LIVE SESSION

WEB EVENT

2 Action Filled Days

URGENT

Business Turnaround, Insolvency & Asset Protection

14-15

June 2022
12 to 1:30pm

STARTING SOON.....

eventum
optimum
the best result

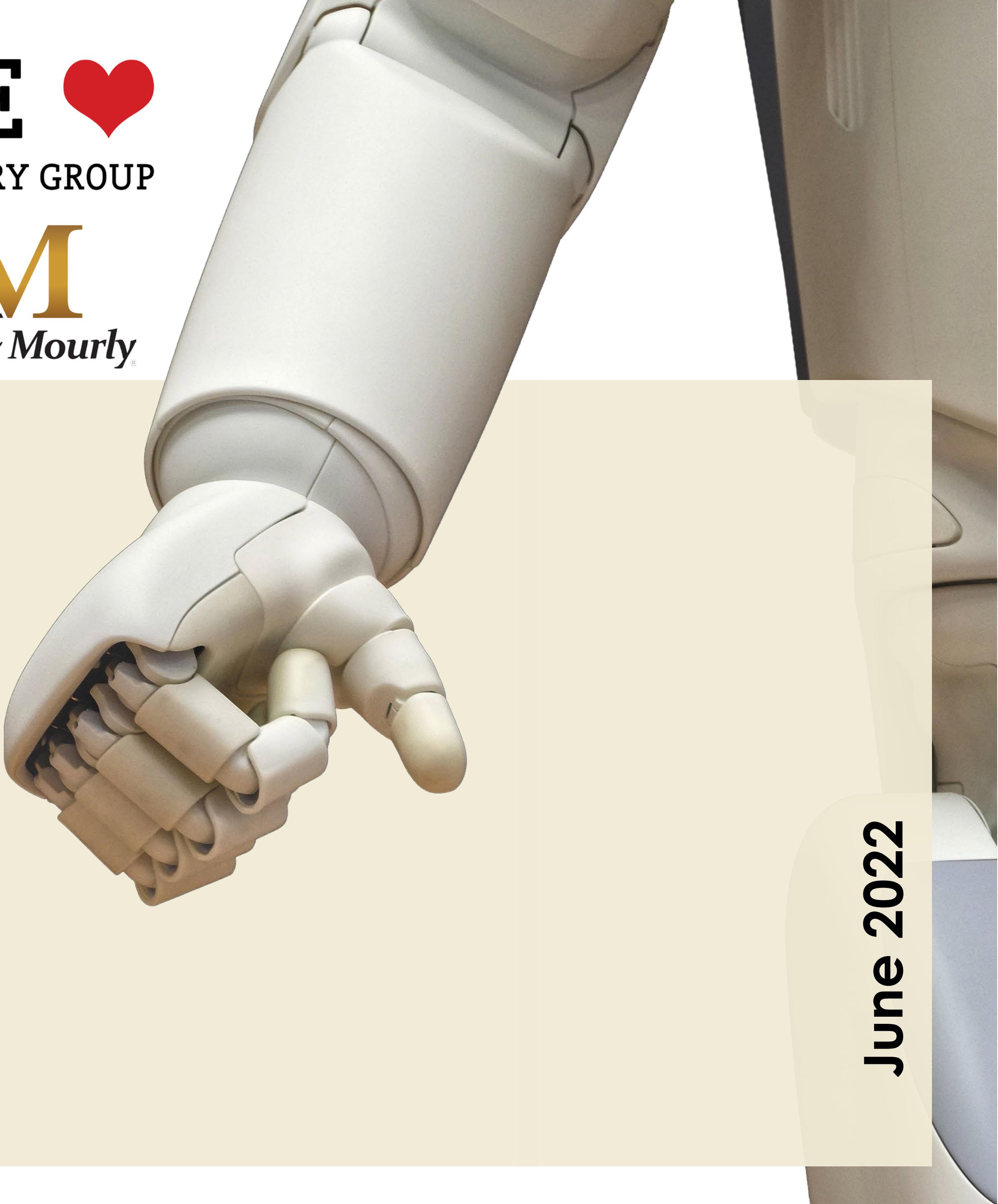
Partner Solution Series

Eventum Optimum

With Michael Jeffriess from Eventum Optimum, SAPEAPA, We Love Advisory Group + LightYear Docs

And Special Guests!!!

