

2011 Spring Edition Newsletter



Welcome

Many of you would know that I have a keen interest in breeding and racing horses and that I really enjoy the Spring Racing Carnival – the buzz it brings to Melbourne. Therefore I am looking forward to our annual Spring Fling Luncheon at Woodlands Golf Club on Friday 21 October. Once again we will have a panel of racing identities and our MC, Drew Morphett, is always entertaining and elicits interesting stories from our guests.

Our local hero will be Jill Walsh, General Manager of the ARM Group, who has a wealth of information about manufacturing in Victoria and will no doubt impart some useful tips.

Our latest Insight Seminar covered some interesting topics – Andrew White, our registered company auditor, provided an insight into the value of an audit for your business even when you are not legally obliged to have one. Tony Ward from national patent attorney firm, Griffith Hack, talked about the need to protect your intellectual property – patents and trade marks – and the value of this protection when selling your business.

The Dingley Dozen Fun Run will take place on 25 September and as a firm we take an active interest in this event and staff members are encouraged to participate. We will no doubt have a few photos of our entrants in our next newsletter!

The article by Craig Smith on Personal Property Securities reform, which is due to commence in October this year, is a must read if you supply your goods on a retention of title basis.

Well, this year is flying by – it seems to be that every year goes by more quickly than the previous one and we'll all be celebrating the New Year before we know it.

Dennis Malcolm
Partner

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Personal Property Securities Reform

Personal property security (PPS) reform brings the different Commonwealth, state and territory laws and registers regarding security interests in personal property under one national system and introduces the *Personal Property Securities Act 2009 (Cth)* and a single national online register.

Personal property listed on the PPS Register includes assets that may be used to secure a loan, such as cars, boats, crops and intellectual property. The PPS Register does not include real estate property, such as houses, land or water rights.

The PPS Register will allow lenders and businesses to register their security interests. Secured parties, buyers and other interested parties can search the PPS Register to find out if a security interest is registered over the personal property. The PPS Register commences operation in October 2011 as a web-based register that will be accessible to search and register security interests 24 hours a day, seven days a week. Security interests which are currently registered on a variety of registers will generally be migrated to the national PPS Register.

Buyers need to make sure that the personal property they are buying does not have a security interest over it. For example, if you buy a car that still has an outstanding loan, the car could be repossessed by the person who loaned money against it. Buyers will be able to search the PPS Register to see if there are any security interests over personal property they want to buy

A grantor is an individual or entity that grants a security interest over personal property to another party. Grantors include those who:

- use their personal property as security for a loan, (ie) a secured car loan
- use their business assets as security for a loan, (ie) a fixed or floating charge
- receive property under a retention of title arrangement
- lease personal property from another party for an extended period

Many manufacturers and suppliers sell their product on retention of title terms. Under the PPS rules, a retention of title arrangement is treated as if it were a security interest and the buyer of the goods is treated as if it were the owner, and the seller's rights are those of a secured lender. This means that a manufacturer or supplier who sells on retention of title terms is at risk of losing its ownership interest in the goods if it does not comply with the procedures in the Act. This will require that the manufacturer or supplier register its retention of title arrangement as a security interest on the PPS.

Craig Smih

Contractors, Employees, Directors and Superannuation

One part of the Budget that was announced back in May has received far less media attention than it should. This was the government's intention to make company directors personally liable for their company's failure to make employees' superannuation payments from 1 July 2011.

The fact that a company director can be held personally liable for a company debt was unheard of several years ago. The reason that some companies were established was to separate the liability of the company from the individual, the so-called "veil of incorporation", so if the company went "belly up" the director was (relatively) safe.

Often company directors believe that their contractors are contractors, but they may in fact be deemed to be employees, in which case the employer must pay superannuation on behalf of the contractor. There are several tests to work out whether a contractor is in fact a deemed employee. If you pay your contractors under a contract that is wholly or principally for labour you will have to pay super contributions for them, even where the contractor quotes an Australian Business Number (ABN).

