



Insight

Welcome to the Winter 2009 edition of AMD Insight

A strong working relationship with your Accountant is a vital part of growing your business. Just ask Geotech which has gone from strength to strength over the past two years with help from AMD Chartered Accountants Partner Peter Manolas.

In this issue of *Insight* we outline the company's successful growth strategy and the recognition they have received.

To find out more about growing your business, come and see us at AMD Chartered Accountants.

The AMD Partners and Team

Insight Winter 2009

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Client Focus

Geotech Financial Controller Malcolm White and Managing Director Steve Pederick.

Bunbury-based Geotech a growing success

Bunbury-based construction materials testing laboratory Geotech has enjoyed unprecedented growth over the past two years.

The business operated from a single laboratory in the Halifax Light Industrial Area when it was purchased by the Pederick family in April 2007.

With the help of AMD Chartered Accountants Partner Peter Manolas and Geotech Financial Manager Malcolm White, it has been transformed into a network of laboratories operating across WA and interstate, with staff numbers growing from 8 to 65 and

several business awards under its belt.

Managing Director Steve Pederick says he and his wife Denise sold their farming property and purchased Geotech with a view to building up a successful family business that would employ them and their children. Everything has gone to plan and so far their son Joe and daughter Erin are working in the business and there are plans to bring daughter Kirra on board when her children are a little older.

Early in August Geotech opened a new head office on

Forrest Avenue opposite Retravision. They are located above the 24-hour chemist and right next door to Mission Australia – an organisation they work closely with and support as part of the company's social responsibility program.

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Feedback

We value your feedback. Tell us what you would like to see in future issues of AMD Insight? What topics? What areas of interest? Please email amd@amdonline.com.au or call (08) 9780 7555 and speak to Angie.



AMD Partners Cliff Anderson and Stuart Fricker - Cliff has taken over the role of CEO from Stuart.

AMD Partners change roles

Two of the seven Partners at AMD Chartered Accountants have changed roles from July 1. Cliff Anderson, who founded the company in 1982, has taken over as Chief Executive Officer from Stuart Fricker who held the position for the past three years.

Board Chairman Stephen Down said the rotation of the role of CEO was a part of AMD's succession planning to ensure all Partners had relevant experience in the various management roles of the business. The CEO is responsible for looking after all the financial aspects of the day-to-day running of the company, overseeing 59 staff and implementing policies set out by the Board.

During his time as CEO Stuart was able to significantly upgrade the IT system and restructure the role so that the partnership group had greater control over everyday finances, allowing decisions to be made faster and the office to operate more efficiently.

"We have a good mix of older and younger Partners," Cliff said. "Just

because we have always done things in a particular way doesn't mean we shouldn't bring new ideas to the table. The CEO role allows the younger Partners to learn more about how the business operates."

Cliff believes it is a good time to take over the CEO position which he has held previously. Firstly, it will allow Stuart to continue building up his client base and continue in the role of Partner responsible for IT.

Secondly, Cliff recognises that at 58 years of age, retirement at 65 years of age is not far away, and in time he is keen to begin the task of succession planning for his own valued clients, many of whom have been with AMD for years.

The AMD Board also includes Shaun O'Callaghan as Business Advisory and Human Resources Partner, Peter Manolas as Specialist Taxation Partner, Tim Partridge as Audit and Assurance Partner and recently-appointed Taxation Services Partner Dean Rob in the new Mandurah office.

Client Focus

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Geotech offers a materials testing service that covers soil, aggregate and construction materials and is available to everyone from owner builders to multinational companies such as Leightons, BGC Contracting & Downer EDI.

Everything is tested to National Association of Testing Authority (NATA) standards which are internationally recognised.

In building up the business, Steve and Malcolm set about creating a model of customer service that went far beyond what their competitors offered.

The secret of the business' success is the ability to duplicate a winning formula in a string of laboratories spread through the South West, North West and interstate.

"We get results on time," Steve said. "That's what we all strive to achieve."

Accountant Peter Manolas has been integral to the company's rapid growth and attends the Geotech Board meetings.

"We were growing as fast as we could and we needed professional assistance," Steve said.

"Peter came on board early in 2008 after he was introduced to us as the best commercial accountant in the South West.

"Because we are looking at rapid growth and balancing the increasing risk aversion, Peter's strength has been in structuring our companies, trusts and joint ventures.

"He has given us good advice on how to achieve some pretty big targets, backed us with his wealth of experience and is inspired by what we are doing."

Their success has not gone unnoticed. In 2008 Geotech won the South West Small Business Award for a business with 20 to 50 employees.

Last month they won the same award for a business with 50 to 200 employees. Geotech also won the Financial Management Award which Steve considers the most valuable award.

"It's a reflection on what Malcolm and Peter have put into our business," Steve said.

The next step for Geotech will be to expand internationally and they plan to open an overseas office next year.



Steve Pederick, wife Denise and son Joe in the new Geotech head office.

For Your Diary

AMD presents seminars and workshops on a broad range of topics to a growing number of clients of the Small Business Centre Bunbury-Wellington. There are two seminars scheduled for this year as indicated below.

For more information and booking details, please contact the Small Business Centre Bunbury - Wellington on (08) 9791 2666.

Wednesday October 21, 2009

Marketing Planning

5.30pm - 7.30pm

Tuesday November 3, 2009

Business Planning

5.30pm - 7.30pm



AMD's End of Financial Year celebration



Lynn Stringer, Alicia Garces, Harry Kim, Jeanette Kerr.

