



Significant  
Advice  
Network

## Annual Review Meeting

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Jack and Jane Citizen

FAMILY GROUP

# Helping successful families navigate complexity

CONTEXT



OUR ROLE

- Help family articulate goals, aspirations
- Develop 12 month plan to bring clarity and confidence across personal, family and financial resources
- Act as a gate keeper and executor of family wealth
- Serve as a financial confidant to the family group

CONTENT

TAX & ESTATE DEVELOPMENT	STRATEGIC WEALTH MANAGEMENT	INVESTMENT PLANNING	PEOPLE & LEADERSHIP	PHILANTHROPY
<ul style="list-style-type: none"> <li>• Understand Wealth Plan</li> <li>• Trustee development &amp; education</li> <li>• Develop succession plan</li> <li>• Legacy planning</li> <li>• Fair V Equal</li> <li>• Who, why, when, how</li> </ul>	<ul style="list-style-type: none"> <li>• Total Balance Sheet 'Lens'</li> <li>• Identify financial resources</li> <li>• Develop wealth transfer</li> <li>• Co-ordinate with professionals</li> <li>• Facilitate information flow</li> <li>• Risk Management framework</li> </ul>	<ul style="list-style-type: none"> <li>• Understand Total Balance Sheet</li> <li>• Reports</li> <li>• Mandates</li> <li>• Risk budget</li> <li>• Skills transfer &amp; education</li> </ul>	<ul style="list-style-type: none"> <li>• Support &amp; develop people</li> <li>• Guide &amp; promote</li> <li>• Governance</li> <li>• Form a functional group</li> <li>• Legacy issues</li> <li>• Develop Family Board</li> <li>• Succession &amp; integration plan</li> </ul>	<ul style="list-style-type: none"> <li>• Develop gifting program</li> <li>• Role &amp; responsibility</li> <li>• Who, Why, When, How</li> </ul>

*Goal – Confidence and Clarity*

<Date>

# 10-3-Now – Mr & Mrs Client

CONTEXT



Live



Love



Learn



Legacy

NOW		TO DO LIST	3 YEAR GOALS	10 YEAR GOALS
	Mr & Mrs Client Ages: 65 Children: 3 Grandchildren: 5	<ul style="list-style-type: none"> <li>• Wills and Estate</li> <li>• Family Rule Book</li> <li>• Business Succession</li> <li>• Asset Protection</li> <li>• Family Advisory Board</li> <li>• Governance</li> <li>• Business Plan Complete</li> <li>• New CEO</li> <li>• Long Term Incentive Plan</li> <li>• Finalise Loans to Kids</li> <li>• Review Guarantees &amp; Warranties</li> <li>• Review Debt &amp; Liquidity</li> </ul>	<ul style="list-style-type: none"> <li>• Succession</li> <li>• Estate OK</li> <li>• Kids on Track</li> <li>• Retired</li> </ul>	<ul style="list-style-type: none"> <li>• Succession</li> <li>• Fair Not Equal</li> <li>• Deal with Son in Business</li> <li>• Look After Kids</li> <li>• Not Country Club Kids</li> <li>• Look After Grandkids</li> <li>• Retire Gracefully</li> <li>• Maybe Sell/Merge Business</li> </ul>
	Residence Value: ~\$5 million			
	Investment Property + Company Value: ~\$5 million			
	Trust 1, Trust 2 ~\$10 million			
	Farm ~\$20 million			
	Business Value: ~\$20 million Staff: 80 1 son is in business			
	Superannuation ~\$5 million			