June 2022



Preparing & Protecting your clients from the Economic Tsunami they are facing!

Key Takeaways from next two days:

- Here from **industry experts** on:
  - Business Turnaround
  - Insolvency
  - Asset Protection
  - Credit Reporting + Cleaning

- **All attendees** will have a link made available after the webinar that will include:
  - Checklists to review your clients – warning signs and other
  - Questionnaires to review insolvency indicators
  - EO's Triage process for your clients
  - Processes to investigate a business' viability
  - ATO, Banking & Creditor Tactics
  - Asset Protection marketing collateral

Run Sheet

Time	Tuesday
12:00 pm	Intro + Set the Scene - MJ
12:15 pm	Eventum Optimum + Morgan Hillman – Rod Peters & Bill Mackay
1:15 pm	Wipe Credit Clean – Larni Spilsbury-Vatselia
1:30pm	Wrap-up

Time	Wednesday
12:00 pm	Aston Chase – Steve Naidenov
12:30 pm	SAPEPAA - Grant Abbott
1:00 pm	Full Panel – interviewed by Grant Abbott
1:30pm	Wrap-up

The Panel

Steve Naidenov

Steve is a co-founder of Aston Chace Group and registered liquidator with more than 20 years' experience in corporate insolvency matters. Steve specialises in supporting SMEs, individuals and financial institutions.

As a registered liquidator, Steve has managed formal and informal appointments across industries, delivering strategic solutions that address all aspects of the insolvency process.

ASTON CHACE GROUP

The Panel

Bill Mackay

He studied law and rowed for Sydney University. Most lawyers when they graduate law school think “enough is enough”. Not Bill. He went on to attain a Master of Law Degree. His Masters Specialty Subject was “Insolvency Law”.

Bill had a long career in personal injury compensation law, as a medico-legal specialist and is known for his long tenure with NSW’s largest commercial litigation law firm, Brydens Lawyers, who are also the major sponsors of the Brydens NSW Origin Blues Rugby League team.

Although retiring from Brydens 7 years ago to concentrate on his insolvency advisory business, Bill has maintained a close association with the firm and has since COVID, and still currently, been back providing services to the firm to assist them.

Important to note; Brydens Lawyers refers ALL their Business Insolvency and Personal Bankruptcy enquires to Bill.

The Panel

Rodney Peters

Rod is a co-founder of Eventum Optimum. He commenced work as an accountant in public practice before moving to ASIC as a financial investigator for 7 years. He worked with both the ASX and Sydney Futures Exchange in compliance roles before moving into corporate banking with JP Morgan, Merrill Lynch and HSBC Bank. His last corporate role was Head of Compliance and Company Secretary at HSBC Bank Australia Limited.

Rodney then moved out to self-employment where he remained in financial services in broking and over recent years as a business consultant in asset protection and cash flow management where work is referred from accounting firms.

The Panel

Larni Spilsbury-Vatselia

Larni is the founder and director of Wipe Credit Clean.

After working alongside other credit repair companies, Larni realised that consumers were experiencing broken promises, misleading information and little to no results and as a result Wipe Credit Clean was established in 2020.

Wipe Credit Clean has one of the highest removal rates in the industry and receives referrals from reputable and trusted brokers, banks, insurance companies, builders, property developers, real estate, business owners, accountants, lawyers, etc.

The Panel

Grant Abbott

Grant is Chairman of the Succession, Asset Protection, Estate Planning Advisors Association (SAPEPAA), Chairman and Founder of LightYear Docs, and Founder of Abbott Morley Lawyers.