AMD's annual 'End of Financial Year' staff function was held on Friday June 26 at Chamber House. This fun occasion was an opportunity for the Partners to thank the staff for their commitment and support during the past financial year and to welcome the new financial year.



Dylan Harper and Steven Florance.

Steve Cluning, Jacqui Organ, Jaimie Loffley and Dean Rob in front.

Tax Talk

New 2009 Federal Budget tax measures

Implementation of 2009 Federal Budget tax measures will be finalised shortly and most apply from either budget night or July 1, 2009. Key areas of change are:

- Denying loss offset from alternative business activities to other income where income from other business or employment sources is \$250,000 or more.
- Deeming dividends to be paid to shareholders in respect of private assets held in companies (e.g. boats, homes) at the equivalent market value rate of rent for these assets.
- Offshore workers previously exempt from Australian taxation on salaries earned offshore are now subject to Australian income tax on those earnings. This impacts on employer PAYG withholding requirements as well.
- The new tax deductible limits for superannuation contributions from July 1, 2009 are \$25,000 for people under 50 years of age on June 30, 2010 and \$50,000 for those aged 50 and over. It is the superannuation fund member's responsibility to ensure these thresholds are not exceeded. Salary sacrifice arrangements involving superannuation must be rearranged to account for the reduction in tax deductible limits from July 1, 2009. Employees that are affected will pay more tax.

If any of these measures apply to you, now is the time to take action to assess your position and make alternative arrangements where possible.

The Australian Taxation Office will target loans made by private companies to shareholders, directors and their associates during this financial year.

This is a serious taxation matter resulting in significant taxation cost and penalties if these loans have not been properly documented and subjected to a repayment arrangement prescribed by taxation law. This issue should be discussed with your accountant as a matter of urgency.

The 50% 'investment allowance' for businesses with less than \$2 million turnover will end on December 31, 2009 (minimum \$1,000 per item).

Confirmed orders must be in place at least by that date and delivery must take place no later than December 31, 2010.

Larger businesses can still access the 10% "investment allowance" in the same time frame (minimum \$10,000 cost per item).

There are specific and detailed requirements to be met in order to qualify and ensure you get the benefit.

Please speak with us regarding these and any other tax issues. Forward planning is the best way to avoid unintended consequences and gain maximum advantage.

*Peter Manolas
Taxation Partner*

Peter Manolas CPA, M.Tax, B.Bus (distinction), FTIA

The information provided herein is for information only; it is not advice and cannot be relied upon as advice by readers. Please contact us to discuss your specific tax situation.



Renae Ursino, Tim Partridge and Dana Blakely.

In The Office

New Arrivals

AMD Bunbury Office
Felicity Cooper
Raymond Ting
Steven Florance
Integralife Financial Planning
Christine Dowse

Congratulations

Shane Kaurin has been promoted to Senior Manager and Judy Parker has been promoted to Manager. We wish you both all the very best in your new roles.

Weddings

Dean Rob from AMD married Natasha White on June 6, 2009.

Baby Boom

Congratulations and best wishes to the following couples:

Rick and Susan Houden on the birth of their first daughter Niamh Mary Houden born on May 5, 2009. Niamh weighed 8lb 5oz and was 51cm long.

Steve and Sam Cluning on the birth of their third son Liam Graham Cluning born on May 18, 2009. Liam weighed 9lb 12oz and was 53cm long.

Louisa and Tim Plint on the birth of their second child Rachael Simone Plint born on June 24, 2009. Rachael weighed 8lb 77oz and was 51cm long.



Niamh Houden



Rachael Plint



Team Profiles

Tara Castrilli

Tara joined AMD in June 2007 as the Receptionist, having previously worked in payroll and customer services. In January 2009, Tara was promoted to the position of Personal Assistant to AMD Board Chairman Steve Down. She provides secretarial services to Steve and the Business Services and Tax Compliance teams. Tara has completed her Certificate III in business through the Bunbury Business College.



Paul Walters

Paul commenced his career with AMD in April 2007 and is our IT Manager. He had successfully completed his diploma at the Institute of Business and Computer Technology in Ajax, Ontario Canada as well as several other institutes in Toronto. Paul's qualification is equivalent to an Australian university degree as per the Department of Multicultural and Indigenous Affairs Australia. Paul has worked in the IT field for more than 18 years and has won several customer service awards from his previous Canadian employer.



Angeline Marcus

Angie joined AMD in July 2007 as a Personal Assistant having previously worked for large organisations in Zimbabwe and the United Kingdom in the areas of mining, railways and insurance, but mainly accounting. Angie has more than 12 years of administration experience and in February this year she was promoted to Executive Secretary of the firm providing secretarial support to the Partnership. Angie also heads the Administration Support Team and is the Marketing Assistant to Partner Steve Down. She says her new role is diverse but interesting. Angie and her husband are from Zimbabwe and have made Bunbury their home.



Janet Travers

Janet joined AMD in August 2005. She works on a part time basis and currently assists in the Administration Department in the areas of payroll, accounts receivable and maintaining the Trust Account records. Janet is married with two children and lives in South Bunbury.



Our Services

Comprehensive services, tailored to the unique needs of each client include:

- Accounting and Compliance
- Audit and Assurance
- Bookkeeping
- Business Services
- Corporate Services
- Financial Planning
- Superannuation
- Taxation

Our Style

- Developing strong relationships with our clients
- Endeavouring always to provide a high quality of service
- Providing leadership in our profession and in the business community
- Working as a team to ensure that we deliver the very best



AMD Receptionist Melissa Barrett

Quotable Quips

"Your attitude almost always determines your altitude in life." – Zig Ziglar

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