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PARTNER WEBINAR

How to help your clients and
make at least \$50,000 doing so!

27

Sep 2022

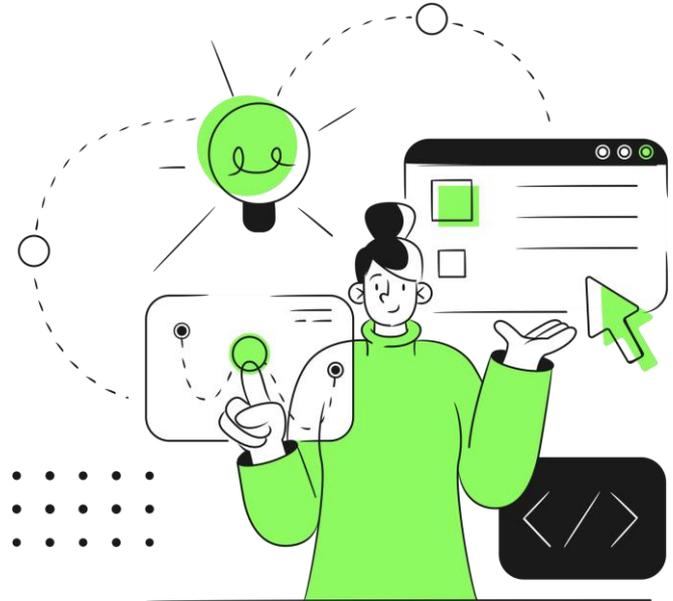
12:00PM



Today's Webinar

Eventum Optimum

1. Partner Solutions – Eventum Optimum (EO)
2. Utilising LightYear Documents and EO to help your clients and grow your revenue.



Partner Solutions



Who is Eventum Optimum (EO)?

A Lightyear Group partner – an owner Non-Exec Director. Michael Jeffriess, Rod Peters

Independent with the aim of helping Lightyear members provide:

- Better advice and service to their clients; and
- Allowing Lightyear members to grow their business and increase their revenues by utilising Lightyear and partner resources at wholesale prices





Partner Solutions

EO are not an accounting firm (even though we are accountants)

- We understand accounting but don't do compliance.
- We provide solutions and support services for your clients to:
- Protect their assets – business and personal; (separate slide)
- Secure their priority both investments and control within company;
- Help identify areas of stress and work with accountant and client to find best solutions.
- We provide **STRATEGY** and **SUPPORT** to complement your business and the Lightyear offering



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We deal with the dirty work no one else wants to touch!

- Creditor Negotiations (trade, financiers, franchisors, ATO, landlords, other)
- We deal with collection actions (statements of claim, creditor statutory demands, ATO and DPN's and letters of demand)
- Drafting and reviewing supplier and other debtor Terms and Conditions – including charging clauses
- Debt collection assistance
- As a last resort, pre-insolvency advice and management of process, including restructuring (separate slide)
- Anything out of the ordinary you want to run by us (chances are we have encountered it before) and are happy to help
- **Important Point** – fully confidential and no obligation on your client to engage. A lot of our time is spent talking to accountants and we want to help you give your clients the best advice



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WE 
ADVISORY GROUP

**Providing
Solutions,
Strategies and
Support to be
your **Best****



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We Love Group Solutions

- ✓ Eventum Optimum
- ✓ We Love Legal
- ✓ We Love Loans
- ✓ We Love Bookkeeping
- ✓ We Love SMSF
- ✓ We Love Accounting
- ✓ We Love ESOP's
- ✓ We Love Coaching



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WE ❤️
ADVISORY GROUP

WE ❤️
ACCOUNTING

WE ❤️
BOOKKEEPING

WE ❤️
SMSF

WE ❤️
LOANS

WE ❤️
LEGAL



We Love Advisory Group Solutions

We Love Accounting

- Outsourced &/or Offshore Accounting
- Employee Solutions including ESOP's

We Love Bookkeeping

- Outsourced Bookkeeping

We Love SMSF

- Wholesale SMSF Administration & Compliance

We Love Loans

- Lending Solutions

We Love Legal

- Commercial Legal Solutions
- Conveyancing including Mortgages, PPSR, etc

Eventum Optimum

- Business Turnaround & Asset Protection
- Trust Deed Stamping Services

We Love Coaching

- Business Coaching solutions
- Leadership Training



We Love Group – Exclusive Sneak Peek

WE❤️GROUP



The wireframe layout consists of three main sections:

- Header:** A purple bar containing the 'WAG' logo in red.
- Main Content:** A brown area containing the 'WAG' logo in yellow at the top left. Below it is a paragraph of yellow text: "We love making your business run smoother, leaner & more efficient by offering business support solutions for all things accounting, legal & administration." At the bottom left of this section is the text "Scroll down ↓".
- Footer:** A red bar containing the text "Outsource Solutions" in white.

Additional details include a version number "V3.52 Updated July 2022" in the bottom left corner and a hamburger menu icon in the top right corner.

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How does this help grow your business? How to get to a minimum extra \$50,000+ revenue....

The slide we have all been waiting for....



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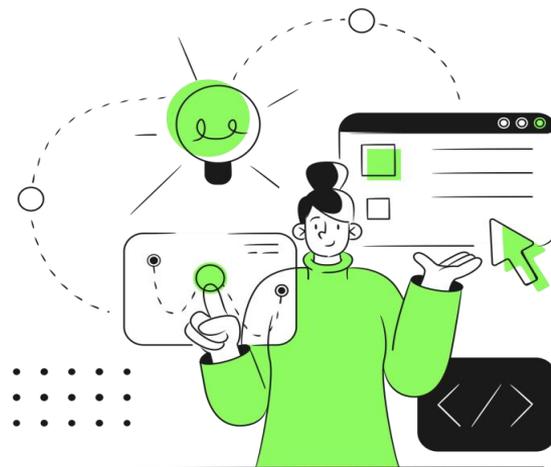


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The Problem:

Accountants the most benevolent profession I have encountered. When we take on jobs we note:

- Outstanding debtors from the client
- Additional and free works being completed by accountant (especially where it is outside the scope of normal accounting works)
- A lack of recognition for the skill set and skilled advice an accountant provides.



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The Solution:

As an accountant you are one of the most important people in your clients' lives. The level of trust, respect and reliance is incredible, and we must respect this and not take it for granted.

We must not be close minded and simply do the normal and provide compliance only advice and services

Your clients need the benefit of your advice and skill set and we **HELP YOU** to deliver these services and skills to your clients. These value add services are **NOT FREE** and with our support, we can show you how to help your clients and grow your revenue.



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Where do we start?

When you set up a company, it doesn't exist and the funding required is from your clients personal monies.

Many accountants provide basic company and trust set up and don't consider the medium to longer term implications of setting up a structure poorly.

A number of Lightyear members are now charging \$2,500-\$3,000+ GST or more to set up a company and BETTER SERVICING their clients.

Do you secure your clients monies used to set up the company via a loan and security agreement and PPSR Security Interest? EO can do this for your client at \$250+GST and Lightyear firms are charging their clients a still very much reduced \$500+ GST for this service.



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Do you put in place a Successive Director resolution when setting up a company and utilise the Lightyear tool to do so? This is an additional service and is included in your Lightyear subscription and firms are charging \$300+ GST for this.

Do you review and advise what the right structure for your client is? Who the Directors should be?

Company, corporate trust, Asset Holding Company, Payroll company?

Have you separated risk and assets?

If you are setting up an asset holding company, are you securing those assets away from the trading company risk? Is there a hire agreement in place, are assets registered for PPSR so they cannot be touched in the event of litigation/creditor action? EO can do this for you at wholesale prices and/or advise you on best practice.



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The Numbers on proper Structuring (and the benefits to your client)



Say you set up one structure a fortnight – 26 a year.

Securing your clients monies \$250 (*26) = **\$6,500**

Ensuring your client retains control via Successive Director \$300 (*26) = **\$7,800**

Say one third of your set ups require asset/risk separation and require additional structures \$500

PPSR/Hire Agreements - \$500

Round down to 8 new companies = **\$8,000**

Based on the above, your firm has just generated an additional **\$22,300** in revenue AND just as importantly – you now have ensured your client has separated risk, has prioritised their equity position and ranks as a secured creditor and has an appropriate structure to protect their personal and business assets.

