

BUYING & SELLING A BUSINESS: NAVIGATING THE LEGAL AND FINANCIAL RISKS FOR ACCOUNTANTS

1. Changing Business Structure to Facilitate Business Sale
2. Due Diligence Checklists on Business Sales: The Buyer's Perspective
3. Due Diligence Checklists on Business Sales: The Seller's Perspective
4. Accounting Red Flags on Business Acquisition
5. Tax Implications of Asset Transfers when Selling a Business

A SERIES OF 5 ON DEMAND WEBINARS



Leaders in CPD for Lawyers & Accountants

ABOUT THIS SERIES

What's covered

Buying and selling a business comes with significant risks, and clients expect their advisors to carefully guide them through the process. However, are you prepared for the challenges that may lie ahead? In this five part webinar series, learn directly from the leading experts on the key difficulties associated with buying and selling a business. Sessions include business restructuring when advising a buyer to sell, due diligence checklists on business sales from both the buyer's and seller's perspectives, accounting red flags to watch out for in business acquisitions, as well as a deep dive into the tax implications of asset transfers when selling a business.

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THE PROGRAMS

Session 1: Changing Business Structure to Facilitate Business Sale

Getting ready for business sale may require adjusting or changing business structure to help manage risk or improve value. This session looks at the key issues involved with business restructuring when advising a buyer to sell, including:

- Advantages and disadvantages of different business structures and the reasons to change
- Some common business structure transitions:
 - sole trader to partnership
 - partnership to company
 - sole trader to company
- Assessing business structure in terms of:
 - exposure to risk
 - tax considerations
 - transfer duty exposure
 - administration and business operations
- Isolating liabilities rather than cross guarantees
- Case studies

Session 2: Due Diligence Checklists on Business Sales: The Buyer's Perspective

When it comes to buying a business, clients will turn to their trusted adviser to help guide them through the process. While it can be an exciting time, a failure to properly understand the detail can lead to potential for things to go wrong down the track. This practical session examines the key issues buyers need to navigate, including:

- How are you buying it? – asset sale or share sale
- Key searches and due diligence to consider:
 - PPS issues
 - tax, GST, and Payroll Tax
 - IT issues, including software licences, website, socials, cloud computing etc
 - review of IP ownership
 - leases and freehold
 - review of licenses, leases and consents
 - customer and supplier contracts
- Employee entitlements the buyer must recognise
- Super Guarantee compliance
- Case studies

THE PROGRAMS

Session 3: Due Diligence Checklists on Business Sales: The Seller's Perspective

This session looks at the major issues that business owners need to navigate when deciding to sell their business, including:

- The decision to sell – when is it right?
- Identifying matters that need fixing or 'tidying' up prior to sale
- Essential contract terms – an evaluative guide:
 - warranties and indemnities
 - termination
 - earn outs
 - disclosure
 - restraints of trade
- Dealing with ongoing employees and their entitlements
- Case studies

Session 4: Accounting Red Flags on Business Acquisition

Examining business accounts is an essential pre-purchase obligation. This session helps provide accountants with the skills to identify potential red flags, including:

- How many years financials do you look at when buying a business?
- Deciphering profit and loss statements – checking withdrawals and investments:
 - checking revenue manipulation
 - misrepresenting expenses
 - checking questionable accounting practices
- Establishing the true cash flow position – key areas to focus on
- Reviewing the balance sheet – examples of major red flag warnings
- Reviewing BAS statements and tax return – some areas to focus on
- Reviewing business debts
- Case study – when not all financial data is revealed; identifying the gaps

THE PROGRAMS

Session 5: Tax Implications of Asset Transfers When Selling a Business

This session examines major tax risk on asset transfer on business sale. This covers Federal and state taxes and includes tax minimization strategies. It includes:

- Disposing of capital assets – GST and capital gains tax implications
- Evaluating access to CGT discount – shares or business asset sale?
- Assessing the character of gains or losses in relation to disposal of assets
- Specific rules on capital or revenue treatment on assets
- Small business concessions and sale:
 - 15-year exemption
 - 50% active asset reduction
 - retirement exemption
 - rollover options
- Seller preference where there is no access to CGT exemptions or concessions
- Sale of a going concern – claiming input tax credits for GST paid
- Transfer duty on sale of business assets – a state comparison
- What you need to know about margin scheme when selling assets
- Case study - Tax treatment of earn out rights
 - rollover options
- Seller preference where there is no access to CGT exemptions or concessions
- Sale of a going concern – claiming input tax credits for GST paid
- Transfer duty on sale of business assets – a state comparison
- What you need to know about margin scheme when selling assets
- Case study - Tax treatment of earn out rights

THE FACULTY

Nick Love, Director, Grant Thornton, Melbourne, Vic

Nick is a Chartered Accountant with 9 years experience in Professional Services. He assists privately owned businesses, their owners and high net wealth individuals/families with their accounting, tax and advisory needs.

Nick develops a deep understanding of his clients by building strong relationships with them. From this he is able to provide tailored solutions focused on growth. Nick works across a number of industry sectors with a particular emphasis on professional services and real estate.



Ron Smooker, Partner, Maddocks, Melbourne, Vic

Ron has extensive experience advising on corporate, commercial and financing transactions. He has been involved in many of Australia's largest and most complex M&A transactions, and is recognised as a leading adviser on transactions involving complex structuring. Ron has acted on various commercial matters for a range of listed and unlisted companies on joint ventures, long-term contracting and other commercial arrangements. He has also acted for financiers of projects.

Ron has advised clients from a wide range of industries including transport and logistics, mining, consulting, energy and resources, and media and entertainment.



THE FACULTY

Jess Hill, Director, Velocity Legal, Melbourne, Vic

Jess is not your average lawyer. Working in our commercial, disputes and employment teams, she is in tune with the often complex intersection of business requirements.

Jess' litigation work has seen her appear in state and federal courts, the Administrative Appeals Tribunal and the Fair Work Commission. She also has a thriving practice working with registered training organisations (RTOs).

Jess works tirelessly to help her clients achieve their objectives, and injects genuine passion into her work. Jess also has a green thumb. Whether it is in the garden or at work, Jess is always prepared to find pragmatic solutions to any challenges that arise.



Scott Lindeblad, Principal, Business Advisory, William Buck, Brisbane

With over 13 years of experience in the Financial Sector, Scott learned early that clients' requirements differ greatly, and that there is no one-size-fits-all approach when it comes to a business.

From Scott's point of view, spending time with a good advisor before starting a new venture is a must. He stresses the importance of getting it right from the start as it is a lot harder and more costly to make changes once a business is up and running. His goal is helping his clients on their journey and he thrives on their success.

Scott is well-informed on all aspects of technology and innovation with a special interest in AI and data analytics. He is looking forward to seeing what possible applications technology will bring to his clients' businesses and the financial sector in the future.



THE FACULTY

Murray Shume, Special Counsel, Cooper Grace Ward Lawyers, Brisbane, Qld

Murray provides advice on a broad range of income tax and indirect tax issues. He regularly provides income tax, duty and GST advice to clients at all stages of land subdivision and development.

This includes providing advice to clients in relation to the income/capital distinction and in drafting private ruling applications in relation to both the income tax and GST issues that arise during developments and subdivisions.

Prior to joining Cooper Grace Ward, Murray spent four years working in the Australian Taxation Office. This experience provides Murray with a unique perspective when dealing with ATO.



WHAT YOU GET

This video webinar series includes the following components:

- Online access to the on demand webinar programs. Programs are expected to be 1 hour each in length.
- The programs will be recorded in late September and available to subscribers online in early October 2022.
- Online access to the technical support papers and/or powerpoint presentations accompanying each program.



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