

news



2012 is indeed a momentous year for Lawler Draper Dillon as it celebrates two significant achievements for the firm.

Norm Draper ndraper@lawlerdd.com.au

One of these achievements is acknowledging the rich history of our firm and the other the outstanding efforts of our current team.

Earlier this year we were named the Best Victorian Accounting Firm by BRW, an award which we are particularly proud of because it is based on the survey results received from our clients. To demonstrate the prestige of this award it is interesting to note that winners in other states included KPMG and PWC.

This award couldn't have come in a more appropriate year, for 2012 is the year in which we celebrate our 50TH Birthday.

Lawler Draper Dillon was established in 1962 by our founding Partner Mr Rod Barnett when he commenced practice in Collins Street under the name of R. A. Barnett & Co.

The Practice moved to South Melbourne in the early 70's and remained in that area until a move to St. Kilda Road in 1994. In 2007 we moved to our current home at 440 Collins Street.

The firm has had various names over the years, R A Barnett & Co (1962), Barnett Draper Dillon (1982), Draper Dillon (2000) and our current name from 2009.

We acknowledge the great contributions by Rod, Harry Cockburn and Paul Dillon in the early growth of the Practice and for establishing the ethos and culture which we strive to maintain today.

I joined the firm in 1979 and have seen our growth from 5 employees to our current 75.

This growth has been achieved by the combined efforts of our Staff and Partners.

I would particularly like to welcome our new partners from 1st July, Jason Stone in our Business Recovery and Insolvency division and Steve Jones in Business Advisory.

There is a list of Partners too long to acknowledge individually but I would like to take this opportunity to highlight and thank two important individuals, Paul Dillon and Stirling Horne.

Paul retired from the Practice recently after serving the firm for 25 years and was a key driver of the Practice throughout the period.

Stirling continues to Practice with the firm (will he ever retire?) and has in the period since joining LDD been the Partner that has focussed our vision and challenged us to increase and improve our level of service offering .

Our plans for the future might lead to some further growth but we are particularly conscious of retaining our independence and ability to be accessible whilst adding to our service capabilities to best serve our client base.

We hope you enjoy the Winter edition of News and wish you great success for the 2012/2013 financial year.



Norm Draper '1979'

NEW – DIRECTORS CAN NOW BE LIABLE FOR UNPAID PAYG WITHHOLDING TAX AND SUPERANNUATION

Legislative changes that took effect from 29th June 2012 have dramatically increased **directors' personal exposures** if a company you are a director of does not report or pay PAYG withholding tax or superannuation within three months of it becoming payable.

Various reforms were announced in the May 2011 budget to extend the director penalty regime to superannuation, create an "automatic" mechanism for making a director liable for **unreported and unpaid** superannuation and PAYG withholding tax and to deny a director credits for unpaid PAYG tax on personal income tax returns.

Directors will be **automatically liable** for superannuation or PAYG withholding tax if the superannuation or PAYG withholding tax is **unreported and unpaid** three months after the due date. If so, directors will not even be able to escape liability by putting the company into administration or liquidation.

These new provisions affect not only the Directors, but can, in certain circumstances, impact on associates of directors as well. "Associates" can include relatives, partners, a spouse and children of a director.

A director may attempt to satisfy the ATO that "they had grounds for allowing the company not to meet its PAYG withholding obligations". If accepted the ATO may reduce the amount of PAYG withholding non-compliance tax payable. Acceptable grounds are the same as for relief from a **Director Penalty Notice** ("DPN") i.e. the director caused the company to pay the PAYG withholding tax liability or an administrator or a liquidator was appointed. Alternatively the director may satisfy the ATO that there were no reasonable steps that the director could take. **Not having enough money is not an acceptable ground.**

A new director has 30 days in which to familiarise themselves with a company's affairs after which they will be at risk of becoming liable for a company's pre-existing superannuation and PAYG withholding tax liabilities.

A director will be **protected against being automatically liable** if the company's liabilities for superannuation and PAYG withholding tax are reported within three months of falling due (even if not paid). That is not to say the director is not liable, it means he/she will not be "automatically liable".

There is some relief for directors in respect of a company's liability for superannuation payable to contractors provided that the director had a "reasonably arguable" position in respect of reasons why superannuation was not remitted.

A few tips to keep in mind when funds are short and statutory deadlines are looming:

1. Reporting superannuation and PAYG withholding tax obligations within three months of the due date protects against automatic liability;
2. Once a liability is reported the onus is on the ATO to issue a DPN before a director can be liable for unpaid superannuation and PAYG tax, even then, provided the director acts within 21 days, personal liability can be avoided.

These new provisions, rules and penalties are complex, so you are encouraged to speak with your LDD adviser to find out more about how we can assist you. Do not wait until it is too late!

Hugh Milne - Business Recovery & Insolvency

BUSINESS NAMES GO NATIONAL

A new national business names registration service has replaced the current state and territory services and is being managed by the Australian Securities & Investments Commission ("ASIC"). Business names are now registered once via the national register.