# Group – Financial Snapshot

MARCH 2022

## TXXX Pty Ltd

### SOURCE & APPLICATION OF FUNDS

Operating Income	\$
Operating Expenses	\$
Op Profit-Month	\$
Op Profit-YTD	\$

<b>WIP - Month</b>	
	\$
	\$
	\$

### Budget VS Actual –

• Gross profit	\$
• Expenditure	\$
• NPBT	\$

<b>Assets/Liabilities</b>	
	XX \$

VALUE \$xxx

## XXX Family Trust

### SOURCE & APPLICATION OF FUNDS

Operating Income	\$
Operating Expenses	\$
Op Profit-Month	\$
Op Profit-YTD	\$

<b>WIP - Month</b>	
	\$
	\$
	\$

### Budget VS Actual –

• Gross profit	\$
• Expenditure	\$
• NPBT	\$

<b>Assets/Liabilities</b>	
	XX \$

VALUE \$xxx

## XXX Family Trust

### SOURCE & APPLICATION OF FUNDS

<b>Distributions received - Month</b>	
• Entity	\$
• Entity	\$
• Entity	\$

<b>Distributions received - YTD</b>	
• Entity	\$
• Entity	\$
• Entity	\$

### Assets/Liabilities

	XX \$
--	-------

VALUE \$xxx

## XXX Trust

### SOURCE & APPLICATION OF FUNDS

<b>Distributions received - Month</b>	
• Entity	\$
• Entity	\$
• Entity	\$

<b>Distributions received - YTD</b>	
• Entity	\$
• Entity	\$
• Entity	\$

### Assets/Liabilities

	XX \$
--	-------

VALUE \$xxx

## XXX Trust

### SOURCE & APPLICATION OF FUNDS

<b>Distributions received - Month</b>	
• Entity	\$
• Entity	\$
• Entity	\$

<b>Distributions received - YTD</b>	
• Entity	\$
• Entity	\$
• Entity	\$

### Assets/Liabilities

	XX \$
--	-------

VALUE \$xxx

## XXX Superfund

### SOURCE & APPLICATION OF FUNDS

<b>Distributions received - Month</b>	
• Entity	\$
• Entity	\$
• Entity	\$

<b>Distributions received - YTD</b>	
• Entity	\$
• Entity	\$
• Entity	\$

### Assets/Liabilities

	XX \$
--	-------

VALUE \$xxx

## Mr & Mrs Client

### SOURCE & APPLICATION OF FUNDS

<b>Distributions received - Month</b>	
• Entity	\$
• Entity	\$
• Entity	\$

<b>Distributions received - YTD</b>	
• Entity	\$
• Entity	\$
• Entity	\$

### Assets/Liabilities

	XX \$
--	-------

VALUE \$xxx

## Totals

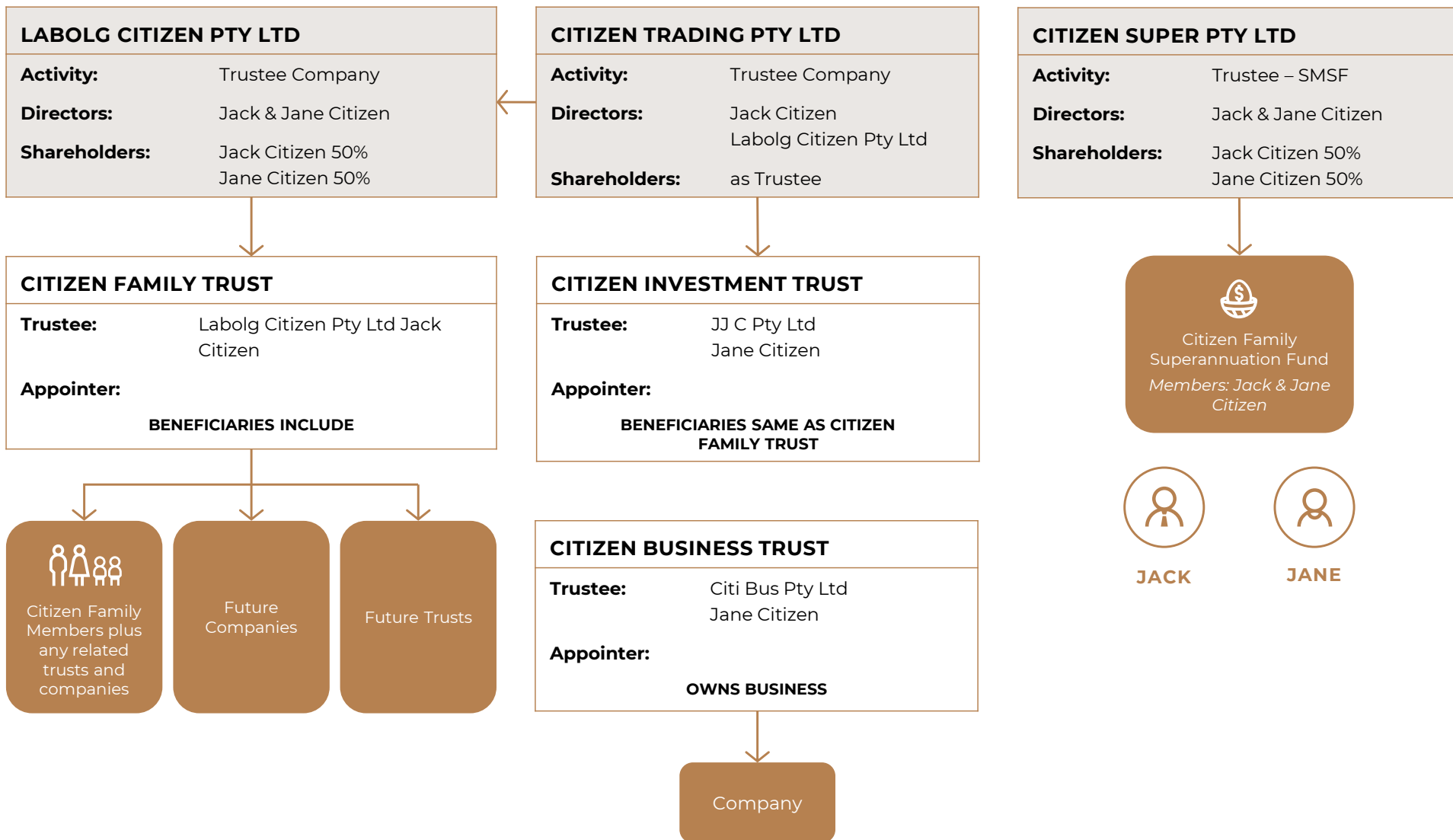
<b>Total Equity</b>	\$
<b>Total Cash</b>	\$
<b>Total Facilities</b>	\$
<b>Limit on Guarantees</b>	\$

