



CORE
BUSINESS ACCOUNTANTS



CENTRAL TO YOUR SUCCESS

Case Study – Keith Neuendorf

The Neuendorf name has been synonymous with Sunshine Coast interiors since the family acquired an Ocean Street shop, back in 1959. Since then, this family business developed into a multi-faceted enterprise consisting of commercial, retail, residential, trade and development divisions. In 2016, two significant events occurred, Anna Neuendorf the much-loved matriarch of the business passed away, and the retail division, which was the primary business within the group was sold.

THE EARLY YEARS

After receiving multiple referrals from respected associates, company Director, Keith Neuendorf turned to Core Business Accountants after having successfully steered the business through a tumultuous five year period, post the Global Financial Crisis (GFC).

Upon meeting Keith, it was obvious he was a seasoned business practitioner with a formidable pedigree. An alumni of the Sunshine Coast's coveted Outstanding Business Person of the Year award, Keith's rein on the family business is both innovative and forward-thinking. Naturally, he had an established network of trusted advisers and expressed a desire for Core Business Accountants lead by Ashley McGuirk to work harmoniously within that existing team.

He also shared some important details regarding his family as it was unlikely his children would join the family business. Consequently, Keith was keen to consolidate a succession plan for both his business and personal assets.

Core is also a family business, so we naturally understood Keith's pressing priorities, yet as professional and experienced advisers we were able to take a neutral view. Additionally, we respected Keith's significant knowledge base. Rather than telling him what he already knew, we concentrated on providing a knowledgeable sounding board capable of integrating necessary technical aspects of his business affairs, while providing fresh thinking and the impartiality of a negotiator working on his behalf.

Early on, we were keen to link with Keith's existing team of advisers in order to establish a holistic view of his accounting life. The intention was to develop a level of understanding whereby we understood how our actions could impact upon other parties within his network and vice versa. Therefore, we consulted with Keith's solicitor, banker, superannuation adviser, and others instrumental within his existing network, towards achieving seamless integration.

We were also eager to see, first-hand, how Keith's Development division operated. This prompted Ashley to travel to Emerald to visit Keith on the site of a new project. Respectful of Keith's wide knowledge base and cumulative professional practice - he has notched up over 40 years of industry experience – Ashley came to business meetings with a blank page and an open mind. Allowing Keith to set the agenda, Ashley positioned himself as impartial, professional counsel suggesting thought-

provoking questions that empowered Keith to delve deeply in order to make well-informed business decisions.

If first impressions are valuable indicators, Keith's initial encounter with Ashley boded well. "I instantly felt comfortable with Ashley. He was a good listener, well-researched and asked the right questions," Keith said.

As Keith puts it, "Ashley is a very caring accountant – he genuinely cares about my wellbeing".

Keith asserts that Ashley understands his "entire direction". It's an integrative approach encompassing pressing financial concerns, regular reviews, ongoing SMSF navigation as well as matters pertaining to succession planning.

Keith also expressed a sense of reassurance in the Core team as a whole, knowing he will receive continuity of service, as all key members of this tight-knit, agile team are well informed of the machinations of his interests.

LATER YEARS

Fast forward 5 years to 2016 and Core has delivered, as Ashley McGuirk would say "support that comes from a deep understanding of the vast business interests and the needs of the Neuendorf family."

This support has empowered decision making that enabled Keith and his family to structure the business appropriately so that a) it could be sold, and b) when it did sell, the proceeds could be managed tax effectively.

Preceding the sale process, Core provided advice in five key areas:

Asset protection

Income Tax

Capital Gains Tax implications

Succession Planning

Advice specific to industry peculiarities

While Keith and Core worked together to make the business sale-ready, Keith's mother passed away and left a substantial estate that included a shareholding in the business along with other significant assets. The business and assets needed restructuring to facilitate the generational transfer and protection of family assets.

As the key strategist and central coordinator, Ashley liaised with each of the stakeholders on Keith's behalf and collaborated with a range of specialist professionals to deliver successful outcomes which would have otherwise resulted in significant tax liabilities.

With the generational asset transfer complete, Ashley continued to work with Keith on his business exit strategy. The business was in fact a Group of which the 50 year old retail business was best known. Ashley was very aware that there is only one chance to sell a business correctly - for the right value and with the right terms and conditions. He also realised that letting go of a long - established family owned business would be emotional.

Ashley was able to draw on his experience assisting other clients through the sale process, and share this with Keith while maintaining a 'voice of reason' approach throughout.

Apart from strategic and 'technical' advice, Ashley understood his role as providing clarity, factual assessment, confidence and validation of the business owner's thinking amid what can be a fog of multiple and sometimes conflicting choices.

Managing the taxation implications for the sale of business was complex and required a sound mix of initiative, innovation and reliable knowledge of tax legislation. It was this commitment to achieving the best possible outcomes for his client that delivered solutions that enabled Keith and other family members to negate significant tax liabilities against back taxes paid during the GFC.

With the retail business sold, Ashley worked with Keith on restructuring his remaining interests which included a warehouse and small transport business that would focus on servicing one ideal client. This created an eco-system of rental and logistics income that required limited management and resourcing until the warehouse and transport business was sold in 2017.

More than 10 years have passed, and throughout that time of delivering tax and business advice for the Neuendorf Group, the process remained as it was from the start - Ashley McGuirk would arrive at meetings with a blank page and open mind, listen to ideas and ask questions (often difficult questions) that would contribute to or determine outcomes.

While sometimes those questions (and answers) were uncomfortable, they always generated discussion for exploring opportunities, exposing problems, fixing issues and making the good better. All the while taking a helicopter view that considered and integrated business matters with the family and individual financial affairs and requirements of all involved.

In summary, Keith says he is "extremely proud that our group of companies was associated with Core".

Keith describes Ashley as his "confidante" and takes great solace from him being roughly 15 years his junior. Knowing their professional relationship will outlive his working life, Keith feels a sense of reassurance that his bond with his accountant will be enduring and mature alongside him as he transitions into retirement and beyond.