All company directors should take the time to review the arrangements of the contractors they employ and ensure that the superannuation for these contractors is paid, if necessary, by the due date each quarter. The consequences for not doing this could be that the directors become liable for payment of any outstanding superannuation.

Neil Wilde

Local Hero Breakfast - 2011 Mid Year Inspiration

On June 16 another chapter of our Local Hero events was conducted at Woodlands Golf Club. On this occasion we were looking for inspiration and this came in having one of the country's most recognisable athletes, Steve Moneghetti, give a very illuminating presentation.

With the weather a rather brisk 5 degrees, the 85 guests who braved the chilly weather were treated to fresh coffee and the opportunity to talk with local business owners and associates.

ABC Radio's Drew Morphett was again charged with the responsibility of being the MC and he commenced the morning with an update on the footy season and sport in general.

Drew conducted a "tell-all" interview with the Local Hero, Zone Hardware's Wayne Smart, who told us how the business was created to fill a hole in the market, about the vicissitudes of dealing with a major listed customer, the product range and also how the business had grown from nothing to where it had been sold to a locally listed company. It can't all be business and Wayne finished with an entertaining story about his trip to The Ashes with "The Fanatics". It was a very enjoyable presentation that created much discussion around the tables and highlighted that all business owners have a story to tell.



After a hearty breakfast, it was Steve Moneghetti's moment to shine. We have all watched Steve compete at the Olympics, World Championships and Commonwealth Games in the gruelling marathon but how did he become a marathon runner? He entertained us with stories about the early days of being knocked back from Little Athletics, to running around Ballarat's Lake Wendouree and his days at St Patricks College, to representing Australia in the 10,000 metres and eventually to becoming one of this country's greatest marathon runners. He spoke about the commitment and sacrifices involved, but more importantly, the life lessons were passed on to all attendees and I have no doubt Steve could have talked for longer but with businesses to run, the morning concluded at 9:00am sharp.

During the morning raffle tickets were sold to raise funds for Irabina, a specialist Autism school, and we were very pleased to raise \$870 and congratulations go to Paul Oliver of Paul Oliver Designs for winning the first prize of a weekend away.

We thank everyone who attended the function and we look forward to seeing you at our Spring Racing Luncheon on 21 October 2011 at Woodlands Golf Club. After the success of last year's event, this will be a sell out so please check your email for your invitation to avoid any disappointment.



David Coutts

We are pleased to announce the following appointments for July 2011:

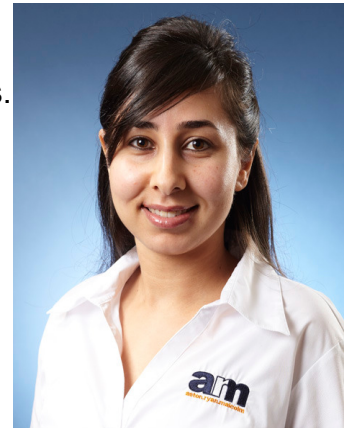
- Lisa Lao - Graduate Accountant

Lisa joined the firm in July, having completed her Bachelor of Business in 2010. She lives locally and during her studies worked at the Redwood Gardens Chinese Restaurant which is next door to our office. In just a few months Lisa has become a firm favourite in our team.

Congratulations:

Congratulations to Cemre on completing her Chartered Accounting studies. We know how demanding it can be to work full time and also study some very difficult subjects. Well done!

Cemre has recently taken on a full time role with our growing Audit and Assurance team, having previously been called on to assist Andrew White, our registered company auditor, from time to time.



Community News:

The 2011 Dingley Fun Run/Walk is organised by the Lions Club of Dingley Village with all proceeds benefiting the Lions Club health projects. Aston Ryan Malcolm provides prizes for the winners of each of the running and walking categories. This year the event will be held on Sunday 25 September and a number of staff will participate in the various events which include 12km and 6km runs, 3km under 12 year old run and a 3km walk.



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