VALUE \$xxx



MR & MRS CITIZEN

# Group Structure Diagram





# Risk Management

1 REDUCE

2 AVOID

3 TRANSFER

4 RETAIN

ASSET 1	ASSET 2	ASSET 3	ASSET 4	PERSONAL
<ul style="list-style-type: none"> <li>• People</li> <li>• Employment</li> <li>• Covenants</li> <li>• Guarantees</li> <li>• Licence</li> <li>• Succession</li> <li>• Job Selection</li> <li>• Political</li> <li>• Union</li> <li>• Sub-Contractor</li> <li>• Tax</li> <li>• Balance Sheet</li> <li>• Key Person</li> </ul>	<ul style="list-style-type: none"> <li>• Tenancy</li> <li>• Interest Rates</li> <li>• People</li> <li>• Valuations</li> <li>• Cash</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation</li> <li>• Conflicts</li> <li>• Builder</li> <li>• Capital</li> <li>• Investor base</li> <li>• Opportunities</li> <li>• Staff Retention</li> <li>• Succession</li> <li>• Key Person</li> </ul>	<ul style="list-style-type: none"> <li>• People</li> <li>• Staff</li> <li>• Business Plan</li> <li>• Public</li> <li>• Council</li> <li>• Financials</li> </ul>	<ul style="list-style-type: none"> <li>• Business Risk</li> <li>• Estate</li> <li>• Family</li> <li>• Succession</li> <li>• Conflicts</li> </ul>



# Risk Management

1 REDUCE

2 AVOID

3 TRANSFER

4 RETAIN

INVESTMENT RISK	TAXATION RISK	ESTATE RISK	LITIGATION RISK	BUSINESS RISK	OTHER RISKS
<ul style="list-style-type: none"> <li>• How much investment risk?</li> <li>• End goal</li> <li>• Live too long</li> <li>• Spend too much</li> <li>• Market risk</li> <li>• Income required</li> <li>• Diversification</li> <li>• Specific risk</li> <li>• Liquidity</li> </ul>	<ul style="list-style-type: none"> <li>• Risk profile</li> <li>• Governance</li> <li>• Tax structures</li> <li>• Tax plans</li> </ul>	<ul style="list-style-type: none"> <li>• Protect beneficiaries</li> <li>• Fund the estate</li> <li>• Insurance issues</li> <li>• Wills</li> <li>• Powers of Attorneys</li> <li>• Agreements</li> <li>• Death benefit nominations</li> <li>• Legacy</li> <li>• Fair V equal</li> <li>• Challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Structures</li> <li>• Warranties</li> <li>• Directorships</li> <li>• Entities</li> <li>• Guarantees</li> <li>• Staff</li> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Covenants</li> <li>• Directorship</li> <li>• Staff</li> <li>• Succession</li> <li>• Key Person risk</li> <li>• Advisory board</li> <li>• Mergers and acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>• Family</li> <li>• Relationships</li> <li>• Divorce</li> <li>• Finance</li> <li>• Cash flows</li> <li>• Inflation</li> <li>• Health</li> <li>• Communication</li> <li>• Governance</li> </ul>

&lt;Date&gt;

# 12 Month Plan

This document set outs your 12 Month Financial Game Plan. It is intended to provide an overview of the areas in which we will be focusing upon in our 12 month engagement. Please do not act on this information. When we provide you with our advice it is to be set out and recorded in a Statement of Advice.