Grant is well known as the "Guru of Self Managed Superannuation" in Australia and has built himself a reputation as being at the forefront of strategies, estate planning and asset protection in Australia.

The Panel

Michael Jeffriess

Michael is co-founder of Eventum Optimum, We Love Advisory Group and Accountis. He is a Director on the Succession, Asset Protection, Estate Planning Advisors Association (SAPEPAA) and LightYear Group / Docs.

Michael has a career spanning over 25 years in which he has held senior C-Suite executive roles in both ASX Listed, Public and Private Groups.

Setting the Scene

Are we facing an Economic Tsunami?

Is the Australian Economy falling off the cliff face?

Another one bites the dust….

PROBUILD

CONDEV
CONSTRUCTION PTY LTD

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Finance › Business › Other Industries

Warnings more construction firms to collapse as building costs blow out by $76k

New figures have revealed that the cost of building a home has jumped by a whopping $76,000, which means more construction firms will "hit the wall".

PIVOTAL HOMES

SOLIDO.

But it is not just Construction….

Have we sailed into the Perfect Storm?

But why?

- Government Covid relief for up to 2 years
  - Cashflow Bonus
  - Job Keeper / Job Saver
  - Covid Safe Harbour – Insolvent Trading
- Covid Funder relief on mortgages, car loans, etc
  - What happens when clients attempt to refinance now
- ATO Debt Collections
  - Gone from Zero (Covid) to Villains
- Record low insolvency events during Covid
- Cheap debt during Covid
  - People were spending beyond their limits on everything
- Rising interest rates
  - Potential house price corrections
- Increased Cost of Living
  - How much for a lettuce?
  - Petrol Prices skyrocketing
- New Government – Spending promises

Throughout COVID-19, predictions of an insolvency tsunami were rife. But in reality, the reverse occurred, with numbers reaching historical lows.
Now, a year on from federal government support being withdrawn……..

Jirsch Sutherland Insolvency Solutions

"Come out on top with Eventum Optimum"

Eventum Optimum

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B2B

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

CPA AUSTRALIA

FINANCIAL PLANNER OR BROKER

Morgan Hillman & Associates

Knowledge Skill Expertise

- Secure director / shareholder loans, UPE's
- Creditor + Predator negotiations
- Protect assets + Derisk (proactive)
- Restructure
- Liquidator appointment & negotiation
- Funding + Finance Solutions – Debt & Equity
- Management Consulting vCFO

We work for your clients not against your clients

Part of the We Love Advisory Group

WE ❤ ADVISORY GROUP

WE ❤ ACCOUNTING

WE ❤ BOOKKEEPING

WE ❤ SMSF

WE ❤ LOANS

WE ❤ LEGAL

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accountantsdaily AUSTRALIAN ACCOUNTING AWARDS 2021 WINNER 2021 START-UP FIRM OF THE YEAR

accountantsdaily AUSTRALIAN ACCOUNTING AWARDS 2022 FINALIST 2022 MULTISERVICE FIRM OF THE YEAR

We Love Advisory Group provides diversified solutions to accountants, advisors and their clients ranging from outsourcing, offshoring, employee share plans, commercial legal to asset protection and business turnaround.

