

news



Welcome to the Summer Edition of our newsletter, our last for the year. With the spring racing carnival behind us we can now focus on celebrating the festive season.

Emese Colaneri ecolaneri@lawlerdd.com.au

As another year draws to a close we have to wonder what is in store for the economy and small business in 2013. Much has been written in the press about the mining boom coming to an end, the high Australian dollar and resulting negative impact on exports, increase in corporate insolvencies and the slump in the housing market. Whilst the government has reiterated that the economy remains strong and will remain so for the foreseeable future; one has to wonder whether these words will ring true in 2013.

We are already witnessing a slowdown with many small businesses tightening their belts and reducing what is considered "non essential - spending". Whether the economy slides into recession remains to be seen, and whilst we remain optimistic it is imperative that business owners stay close to their businesses. If you have any concerns please liaise with your Lawler Draper Dillon contact.

Doom and gloom aside the year has been eventful for Lawler Draper Dillon with the celebration of significant achievements and milestones; our BRW Client Choice Awards win and 50th Anniversary celebration, the

appointment of new partners and additional service offerings.

On the Alliance front we are pleased to announce that leading Western Australian practice McGillivray's has recently joined the Lawler National Alliance. The Perth based firm has been in operation for over 28 years, and shares the same values and objectives as other member firms within the alliance. The Lawler National Alliance now has representation along the eastern seaboard and Western Australia.

This year has been significant for the firm and we would like to thank our clients and contacts for your continued support. We wish you all a very Merry Christmas and a Happy New Year. May 2013 bring you much success and your businesses prosper – whatever the economic climate may be.

Two year or four year period for Commissioner to amend an individual's income tax assessment?

Recently, in the Yazbek case, the Administrative Appeals Tribunal (AAT) had to consider whether an individual was subject to a two year or four year limitation period within which the Commissioner could amend his income tax assessment.

Generally, the Commissioner can only seek to amend an individual's income tax assessment within two years from the date the individual receives an income tax assessment for a particular income year, unless, in general terms, the person's tax affairs have more complex aspects, such as carrying on a business, being a partner in a partnership or the trustee or beneficiary of a trust. In the latter cases, the amendment period can extend to four years.

In this case, the individual was included in the trust deed as a beneficiary of a trust but had never received nor become presently entitled to a distribution from the trust. On this basis, the individual felt he should be regarded as having "simple" tax affairs.

The AAT found that the Commissioner was able to amend the individual's income tax assessment within the four year period from the assessment (and not two years), because being a beneficiary of a trust did not require the beneficiary to be presently entitled to nor to have received any actual distribution from a trust but simply to be included in the list of beneficiaries of the trust.

This finding has the implication that if you are listed as an eligible "beneficiary" of a trust even if you never expect to receive an income or capital distribution from the trust, the Commissioner now has four years from the date of your original assessment to amend your income tax return not two years.

This decision of the AAT has been appealed to the Federal Court.

A corporate trustee has been denied a tax deduction for director's superannuation

The Federal Court has recently disallowed a deduction for superannuation contributions to the directors of a corporate trustee of a family trust. (Kelly case).

In order that a superannuation deduction is available to the directors of the corporate trustee it was necessary that they were employees of this entity, that is, entitled to payment for performance of duties by the entity.

It was found that directors of a company are not entitled to claim remuneration from the company for services performed unless specifically provided for in the company's constitution or approved by shareholders. As the directors did not satisfy this requirement, they were not employees of the trustee company and were unable to deduct superannuation contributions made by this entity.

Should you wish to make superannuation contributions for directors of a corporate trustee ensure that provision is made in the constitution of the trustee company for directors to be paid for services performed or that shareholders pass a resolution to this effect.

Scott McKay - Specialist Tax Partner
smckay@lawlerdd.com.au

Strategy & Analysis

At Lawler Draper Dillon we are a forward thinking firm. We are as much about assisting your business assess where it currently stands in the market as we are about helping you get to where you want it or need it to be. If you are looking to take your business to the next level and considering alternative growth or strategy options but are not quite sure how to go about it contact us to learn more about how we can assist.