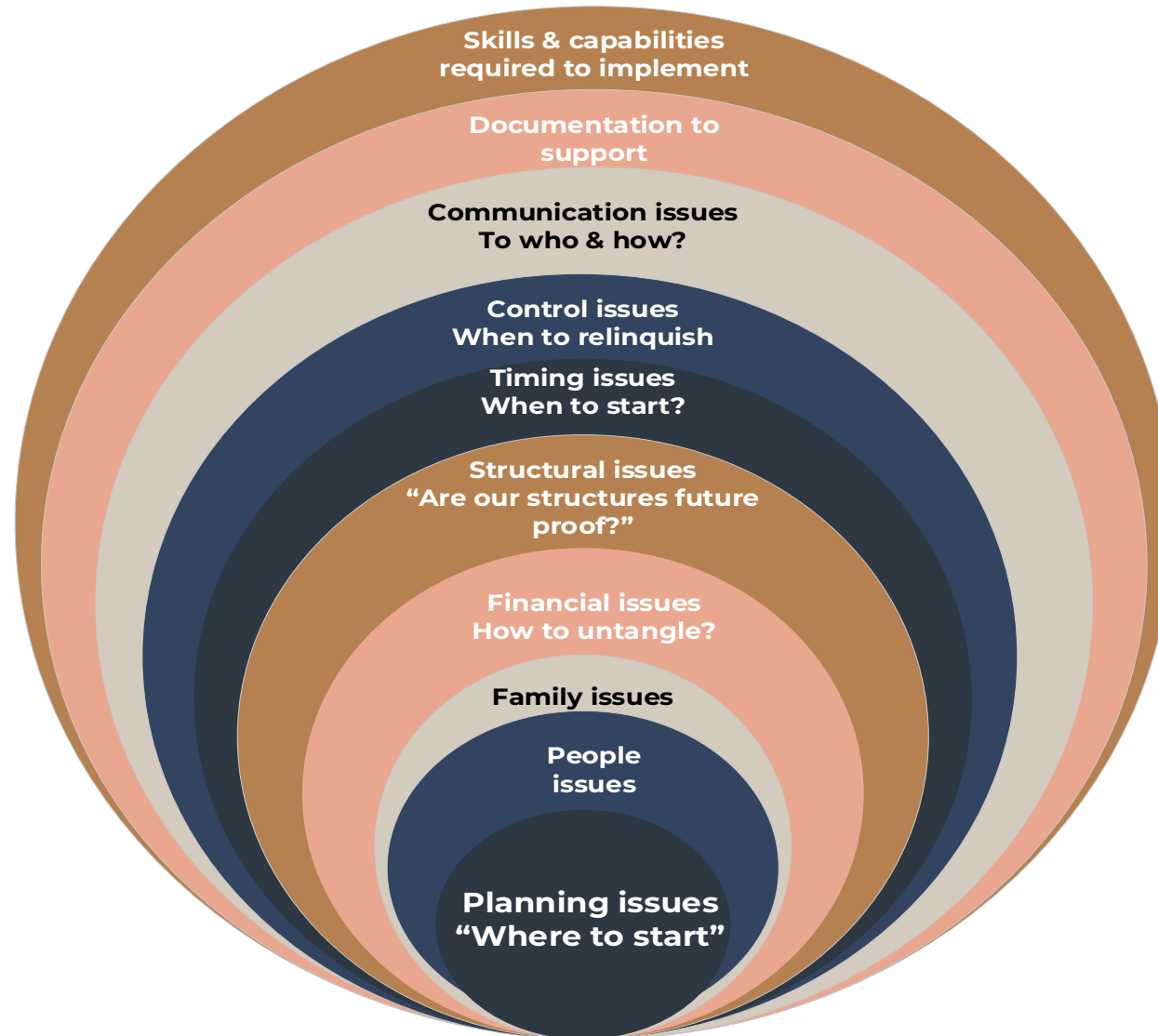






# Succession Planning

## Multiple issues



## Capability & Planning Issues



- Where to start?
- Where are we going?
- Ability will articulate our future direction?
- Are we committed?
- Our existing advisers competencies?

- Who will champion the cause?
- What capabilities do we need?
- What are our decision trees?
- How do we make tough decisions?
- Best of Breed team required across tax, legal and wealth

- How do we engage & communicate?
- What does success look like?
- What if the kids don't like it?
- How do we manage conflict?
- Are we accountable?
- Who will help us?