WATCH THIS SPACE
Coming July 2022 new B2B App + Website


We are there when you need us
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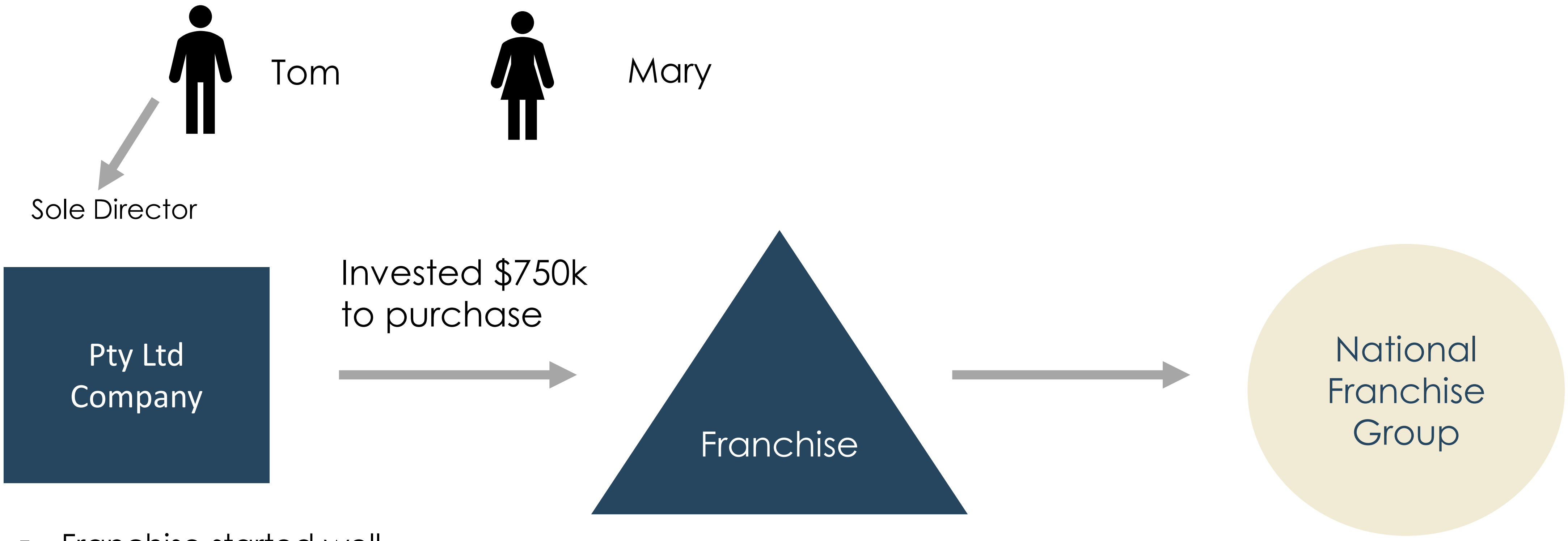
EO Case #1 – The Good



- Franchise started well
- Number of events hit Tom & Mary:
  - Tom suffered ill health
  - External bad investment
  - Business slow down and impact of Covid has resulted in the last two years suffering losses
  - Losses now impacting ability for business to turnaround despite rising sales

EO Case #1 – The Good

Important Points:

- Tom and Mary own a joint property which they live in. The property has $950,000 of equity;
- The business was purchased via a company and Tom is the Sole Director;
- Tom has provided personal guarantees to the Franchisor, the landlord and to a number of trade creditors (suppliers);
- Tom and Mary sought EO advice early in the piece and utilised a loan and security agreement and the monies they used to purchase the business were secured by a PPSR Security Interest;
- Tom and Mary were advised by their Lightyear accounting firm to set up a Family Protector Trust and have included their property, vehicles and some other valuables into this entity;
- All BAS has been lodged on time and they have entered into a payment plan with the ATO;
- There are several years left on the lease and the franchise agreement.

EO Case #1 – The Good

Issues:

- With the ATO arrears and outstanding rent, Tom and Mary are unable to meet their current obligations;
- Tom has provided personal guarantees;
- The landlord is chasing outstanding rent.

Creditors List:

ATO	$230,000
Rent	$68,000
Trade	$12,000

Including Accountant owed $6k

EO Case #1 – The Good

The Solution:

- Tom and Mary were referred to EO by a Lightyear member accountant who was concerned that their clients business was trading whilst insolvent and that they were facing going under unless we acted.

- Tom and Mary received very good advice before and during the operation of their business and we were able to take advantage of this.

