

## Collins Hume by client's side during business sale puts retirement planning end clearly in sight

**Attractive opportunity to wrap up and sell the business suddenly made everything a priority, including retirement planning**

Our client recently sold his business to a competitor who came along at the right time offering the right price.

We had been discussing negotiations back and forth for some time as is usually the case in these situations. Our client owned their commercial premises but we recognised early on that there were also issues around accessing funds, Capital Gains Tax (CGT) and maximising super contributions.

As our client needed to start taking steps to retirement and the business sale negotiation was a tough, drawn out process, CGT, commercial property transfer and super were becoming secondary to getting the deal done.

Then the contract was signed...

That's when our client found themselves asking, "What's the end position?" as we still had those secondary issues with which to deal now posing greater tax planning questions after the recent sale of the business.

### This gave rise for Chris Atkinson to help our client to look at things completely differently

'Instant' retirement is usually the catalyst for so many factors being triggered as far as tax treatment and super goes. Generating a tax-free income was now one of these factors so our client had the opportunity to make a large one-off contribution to super to bolster their fund which then put them in a nice position to acquire the building from the members in two streams:

- CGT free as CGT conditions were favourable
- Commence retirement income streams and therefore rent became tax free

This deal fit like a glove as other factors came into play under the watchful eye of Collins Hume. Our client was under the net asset threshold, the valuation of the building worked well in their favour, the super fund could be utilised to pay cash for the building, and NSW stamp duty incentives with respect to transferring the building across were used to advantageous effect.



### Use Collins Hume for business projects with confidence

Action points all slotted into place at timely intervals including:

- A solid lease-back arrangement ensures our client is earning market rent now as a retiree
- Ability to get cash back into super fund under non-concessional caps
- Now we have tax free interest and rent, and no CGT

Chris Atkinson is a Collins Hume Partner and Strategic Services Specialist. Being a natural entrepreneur, our client is now well positioned and already looking out for their next project, after some overseas travel and a bit of extended time with the kids and grandkids.

Collins Hume's business buy / sell expertise, contractual insight and proficiency in acting for our client during negotiations helped our client make the most of this opportunity with a sound retirement income plan in place. Talk with one of our experts about succession, business buy / sell or retirement planning for your business by phoning 02 6686 3000 or email [mail@collinshume.com.au](mailto:mail@collinshume.com.au).

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