### Risk Management Lens

1

REDUCE

2

AVOID

3

TRANSFER

4

RETAIN

People	Family	Financial	Structural	Timing	Communication
<ul style="list-style-type: none"> <li>• Mum &amp; Dad, dreams &amp; aspirations</li> <li>• Adult children, dreams &amp; aspirations</li> <li>• Relationship issues, divorce</li> <li>• Family breakdowns</li> <li>• Non interested children</li> <li>• Interested &amp; can't manage the money</li> <li>• Health Issues</li> <li>• Control issues</li> <li>• Staff issues, retaining good people</li> <li>• Communication issues</li> <li>• Mismatch of values and trust</li> </ul>	<ul style="list-style-type: none"> <li>• Non alignment</li> <li>• Communication</li> <li>• Disinterest or distrust</li> <li>• Self-righteousness</li> <li>• Expectance</li> <li>• Participants don't want to get involved</li> <li>• Financial mismatch - some have money, some don't</li> <li>• Divorce</li> </ul>	<ul style="list-style-type: none"> <li>• How much do Mum &amp; Dad need</li> <li>• Dollars they might need for the capital required</li> <li>• Charities</li> <li>• Loans to children</li> <li>• Children employed in business V's not employed</li> <li>• Distribution and income in the future – Fair V's Equal</li> <li>• Income &amp; capital distribution</li> <li>• Reporting of finances</li> <li>• Investment decision making now &amp; in the future</li> <li>• Investment advice</li> <li>• Who to seek advice from</li> <li>• Debts, guarantees, warranties</li> </ul>	<ul style="list-style-type: none"> <li>• Who owns what</li> <li>• Is our structure fit for purpose</li> <li>• Are we asset protected &amp; tax efficient</li> <li>• How does structure allow for handing over control</li> <li>• CGT &amp; tax considerations</li> <li>• Are our structures future proof</li> <li>• So they represent our wills &amp; estate planning</li> <li>• Can we easily report across the group</li> </ul> <p><b>Required documentation:</b></p> <ul style="list-style-type: none"> <li>• Wills &amp; estate wishes</li> <li>• All loan documents</li> <li>• Revised structures</li> <li>• All other agreements</li> </ul>	<ul style="list-style-type: none"> <li>• What's the plan on timing handover for income, equity &amp; control</li> <li>• When are we ready to retire</li> <li>• Can I retire &amp; still participate on the board</li> <li>• When does a family member/s take over</li> <li>• How do I know with confidence it's time</li> <li>• What happens if I die or lose capacity now</li> <li>• What's the back up plan</li> <li>• Should we have a fire drill</li> <li>• I need all this in place now</li> <li>• How long does this take</li> </ul>	<ol style="list-style-type: none"> <li>1. We need to get clear first</li> <li>2. We need our plan sorted first</li> <li>3. How do I communicate to family</li> </ol> <ul style="list-style-type: none"> <li>• How do I communicate to extended family, spouses, partners etc</li> <li>• How do we keep everyone in the loop</li> <li>• Do people/family need to sign a non-disclosure document</li> <li>• Is there a forum for people to discuss concerns &amp; disagreements</li> <li>• What happens if family disagree</li> <li>• What happens if 1 person is seen to be favoured</li> <li>• How can we make this robust</li> </ul>

# Sample 12 month agenda

## Significant Individual or Family

### Business Assets

Q1	Q2	Q3	Q4
4 L's; Live, Love, Learn, Legacy	Staff Issues – Long term incentive plan	Monthly business meetings	Due diligence ready
Decide to keep or sell the business	Key documents; wills and estates	Full board working	Monthly reporting
Understand financials	Family rule book	Staff engaged	Across issues
Understand risks	Mergers & acquisitions	Leadership training	Feeling confident
Structures	Risk Management framework for the business	Robust reporting	Rules & functionality
Recruit Best of Breed team	Document the strategy	Issues list identified	Developing culture
Determine skill set required	Board papers commencing	Risk management overlay	Structure in place
Monthly meeting	Robust financials	<b>Personal:</b> Wills, estates updated Succession documents Powers of attorney Structure sorted Long term incentive plan	Personally well organised
Financial advisory meeting	Functionality of roles		
	Investor ready		
	Due diligence ready		