- We immediately put in a Safe Harbour Plan to protect Tom as the Sole Director from any civil insolvent trading claims which would then incur personal liability.

- Initially we had the business valued and also separately valued plant and equipment, which had a nominal value. Due to recent poor trading, the business valuation came in at $200,000.

EO Case #1 – The Good

The Solution:

- We set up a new entity with Mary as the Sole Director and proceeded to draw funds out of the old company as repayment of loan as a secured creditor. These funds were then lent to the new company as a secured loan and used by the new company to purchase the old business (we drafted all necessary sale documentation). (note these funds were circulated around several times to ensure that the full purchase amount was paid).

- We contacted the Franchisor and Landlord and were able to negotiate a transfer of franchise and lease into the new company.

- We then liquidated the old company and all non-personal debts were not required to be paid. This included the ATO as all BAS had been lodged.

- We were still left with rent and trade creditors, but due to no longer having to pay outstanding ATO debt, we were able to divert these monies to have this paid off rapidly.

EO Case #1 – The Good

The Result:

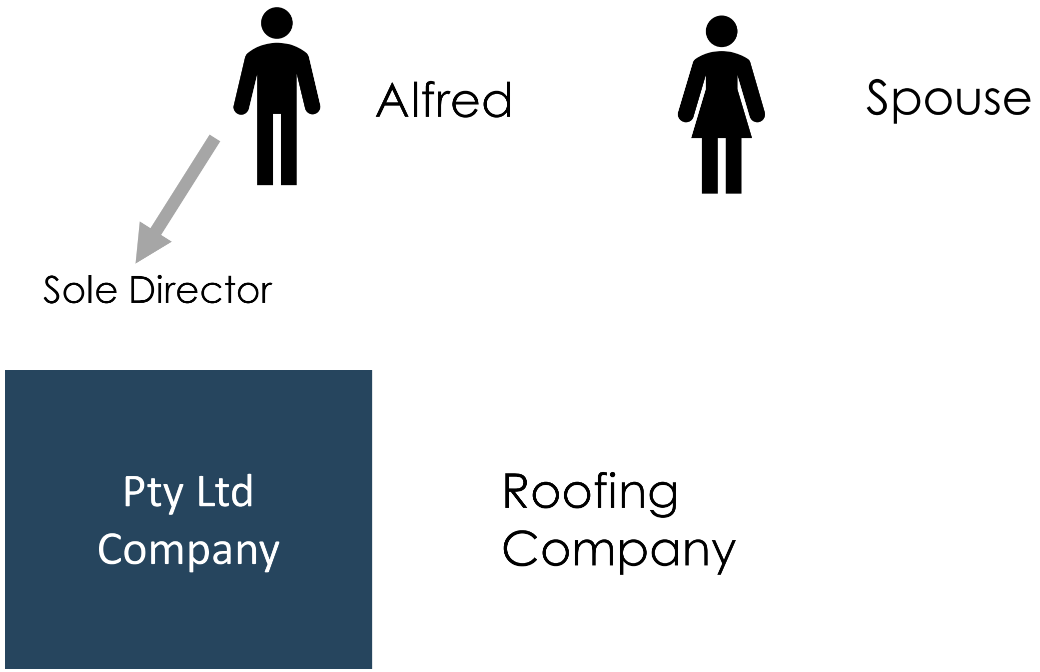
- All staff kept their job;
- The business continues to operate (now profitably) and the rent and trade creditors are paid up to date;
- The accountant is left with a fee paying client who might otherwise have ceased to operate.

EO Case #1 – The Good

Key Takeaways:

- The accountant/client had lodged all BAS;
- We were quickly able to put in place a Safe Harbour Plan to protect Director (and we had the backup of a FPT also);
- All monies lent to the company to buy the business were secured by a PPSR and we were therefore able to take monies out of the old company without becoming a preference payment;
- Other than the ATO, all creditors received payment and staff retained their jobs; and
- There is no impact on Tom's personal credit rating as we were able to confine all non-payments to the company.

