Nexia Australia

Business Horizon Review

Do you intend to claim the small business capital gains tax concessions when you sell your business? Have you dealt with the things that could deny you the concessions?

Avoid future shock

Most small business owners probably assume that they will qualify for the small business capital gains tax concessions. That's why it comes as quite a shock when a business owner is informed that their capital gain from the sale of their business will not be reduced by the small business concessions.

They poured all those years of hard work into their business, only to see half of their reward disappear in tax. Maybe they at least qualified for the general 50% discount, and only a quarter disappeared in tax. Still, that's a long way from a possible 0% disappearing.

Having advised on many business sales over the years, we have seen situations where things featured in a business years before being sold which caused a denial of one or more tax concessions.

This happens more often than you might think, and the saddest part is that in the vast majority of cases, some planning in the years before the sale would have produced a very different result.

How we can help

Nexia Australia offers to undertake a **Business Horizon Review** to identify anything that could cause the eventual sale of your business to miss out on any tax concessions.

Inclusions

The review will include things like:

- Whether the business or its legal structure feature anything that could deny the CGT small business relief concessions (there are some well-known culprits).
- For a business commenced pre-September 1985, whether it might have lost its tax-free pre-CGT status.
- Identify assets to be extracted from a company or unit trust in order to facilitate a sale by way of selling the shares/units (which can potentially produce a lower tax impost).
- Anticipating things to be done to satisfy the 15-year CGT exemption.
- Any other matters that come to our attention.
- A concise report will be provided that sets out any issues identified and recommendations.

We will:

- Undertake the review;
- Prepare and deliver the report; and
- Meet with you to discuss.

Ideal time to have the review

The ideal time to undertake this review is 5-10 years ahead of the anticipated sale. Leaving it until less than 5 years away escalates the risk of being unable to redress identified issues that will deny the tax concessions.

Price

We will deliver the above for a relatively small cost that can provide great peace of mind.

This peace of mind is in knowing that anything which might prevent maximising your after-tax funds from exiting your business has been identified.

Next Steps

If you would like us to undertake the review, please provide the following:

1. Group structure diagram
2. 30 June financial statements for the last five years
3. Most recent tax return
4. Most recent management accounts
5. Working capital amount for the business
6. Estimated value of the business, and for all assets of related parties; related debts
7. Family Trust Elections and Interposed Entity Elections made.

For more information about our Business Horizon Review or to get a quote, visit **nexia.com.au/business-horizon-review** or contact a Nexia Advisor.