## Sample to do list

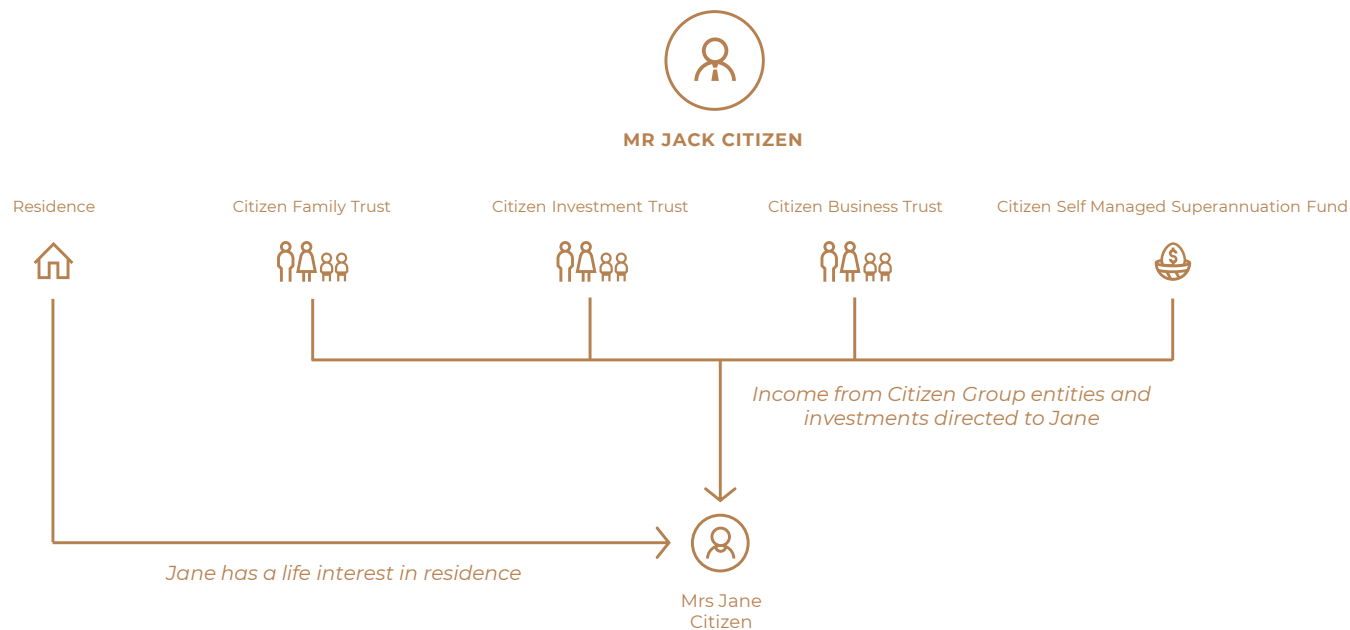
- Sort estate and wills
- Clarify trustees and executors
- Sort business succession
- Bring adult children on journey
- Robust group cashflows and reporting
- Plan family meeting
- Set course for business
- Review key people and incentive programs
- Develop Family Rule book
- Decide to merge, sell, keep
- Risk management lens across total balance sheet
- Review asset protection and professionals
- Education/maintenance fund for grandchildren
- Charity/philanthropy
- Review asset allocations and liquidity
- Fire drill of all issues
- Update deeds and documents
- Adult children succession and control plan
- Loan securitisation
- Review guarantees and warranties
- Control plan for asset in death/loss of capacity
- Income equity and control issues

WEALTH ORGANISATIONAL PROGRAM



# Mr Citizen Estate Plan Flowchart

..... ON DEATH OF JACK CITIZEN (Mrs Jane Citizen still alive)