*additionally to above – a review should be done of all existing clients and identifying if contributions to companies are secured and documented and ensuring appropriate parties are only Directors and control succession has been considered and actioned. The revenue on this is incremental.

Assume you have 200 companies, and you secure and put in place successive director for just 50% of those. This equates to $100 * \$550 = \mathbf{\$55,000}$

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What's next?

Did you ask your client about their personal assets?

Is the family home jointly owned?

Are there more than one Directors, and does there need to be?

Based on the above, we would recommend the following and are happy to help you utilise the Lightyear documents as follows:

Should your client have a Family Protector Trust (FPT)?

This ensures all equity in these assets is secured by mortgage or PPSR Security Interest and (with the slight exception to Family Law) is protected from creditors and Litigants. Additionally, you can nominate and ensure assets go to the parties you select and you can take away the risk on death of disputing your wishes. You can also direct income and assets as you wish.



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Lightyear members are charging between \$5,000 and \$25,000 for a FPT, depending on the work required and complexity.

EO and Lightyear can provide support on legal issues and securing assets (mortgage and PPSR registration). EO provides wholesale rates to Lightyear members, who then, in helping their clients, generate an additional revenue item.

Assuming \$5,000 revenue (bare minimum) and 10 FPT's a year = **\$50,000**

*EO is happy to discuss how FPT's work and their benefits and implementation to clients



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What is asset protection?

SEPARATING ASSET OWNERSHIP FROM RISK

I am especially passionate about small business and the risks they are exposed to. A PAYG sleeps like a baby every night – a small business owner faces:

Paying bills each week – rent, wages, superannuation, insurances, suppliers, ATO and a lot more;

Personal liability as a Director – potential DPN's, insolvent trading claims, personal guarantees

Personal assets are often used to secure lines of finance and personal guarantees provided on leases and supplier credit agreements etc.



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It is our job to advise and help protect our clients who run a business!

Proper structuring

Separation of stakeholders and asset ownership and risk

Securing personal and business assets

Ensuring all lodgements

Where it seems like there is an issue – call EO. We can put in place protective measures such as Safe Harbour or advise on the right course of action



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CALL TO ACTION

If in doubt, call us. Don't let your clients be exposed to losing their business and their personal assets – there are ways to prevent this and protect them!

Nothing is too late! The sooner we get involved, the better advice we can provide and the more you can do to ensure your client continues to trade, keep their assets and keep their staff employed – not to mention you will generate revenue from helping them and retain a fee paying client!



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Do you have a client (particularly post Covid) with legacy debt they cannot overcome?

Some people shouldn't be in business and a "restart" or refresh should not be an option.

There are however many examples of business that have been impacted by one off's or things outside of their control, that are good underlying businesses. Examples are:

- Covid
- Bad debtor
- Litigation
- Work place accident (covered or not)
- Cash Flow issues
- Poor structuring



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Where a business has insurmountable issues, there are two options:

1. Continue to trade and often never overcome the legacy positions. This business is on the clock and will eventually fail; or
2. Deal with the matter – either close down business/liquidate OR restructure the business into a new entity and legally deal with debts.

*A company Director has a fiduciary obligation not to trade whilst insolvent and continuing to do so, not only breaches their legal requirement, but exposes them to personal liability and potential litigation.



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What is a restructure?

When a company cannot continue, it legally sells its assets to another entity and commences trading without the legacy debt.

There are three important steps that must be observed:

All assets, goodwill and physical must be valued;

1. A sale agreement must be drawn up for asset sales; and
2. Consideration for any asset sale must be made.

It is imperative that the above occurs and that the actions taken are not just a deliberate move to thwart creditors.

Whether an asset is sold to a related party or to a third party does not matter. The important thing is that it is sold at **COMMERCIAL MARKET PRICE** and that this sale is supported by a valuation.

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Facts & Initial Position of the Company

Client has run a welding and engineering business but due to covid and a bad debt, experienced a downturn in business. They now have insurmountable debt (mainly ATO) .

