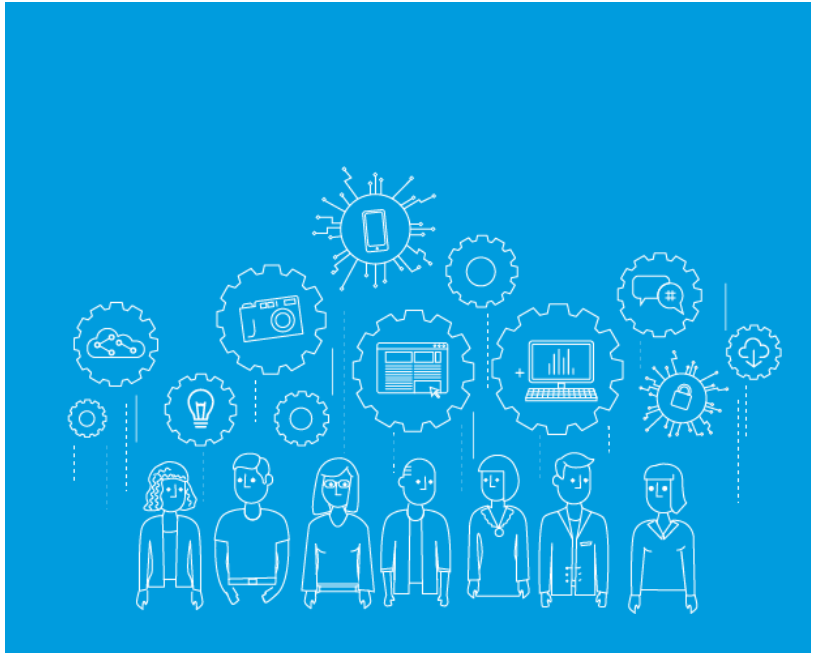


THE POWER OF BEING UNDERSTOOD

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HOW TO RESTRUCTURE YOUR BUSINESS

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Disclaimer

- This presentation contains general information only and should not be used or treated as personal advice. Readers should rely on their own enquiries and note that matters addressed in this paper are only some of the matters that should be considered when making decisions.
- Laws and practice change frequently and without warning, and caution must therefore be exercised before relying on any information.
- The information covers taxation advice for educational purposes only and taxation is only one factor to consider when making decisions.
- The opinions expressed in this paper are those of the author and not necessarily those of RSM.
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HOW TO RESTRUCTURE YOUR BUSINESS

Content

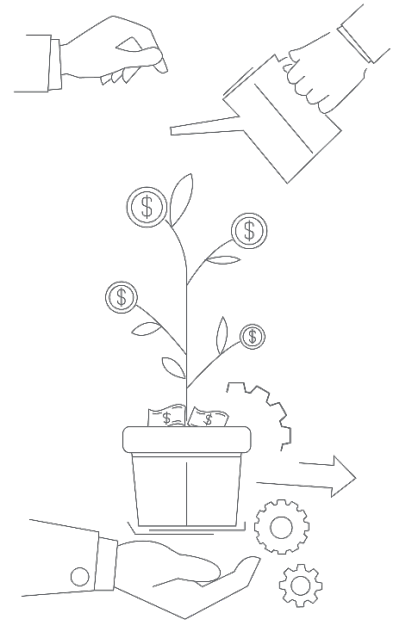
- Is there a problem with your structure
- Should you restructure
- Can you restructure
- The basic process
- Final observations



HOW TO RESTRUCTURE YOUR BUSINESS

Is there a problem with your structure?

- Taxation
- Legal liability
- Family succession
- Investor attraction
- Does it allow for growth
- Do a comprehensive analysis of your current structure for your current and future needs.
 - Is it fit for purpose?
 - Get advice and ensure you understand



HOW TO RESTRUCTURE YOUR BUSINESS

Should you restructure?

- Any restructure will result in the shifting of assets and/or value. Assume Federal and State tax applies until you confirm otherwise. YOU MUST GET ADVICE.
- What assets are you considering shifting
 - Land
 - Plant & equipment
 - Intangibles such as goodwill or rights
- The cost of the restructure will be the main barrier to most small business entities
 - Professional fees – this is complicated and needs to be done right
 - Business valuer – we may need an independent valuation
 - Income tax – Federal
 - Transfer duty – A state tax which is often the greatest barrier

HOW TO RESTRUCTURE YOUR BUSINESS

Can you restructure?

- Get specific professional advice on your options
 - Accounting, Legal & Financial
- The Income Tax Act has multiple asset rollover provisions that can allow you to restructure without incurring income tax
- The WA Duties Act also has some exemptions but they are more limited in scope
- The key to minimising costs is being able to access these exemptions



HOW TO RESTRUCTURE YOUR BUSINESS

The basic process

1. Engage a professional advisor who is experienced in business restructuring
2. Assess and understand your current structure – is it fit for purpose?
3. Assess the options available
4. Confirm the availability of any exemptions – Federal & State
5. Confirm the likely total cost of the restructure
6. Decision time – yes or no
7. If yes, draw a timeline of key milestones and get your documentation in order



HOW TO RESTRUCTURE YOUR BUSINESS

Final observations

- Take your time and get it right
- Brutally assess if the restructure is worth it
- Get good advice specific to you – “price is what you pay. Value is what you get” - Warren Buffet
- Always assume Federal and State taxes apply until you know that they don't
- Never ever consider shifting capital assets without getting advice first



Thank you
for your time
and attention