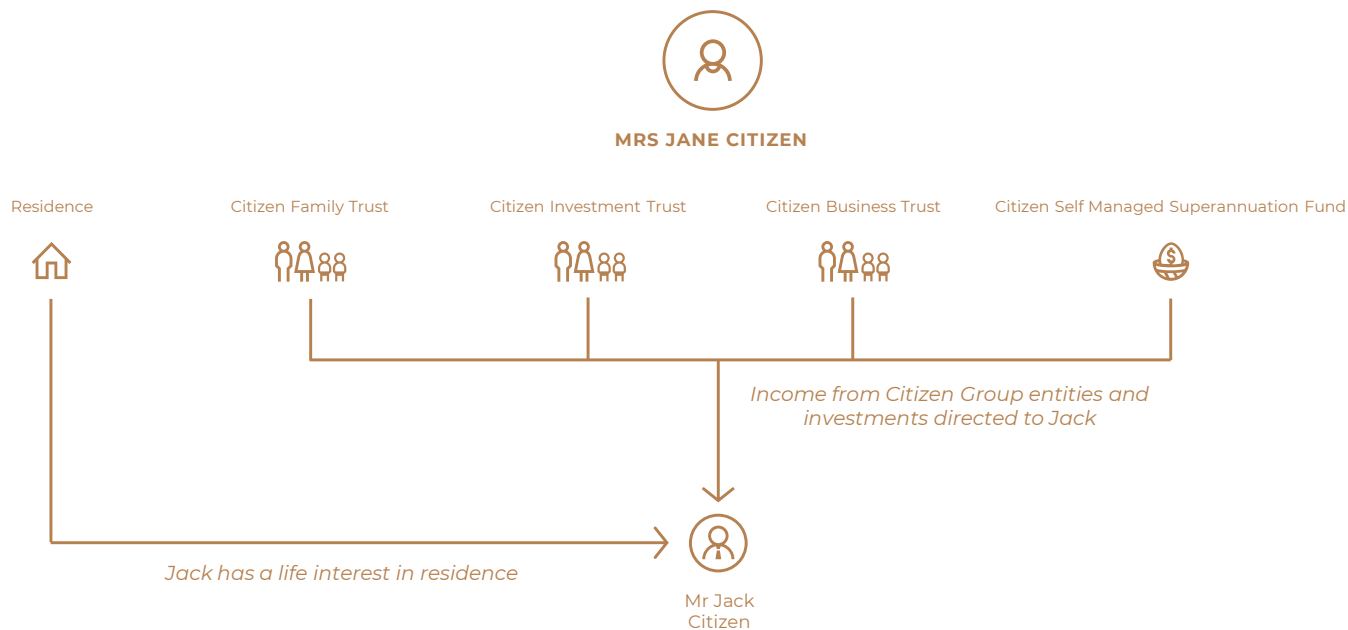


WEALTH ORGANISATIONAL PROGRAM



# Mrs Citizen Estate Plan Flowchart

..... ON DEATH OF JANE CITIZEN (Mr Jack Citizen still alive)