EO Case #2 – The Bad



- Alfred ran a roofing company, that, despite the rising price of property prices has continued to trade in loss.
- Alfred was also the sole owner of the family home and despite the pressing of his accountant, had put his head in the sand and not lodged BAS.
- Alfred had a mixture of staff and contractors and was not withholding PAYG or paying SGC. Additionally, as the business was always cash poor, to ensure he received a higher 'pay', Alfred took out Directors loans (without a Div7A agreement in place). The company had plant and equipment and vehicles in the business (mostly under finance), with some equity.

EO Case #2 – The Bad

Important Points:

- Alfred owned the family home in his name and was the Sole Director;
- Alfred had also signed supplier agreements with charging clauses, meaning that security such as caveats could be taken over his property;
- All tools and assets required to conduct the business were in the trading companies name;
- Alfred has provided personal guarantees to the suppliers and financiers;
- There was no loan documentation or security taken for the initial monies Alfred put into the company to set it up;
- Alfred was advised by their Lightyear accounting firm to set up a Family Protector Trust but he claimed he “couldn’t afford to”;
- Alfred received a DPN letter from the ATO and was required to have all lodgements up to date and enter into a payment plan- he could not now afford this payment plan.

EO Case #2 – The Bad

Issues:

- Alfred could not meet ATO obligations;
- By non-lodgement, ALL outstanding ATO (not just SGC) – all are personally liable on Alfred
- In the event of liquidation, all Director's Loans are due and payable
- Alfred is responsible for all personal guarantees he has signed;
- Finance is in arrears.

Creditors List:

ATO	$485,000
Directors Loan	$435,000
Trade	$135,000
SGC	$65,000
Emp Ent	$35,000

EO Case #2 – The Bad

The Solution:

- Due to this client not seeking or accepting their accountants advice, they have become personally liable for company debts and have exposed their personal assets.
- Without the legacy debt, the company was marginally profitable and as this was Alfred's area of skill, he wanted to continue to operate.
- We established a new company in Alfred's wife's name, but had to appoint an external person as a nominee under QBCC guidelines. This was due to Alfred being automatically suspended for 3 years if he was a person of influence in an insolvency.
- We valued business and entered into sale agreements. Unfortunately, due to no PPSR being lodged, Alfred could not withdraw much money from the company and was therefore required to lend from friends and family to purchase business/plant and equipment. Some of the purchase price was offset by assuming the employee entitlements of the old company.
- The old company was liquidated and the new business commenced operation.

EO Case #2 – The Bad

The Result:

- The ATO commenced collection action against Alfred personally and the liquidator chased unsecured Director's Loans – Alfred was placed into personal bankruptcy and lost his home;
- We were able to save the business and Alfred worked in this business on a wage and staff kept their jobs but the long road to home ownership has to start all over for Alfred and his wife;
- The new company initially had difficulties in obtaining credit (due to non-payment from the old company) and revenue took a while to build back up;
- The business continues to operate (now profitably) and the all monies put into new company are now secured, ATO lodgements are up to date and money is only paid out of the company by wages or dividends;
- The accountant is left with a fee paying client who might otherwise have ceased to operate.

EO Case #2 – The Bad

Key Takeaways:

- BAS was not lodged;
- All monies put into company were not secured by a PPSR;
- There was no separation between the Director and personal assets (or business assets);
- No Div 7A loan agreement was put in place and the Director's Loan continued to rise with no provisioning or strategy to repay.

Note:

- This is a case of what NOT to do by a company Director.
- Alfred was a great salesman and tradesman but did not understand his obligations as a Director.
- We cannot force our clients to lodge or follow our instructions as accountants, but this is a good example of where you can bring in EO to help out early and prevent or take corrective action early to help.

Wipe Credit Clean

Client Success Rate

SUCCESFUL REMOVALS - 729
NOT SUCCESSFUL - 28

96%

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SCAN ME