Financial Summary

Mv 68k

Plant and equipment and vehicles – approx. \$198k

a/c R \$411k, retentions circa 70k (all collectible and up to a year)

A/c P 271k

ATO 265k (all lodged)

SGC 15k current only - PAID

Small directors loan – 17k (can use as liq contribution fee)



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ACTION/SOLUTION

- New Trading and Asset holding companies incorporated
- Business valuation done
- Details and Valuation of plant & equipment & vehicles done (in house)
- Details of employee entitlements
- Sale of Business Agreement drafted, including employee entitlements – Sold to new trading entity. All employees employed by new entity
- Sale of Plant & Equipment Agreement drafted – sold to new asset holding entity
- Sale of vehicles – Bills of sale drafted – Sold to asset holding entity
- All registered vehicles transferred to new asset holding entity
- All plant, equipment & vehicles under finance were refinanced in Asset Holding entity



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- All retentions owing – collected and delt with
- Hire agreement for plant & equipment & vehicles drafted – between Asset Holding & t
- Trading entities
- PPSR securities register across all equipment (individually) – into asset holding.
- Financials for old entity updated accordingly
- All trade creditors dealt with accordingly – continued to be used through new trading entity
- The empty shell of old trading entity liquidated.



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Income for LY Member

Two new company's to set up - \$5,000 + GST (including successive director and PPSR)

Family Protector Trust - \$15,000

Business Valuation - \$2,500

Margin on EO PPSR and Loan and Security Agreements - \$1,000

Additional Accounting Works Required - \$10,000



Total Revenue Generated \$33,500 for Lightyear Member

Client saved over \$300,000

*and helped a client, kept employment and retained a fee paying client



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This is a highly regulated area with a number of “cowboys” conducting illegal activities in what is known as “phoenixing”. This is particularly common in the construction sector.

Don’t be afraid to consider this as an option for your client. It just must be done legally and supported by valuations and actual money movements.

The outcome is often a business that is now operating profitably, employees retain their jobs and you keep a client that otherwise may have closed their business.

Additionally, non-personal debts remain with the old company and otherwise insurmountable, legacy debts are overcome.



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Where is the state of play in the current marketplace?

A number of businesses are struggling to keep their business operating

Business is suffering declining revenue, inflationary cost pressures

Business cannot get staff and materials and supplies are increasing at a faster rate than real wages and impacting consumer spending

The level of ATO debt has NEVER been higher

The ATO are commencing collection action with new vigour and business failures are imminent

The ATO has issued DPN's (over 55,000)

EO has never been busier protecting assets and dealing with distressed companies



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Will it get worse?

Undoubtedly! ATO collection action has only just commenced and the market place is only just waking up to how difficult it is out in small business land

The challenge as an accountant is to adapt to the new environment and help your clients as well as protect your business and indeed, look for opportunities to grow your business.

How can you do this?



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Utilise EO checklist to identify stress areas in your clients business (please contact me direct if you don't have)

Utilise EO and Lightyear resources to assist your clients

Review your clients positions and reach out if you need assistance (EO is a Lightyear Partner and will prioritise Lightyear members)

Areas to focus include:

Rising creditors and lengthening aged payables

ATO portal balance increasing (remember to lodge even if your client cannot pay)

Separating assets and risk – both business and personal assets

Protecting your clients interests – assets, litigation and from creditors



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EO Resources – CALL TO ACTION

EO checklist – make as part of your work papers and look out for ways to identify issues and help your clients

Access EO Ebook

New We Love Group App (including EO) about to be released



Review your client list and identify:



Where more than one Director, should there be?

Does your client have a Successive Director in place and Loan and Security Agreement and PPSR Security Interest?

Is risk and asset properly separated and appropriate structure in place? Asset Holding Company. Payroll Company, security in place

EO is happy to help you provide value add services to your client and work with you to grow your revenue. We are also happy to specifically look at better protecting your clients assets, securing their positions, and where needed, deal with issues they may be facing.

PLEASE DO NOT HESITATE TO CALL OR CONTACT US

rod@eventumoptimum.com.au 0417 621 547



EO Collateral for Attendees

EO eBook

- eBook on EO and its services.
- EO Triage process

EO Client Risk Areas Checklist

- A checklist to review risk areas for a client from financials to HR to Structure
- Very popular for file reviews

EO Insolvency Checklist

- A checklist to review the ASIC indicators of potential solvency risks



*“Come out on top with
Eventum Optimum”*