Strategy and Analysis has become increasingly important to our clients, who face changing regulatory environments, globalisation, the blurring of industry boundaries and cost pressures. Lawler Draper Dillon helps mid-market clients explore key questions around value creation and performance. We combine deep industry expertise with analytical rigour to help clients adapt to new opportunities and prepare for sustainable competitive advantage.

Our Corporate Finance key offerings include:

- Strategy Review
- Merger & Acquisition scanning (e.g. "Bolt-on" targets, Potential Purchasers)
- Competitor Analysis
- Industry Trends (e.g. Online Growth, Emerging Industries)

For further information please call your Lawler Draper Dillon contact.

Introducing our new Specialist Tax Partner

Scott McKay
Partner
Specialist Tax
smckay@lawlerdd.com.au



Scott joined Lawler Draper Dillon in 2012 as a specialist tax consulting partner to give the firm a broader focus in the delivery of tax consulting services.

Scott has 25 years experience in tax consulting, specialising in providing advice to medium to large domestic and international businesses (\$20M to \$500M turnover) encompassing private, ASX and foreign listed entities across the spectrum of domestic and international tax issues impacting their businesses. Scott has served on various tax committees within the profession and working parties with Treasury. He is a regular presenter and is published in professional journals, global tax guides and newspapers.

TECHNOLOGY UPDATE

App Name: Cardmunch

Company Name: LinkedIn Corporation

Cost: Free

What it does: By taking a picture of a business card, the app automatically converts the details into a contact. It will also show you their LinkedIn profile and any connections you may share.