Existing business names have automatically been transferred to this register.

All new registrations made via the ASIC website require an Australian Business Number ("ABN") in order to confirm its trading status.

The cost of registering and maintaining a business name has been reduced to \$30 for one year or \$70 for three years.

Future renewals of existing business names will be sent to your current registered address by ASIC. These renewals will give you the option to renew or cancel the registration and the option to elect to have the registration managed online via the ASIC website.

Lawler Draper Dillon has a registered agent status with ASIC and will be happy to maintain your business name registrations on your behalf.

Please speak to either Siobhan DeJong or Anita Grace if you have any queries in relation to your business name, or require any assistance in having one established.

AUDIT UPDATE

It is coming up to my third year with Lawler Draper Dillon, and how the environment has changed. We are now truly a national firm and nothing resonates that more, than the national audit conference. This year's event was held North of Newcastle in a lovely little hideaway called Shoal Bay. It was an amazing location, and not somewhere I would at all assimilate with the world's largest coal exporting port.

It's always quite unnerving walking into a room full of Auditors, we are after all creatures that take comfort in packs, and as you look around the room you can't help but notice that the greener more timid auditors, stick to their team leaders like superglue. It is definitely an easier process for the veterans, who split from the herd and begin to reignite friendships and thus stimulate others to venture out of their comfort zones. After quick introductions, it is time to begin proceedings and this year's event was to be facilitated by the very interesting Justin Reid from GAAP consulting. His ability to make audit standards and financial reporting updates "entertaining", deserves an honourable mention. The way he darts across the room, offering all sorts of chocolate bribes to engage his pupils is in a word, relentless.

After a day of audit standards training, it is time to let our hair down and enjoy dinner and drinks together. It is here that acquaintances become friends and without going into too much detail, fun was had by all, some more fun than others. To be a presenter on the last day of the conference is always a challenge, but the message was clear, we are a national firm and we all have something to contribute to the ever expanding growth of Lawler Chartered Accountants.

Remerto Rivera - Audit & Assurance

FAMILY BUSINESS UPDATE

Statistics show that family businesses account for around 70% of all businesses in Australia with an average turnover of \$12 million per annum and an average number of employees of 37. Still, somehow, the government thinks of family business as small business. Family Business Australia is endeavouring to change this perception by constantly lobbying the governments. Recent surveys show the top five issues for family in business are:

1. Communication between family members
2. Letting go of leadership/ownership control
3. Providing liquidity for family owners to exit
4. Securing adequate capital for growth and retirement
5. Choosing a suitable ownership structure for the next generation

Should any of these issues resonate with you, feel free to contact us for guidance.

Alternatively, you could consider attending the fourteenth National FBA Conference between 23 – 25 August, 2012 in the Hunter Valley. Further details can be obtained from the website: www.fambiz.org.au

Justin McCartney - Partner Business Advisory Services

NEWS



Rolling Hills Primary Gift

Emese Colaneri, Partner (BAS) holding her gift from a Grade 5 student at Rolling Hills Primary School. LDD recently sponsored their Outdoor Cinema Night.



Vic Uni Award Winner

Jason Stone, Partner (BRI), at a recent Victorian University Faculty Awards event, took great pleasure in presenting Accounting Student OLADOKUN OMIBIYI with the LDD sponsored award for the Most Outstanding Work Integrated Learning Student.

CLIENT PROFILE SMS GLOBAL



We recently asked our client SMS Global's founder Carl Krumins some questions about his business.

Name:
SMSGlobal

Established:
2007

Founded By:
Carl Krumins

Describe the business:

Acknowledged for international expansion, SMSGlobal is an agile, customer centric company which provides enterprise grade mobile messaging (SMS/MMS) platforms and integration solutions to over 240,000 customers worldwide.

The SMSGlobal messaging platform has a shared-nothing distributed architecture with no single point of failure, backed by 100% service availability SLAs.

SMSGlobal offer customers hosted and on premise messaging solutions to meet their high availability, high security mobile messaging requirements.

How did you get involved/ where did it start?

"When SMSGlobal was first formed five years ago, there were only two or three companies in the mobile messaging space and they seemed to target larger corporates, especially those in media. I wanted SMSGlobal to be accessible to everyone. Back then, customised solutions were a rarity, so I did something

about the gap - I filled it. People were paying too much. We came in and 'cut the fat', creating a low margin / high volume alternative, without compromising quality service".

How has the business evolved?

"Shaping the vision of a fast growing operation has meant a real focus on global innovation. We've created and continue developing a platform that does away with inefficiencies many of our competitors still face. We're proud to be in a position where our innovations have resulted in the business of just under a quarter of a million customers."

- Carl Krumins

How many people operate the business?

With HQ in South Melbourne and an office in Dubai, UEA, SMSGlobal has 21 staff world-wide.

What changes, if any, have you seen in your industry?

