

CASE STUDY

ESG Group

Succession planning: Analysis, research, implementation and integration



CASE STUDY

ESG Group

Succession planning:
Analysis, research,
implementation and
integration

BACKGROUND

Australasian Exhibit Group Pty Ltd was incorporated in 1994, and formerly known as Expo Solutions Pty Ltd. It is a market-leading provider of services to the exhibition and retail industries, covering the design, management and execution of exhibition stands, retail environments, interiors and event experiences. The business now trades as the ESG Group, under license.

www.esggroup.com.au

the CHALLENGE

< After becoming a well-established operation, the ESG Group faced the important issue of succession planning. An increasingly common problem for many successful businesses, the founder recognised the need to attract a likely purchaser – someone who would not only guide the business' relationships and operations, but also propel the company forward.



the

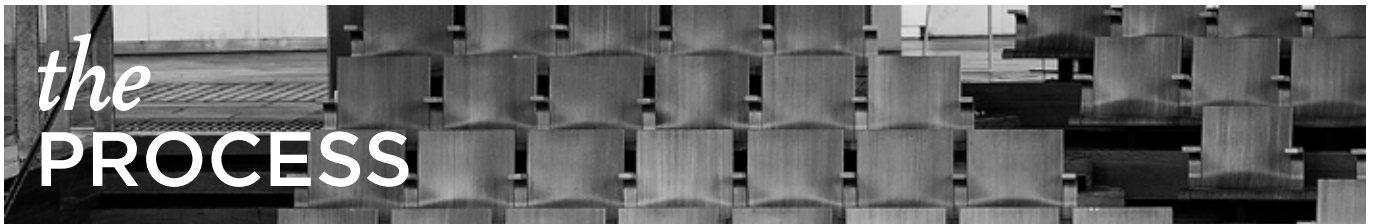
SOLUTION

To do this, firstly a great deal of time was invested by the Koustas & Co team to ensure the business was in optimum condition. Then, with careful consideration and an extensive review of the company's options, the ESG Group secured the services of an international party to join the business. They were relocated to Australia, however, this posed further issues surrounding sponsorship into the country, as well as subsequent tax residency-related and corporations law matters. Additionally, the business needed to be restructured to accommodate future changes in operation.

TO LEARN MORE

...about how we can provide you with expert financial support and a structural review, contact Matthew, our Business + Practice Development Manager.

T (03) 8530 1600 **M** 0413 788 715 **E** matthews@koustas.com.au **W** www.koustas.com.au



With new resources being introduced, it was crucial to provide the right strategic tax and management advice. Changes that were not managed properly could jeopardise the business' eventual succession objectives.

This required the team at Koustas & Co to reorganise ESG Group's corporate structure. Matters to be addressed included income tax and capital gains tax considerations, business operations, responsibilities and accountabilities and cash flow management. In addition, new commercial licensing arrangements were negotiated, determined and implemented.

These matters required significant liaison with the Group's legal advisors to maximise communication across all parties involved, and ensure everything ran in a co-ordinated and consistent fashion.

Once the business had been re-structured, Koustas & Co were further engaged to provide advice on the founder's pre-existing intellectual property, Directorship and new level of employment.

the RESULTS

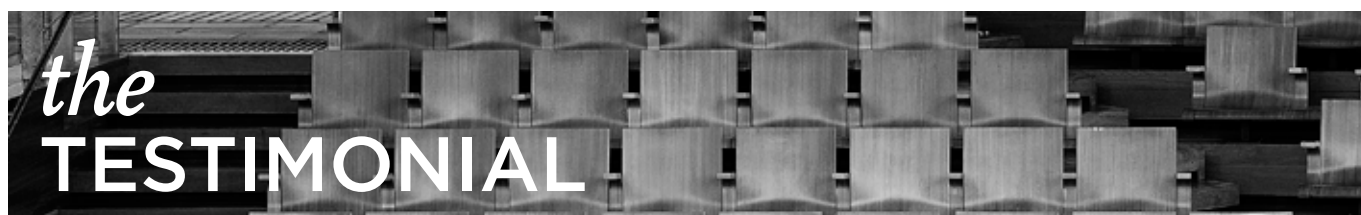
The ESG Group has now been restructured in a strategic and operationally efficient and tax-effective manner, successfully integrating the new party, consistent with the Group's agreed succession strategy.



TO LEARN MORE

...about how we can provide you with expert financial support and a structural review, contact Matthew, our Business + Practice Development Manager.

T (03) 8530 1600 **M** 0413 788 715 **E** matthews@koustas.com.au **W** www.koustas.com.au



"Koustas+Co, and particularly Herc Koustas, has been almost synonymous with the history and development of what is now the ESG Group, since the mid 90's. Within a year or two of the start-up of Expo Solutions, and in conjunction with another sister business at that time, it quickly became obvious that we needed to upgrade our external accounting and taxation services, and we were introduced to a young Herc Koustas.

Herc and I immediately established a strong professional relationship which still continues today. Whilst he and his team have more than satisfactorily provided a smorgasbord of Accounting, Taxation and other Business Advisory services over the years, he has been both central and effective in some of the most sensitive issues that often present themselves in business, where partners may be in disagreement, partnerships need to be dissolved, new equity partners need to be introduced, restructuring needs to be considered and consummated, and eventually a succession plan needs to be developed and implemented. Herc, and where necessary, members of this team, have always been professional in their deliberations and advice, respectful of sensitive matters and individual's viewpoints, and have therefore avoided any conflicts of interest, either real or perceived.

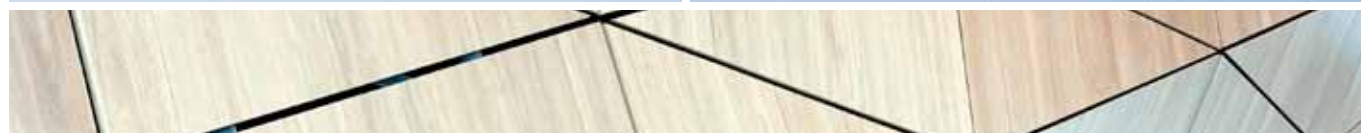
< NORMAN MAY

Chairman of ESG Group

www.esggroup.com.au

In addition to advising and providing this broad array of services to all entities now comprising the ESG Group, Herc has also doubled in providing all accounting and taxation advice and requirements for all members of the May family, associated entities and investments, and our private Superannuation Fund, inclusive of estate planning and other longer term considerations.

I am therefore more than comfortable in recommending Koustas+Co to any small to medium enterprise, where personable, discreet and professional services are sought. It has been a pleasure to observe the successful establishment and development of Koustas+Co throughout our own journey and I look forward to many more years of their support."



TO LEARN MORE

...about how we can provide you with expert financial support and a structural review, contact Matthew, our Business + Practice Development Manager.

T (03) 8530 1600 M 0413 788 715 E matthews@koustas.com.au W www.koustas.com.au