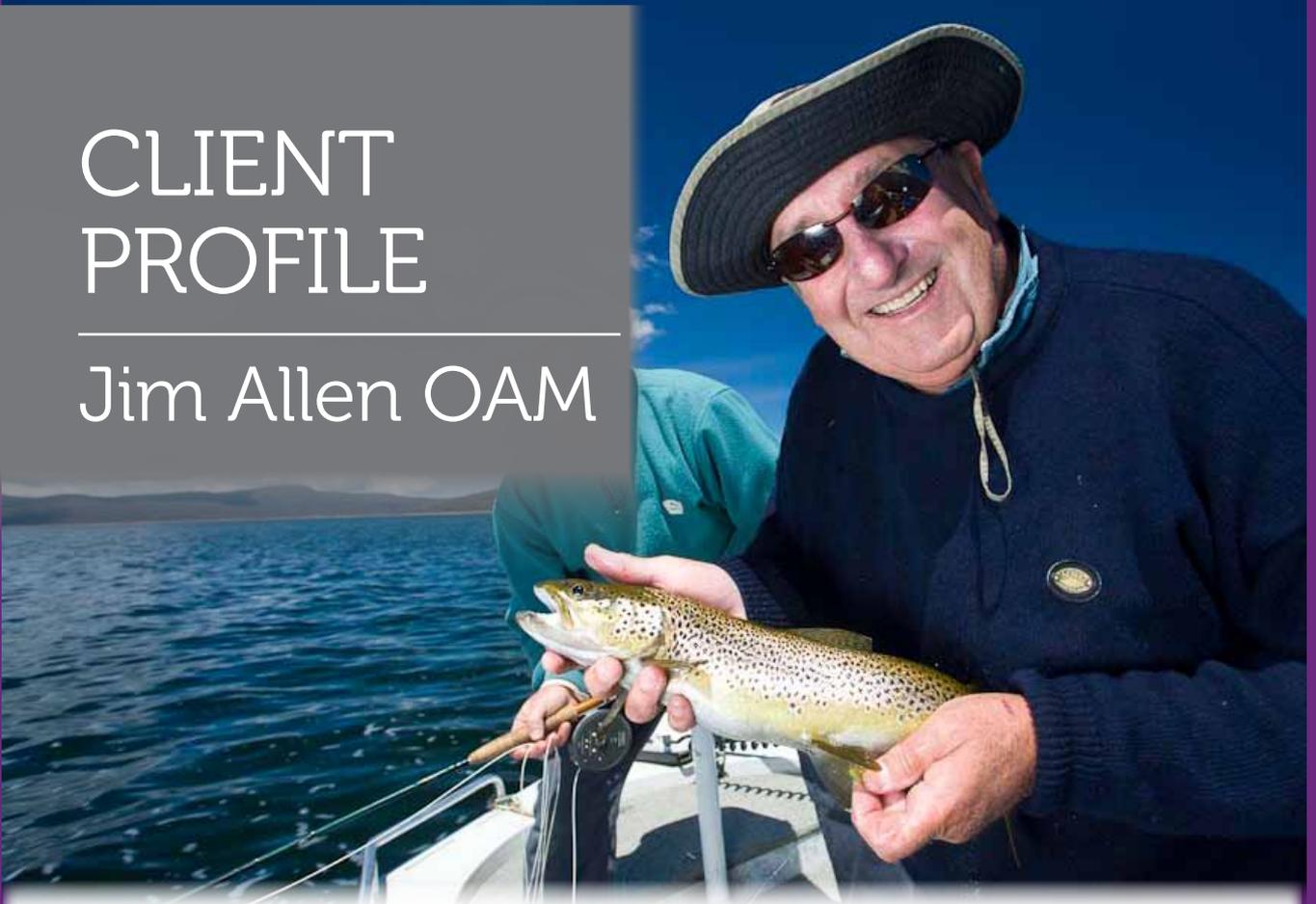


BRW TOP 100 ACCOUNTING FIRMS

Lawler Chartered Accountants, were recently ranked in 21st place in this years, 2012 BRW/Top 100 Accounting Firms. This is a great result for the collective firms and we congratulate the staff for this great achievement.

CLIENT PROFILE

Jim Allen OAM



Fishing for Leather Jackets off the Portsea Pier at the age of 8 ignited in Jim Allen a passion for fishing which has remained with him for life . Since that time every aspect of Jim's career has in some way been influenced by his love for the sport.

Jim Allen has been a client of Lawler Draper Dillon since the early 1970 's dating back to the times of Rod Barnett.

The Compleat Angler was not only a commercial success but it was the means by which Jim could lead the sporting life he loved.

In the late 60's Jim's passion for fishing and his commercial acumen came together with the establishment of The Compleat Angler store. Jim successfully managed his retail and wholesale business for 40 years growing the number of stores to eight before retiring and selling his business. Today, The Compleat Angler is a national chain of 40 shops.

The Compleat Angler was not only a commercial success but it was the means by which Jim could lead the sporting life he loved.

Jim Allen has always been a sought after fishing companion which has allowed him to mix with a range of fellow Fly Fishing enthusiasts from sporting greats Greg Norman to Prime Minister Malcolm Fraser.

Tasmania will always be a preferred destination for the Fly Fisherman and Jim's love of the Lakes district stretches back to the 70's with his building of The Great Lake Hotel in Miena.

Anyone who knows Jim will attest to his arguably greater skill as a raconteur. This ability allowed Jim to become a Media personality with regular radio appearances on the Rex Hunt Fishing show and 3LO, television with Channel 7 and a TV series, Classic Fishing Adventures with the Ten Network.

In 2012 Jim received the Order of Australia (OAM) for service to the sport of recreational fishing through a range of business, promotional and voluntary roles.

Jim's impressive CV includes Past President of organisations including The Australian Club, The Victorian Fly Fishers Association, Game Fishing Association of Victoria and the Australian Trout Foundation. Patron of the Highland Shackowners of Tasmania, Association of Victoria ,Director of The Boating Industry of Australia, Member of Victorian Recreational Fisheries Advisory Council (VRFAC) and the list goes on.

Today Jim concentrates on his Property and Share Portfolios. With residences in the historic CBD building Tavistock House (which houses The Compleat FlyFisher) and at Queenscliff by the sea fishing remains a part of Jim's daily life.