The world of Mobile Messaging is innovative, agile and highly dependent on technology so investing heavily in the platform which our products are delivered from will always be a priority for this business. The need for robust infrastructure and best of breed information security to ensure delivery of time-critical messages is paramount to the needs of corporate and risk adverse clients - we focus on these two areas as they best address the changing marketplace and our clients' mission-critical needs.

www.smsglobal.com

smsglobal^o

TECHNOLOGY UPDATE

Name App: BMT Tax Calculator

Name Company: BMT Tax Depreciation

Cost: Free

What it does: It provides a quick estimate of the property depreciation deductions available to property investors. The calculations are based on data gathered from thousands of depreciation reports completed by the company across Australia. Very handy and easy to use.



Congratulations

The Partners of Lawler Draper Dillon are pleased to announce the appointments of our new Partners, Jason Stone and Steve W Jones



Steve & Christine

Steve Perri (BAS) and Christine Tsiokas who were married at Flemington Racecourse



Siobhan & Patrick

Two recent engagements in Business Advisory Services Siobhan de Jong to Patrick Luby and Rob McGloin to Lauren Ryan



Rob & Lauren

60's Style...



Congratulations to the following Staff members for their years of service.

- George Athans (Partner BAS)- 25 years
- Rob McGloin (BAS) - 10 years
- Stephanie Zhang (BAS) - 5 years
- Rachael Nguyen (BAS) - 5 years
- Sarah Hunter (BRI) - 5 years



Pictures from our recent 60's style End of Financial Year Party & Celebration of 50 years



Jason Stone
Partner
Business Recovery & Insolvency

Jason has an extensive range of experience and knowledge in the various facets of insolvency and business turnaround with a particularly keen interest in advising business operators, insolvency, forensic accounting and business valuation



Steve W Jones
Partner
Business Advisory Services

Steve is a taxation professional with over 35 years of experience. His main focus is with high net worth individuals and large family groups with an emphasis on structuring, from both a commercial and tax perspective.



5 minutes with... Anthony Pane

Position at LDD?

Accountant

Family status?

Big and Italian plus a Girlfriend

When you were young you wanted to be?

A fireman

What are you reading?

1984 – George Orwell

Sweet or Savoury?

Everything and lot's of it

Favourite Movie?

One Flew Over the Cuckoo's Nest

First concert you went to?

Jet

Which celebrity would play you in your life story?

Zac Efron

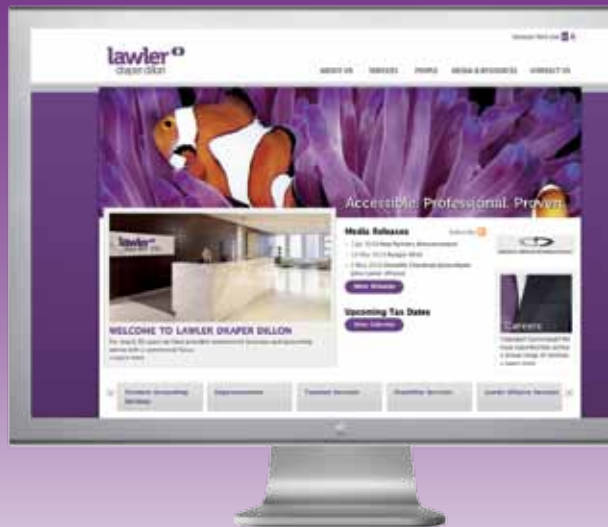
You don't leave home without?

A kiss on Mum's cheek

Would you prefer subscribing to LDD on-line Newsletter and updates?

If you would prefer to receive your newsletter via email, please email us at: marketing@lawlerdd.com.au

If you know someone who may like to receive a copy of our newsletter or a copy of our brochures, please email their details to: marketing@lawlerdd.com.au



BRW
CLIENT
CHOICE
AWARDS
2012
WINNER

Tax Diary

AUGUST

14 Reconciliation of PAYG Employer and PAYG Withholding Tax to be lodged

21 Lodgement of monthly BAS/IAS

SEPTEMBER

21 Lodgement of monthly BAS/IAS

OCTOBER

22 Lodgement of monthly BAS/IAS

29 Quarterly Superannuation Guarantee Contributions

29 Lodgement of quarterly BAS/IAS

Our Services

We provide clients with expertise in:

- Tax planning and compliance
- Management & Financial Accounting
- Audit & Assurance
- Superannuation
- Business Recovery & Insolvency
- Forensic Accounting
- Litigation Support
- Franchise Services
- Business Valuations
- Budgeting & Financial Modelling
- Succession Planning
- Estate Planning
- Corporate Secretarial Services
- Mergers & Acquisitions;
- Initial Public Offerings (IPOs);
- Independent Expert Reports;
- Independent Accountants Reports;
- Acquisition Due Diligence;
- Vendor Due Diligence;
- Sale of Business & Exit Strategy;

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