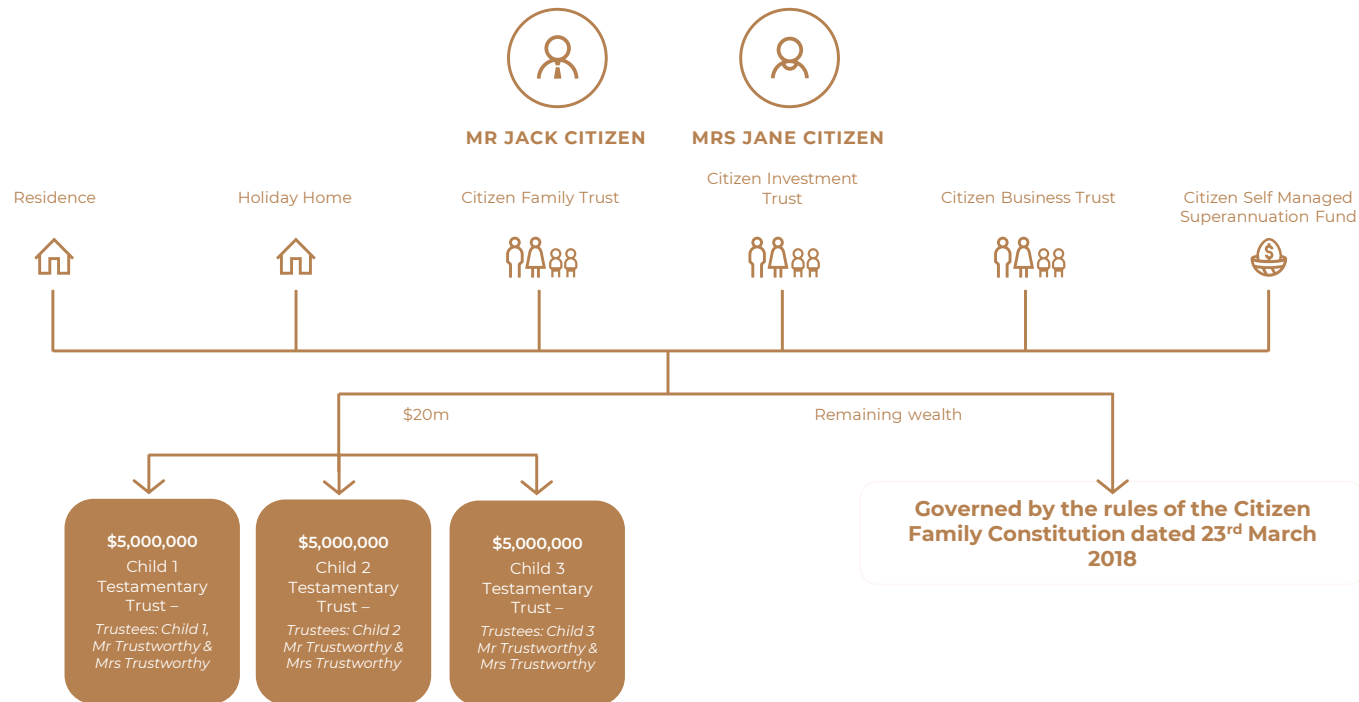




WEALTH ORGANISATIONAL PROGRAM

# Citizen Estate Plan Flowchart

ON DEATH OF BOTH JACK AND JANE CITIZEN

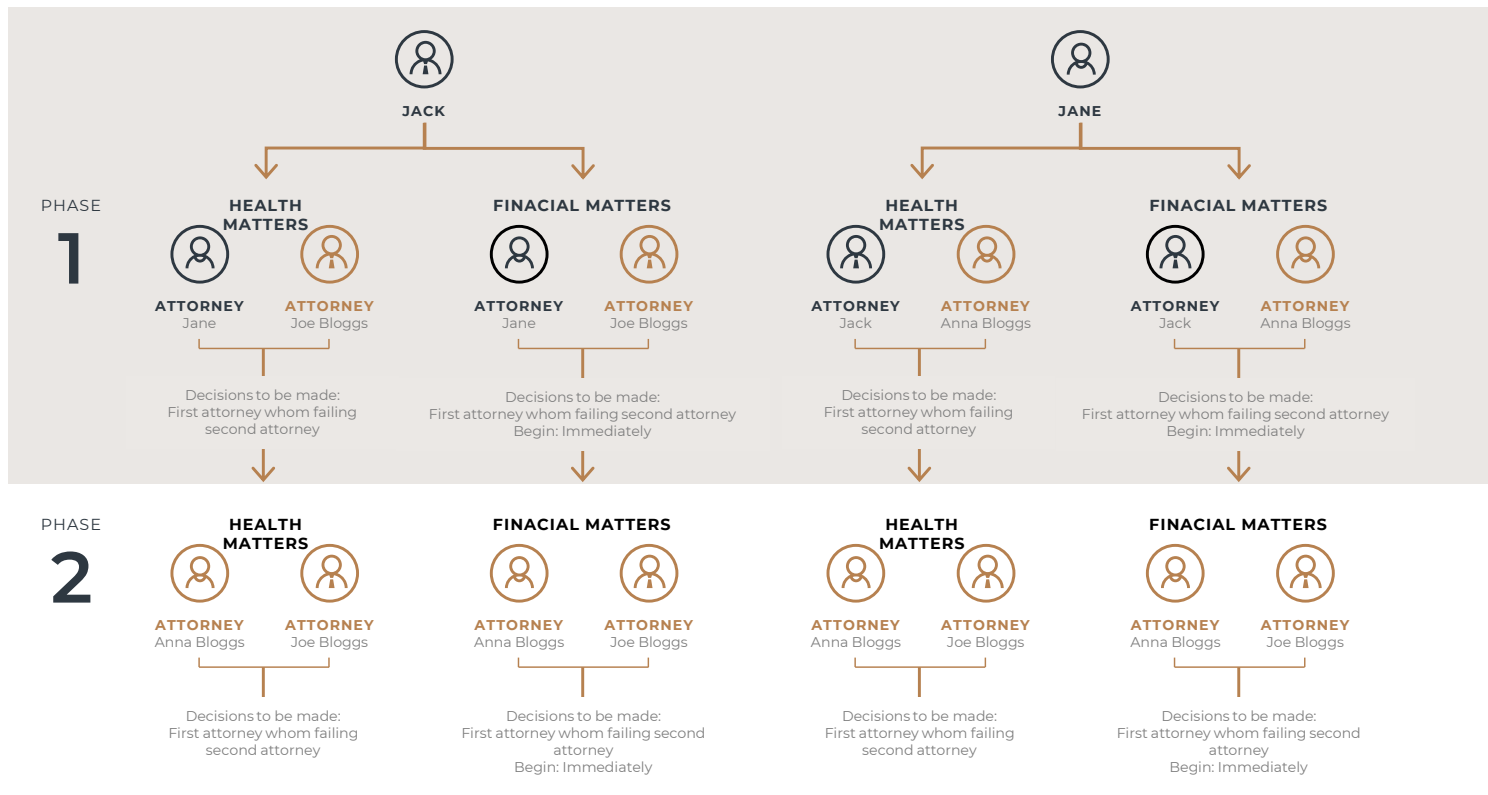


WEALTH ORGANISATIONAL PROGRAM



# Appointed Attorneys

DATE EPOA PREPARED: 28 February 2022  
 SOLICITOR WHO PREPARED EPOA: XYZ Lawyers  
 LOCATION OF ORIGINAL EPOA: XYZ Lawyers – 1 Big Street Bedrock  
 FINANCIAL ADVISOR: Ms Financial Adviser







## WEALTH ORGANISATIONAL PROGRAM

# Deeds & Document Register

**ESTABLISHMENT OF YOUR ONLINE VAULT****12 MONTHS YES / NO****REVIEW OF DOCUMENTS**

- Wills
- Power Of Attorney
- Enduring Guardianship
- Deeds
- Constitutions
- Insurance Policies
- Finance Documents
- Passports/Licenses /Credit Cards etc.
- Tax Returns
- Leases
- Family Constitution



## WEALTH ORGANISTATIONAL PROGRAM

# Deeds & Document Register (2)

**FAMILY TREE****12 MONTHS YES / NO****REVIEW OF DOCUMENTS**

- Constitution update
- Family Meeting / Sample agenda
- Issues log / Family matters
- Philanthropy update
  - Who?
  - When?
  - Why?
  - How much?
- Important people
- Comments



Thank You

  
Significant  
Advice  
Network