Jim Allen, photos taken by Brad Harris
BH Photo
www.bhphoto.com.au

Family Business Update

The inaugural National Family Business Day was held on 19th September, 2012. Representatives from Australian iconic family businesses met with Federal politicians on the lawns of Parliament House, Canberra to explain the difference between family business and small business. After all, 70% of Australian businesses are family businesses. Family Business Australia is building the advocacy of this sector.

Family Business Australia recently released the "family owned Australian business" emblem. Hopefully, it will become an instantly recognisable emblem. If you are a "family owned Australian business" and you wish to market yourself as such, please call Family Business Australia on 1800 249 357.

On the home front, one of our family business clients, Mobius Institute Pty. Ltd., recently won the Telstra Victorian Regional Award. Mobius was established in 1999 and is based in Merricks North on the Mornington peninsula. Mobius has licensed training centres in more than 50 countries and has trained in excess of 10,000 people in vibration analysis of machines. Major clients include NASA, BHP Billiton, Boeing, GE, Ford and the Navies of Australia, the US, Great Britain, India and South Africa. Congratulations to Jason and Georgie for this recognition.

Justin McCartney - Business Advisory Services (BAS) Family Business Advisor
 jmccartney@lawlerdd.com.au

News

Footy Colours Day

This year we participated in the Fight Cancer Foundation's national fundraising event, "Footy Colours Day" which raises money to support children living with cancer. This year we collaborated with our alliance partners and hosted our own fundraising event at the various office locations. For further information on the Fight Cancer Foundation please visit www.fightcancer.org.au

MILK Fundraiser

Mothers Unite for East Timor is Alola Australia's inaugural fundraising campaign aimed at raising awareness and much-needed funds for child and maternal health in East Timor. This year we organised a get together to help raise funds for this worthy cause. For further information please visit www.alola.org.au/milk2012/

Congratulations

Congratulations to Jobe Watson and the East Sandringham Junior Football Club on winning the 2012 AFL Brownlow Medal. Jobe played his junior footy at Sandy. Other former players include Chris Judd and Ted Richards. How many suburban junior football clubs can boast two current AFL captains and two currently playing Brownlow medallists?

We are pleased to advise Lawler Draper Dillon are the honorary auditors of the East Sandringham Junior Football Club.

To Sean Dillon (BAS) on his engagement to Victoria Lowry

Steph (BAS) & Jerry Zhang on the safe arrival of Maggie and Kevin (BAS) and Bessie Liu for the birth of Jonathan

We wish them all well...



5 minutes with... Vanessa Wu

Position at LDD?

Manager, Business Advisory

Family status?

In a relationship

When you were young you wanted to be?

A singer

What are you reading?

Ken Follett - Winter of the World

Sweet or Savoury?

Both!

Favourite Movie?

Love Actually

First concert you went to?

Pink

Which celebrity would play you in your life story?

Anne Hathaway (if she doesn't have to look like me!)

You don't leave home without?

Hair brushed!



Sean & Victoria



Maggie



Bessie, Kevin & Jonathan

Tax Diary

DECEMBER	
21	Lodgement of monthly BAS/IAS
JANUARY	
15	Due date for balance of 2012 tax payable for companies & superannuation funds with turnover >\$10m
21	Lodgement of monthly BAS/IAS
FEBRUARY	
21	Lodgement of monthly BAS/IAS
28	Lodgement of quarterly BAS/IAS

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



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;

Melbourne

Level 12, 440 Collins St. VIC 3000
 T. +61 3 9679 2222
 F. +61 3 9679 2288
 E. mail@lawlerdd.com.au

Newcastle

T. +61 2 4962 2688

Sydney

T. +61 2 8346 6000

Brisbane

T. +61 7 3870 2101

Perth

T. +61 8 6272 6888

Rockhampton

T. +61 7 3870 2101

Tamworth

T. +61 2 6768 4500

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 draper dillon chartered accountants

Best Victorian Firm
 Best Firm Voted by the C* Suite

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 australia's best professional service firms
WINNER



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 Independent Member