



AMD
CHARTERED ACCOUNTANTS

Insight

Welcome to the Summer 2010 edition of AMD Insight

Succession Planning is an important issue for small business that will allow a smooth transition of ownership and management.

In this issue of *Insight* we touch on two types of business ownership transition; firstly the recent merger of a small Geraldton accountancy practice with AMD Chartered Accountants and secondly Overflow Industrial's successful succession planning with AMD's assistance.

If succession planning is your gateway to success then contact us at AMD Chartered Accountants.

The AMD Partners and Team



Debbie Ross, Kathleen Twomey, Tasman Nolan, Renee Underwood. Seated: Michael Ross.

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Merger opens up the Mid West for AMD

The accountancy practice known as Michael E Ross – Accountants House and located at 156 Durlacher Street in Geraldton merged with AMD Chartered Accountants on October 1, 2010.

The practice was run by Michael and Debbie Ross who have been active members of the Geraldton community and supporters of local sporting clubs for many years. The couple views the merger as having many benefits, not the least of which is being able to offer more services to more clients.

For AMD, the merger is a sound platform for the continued development of AMD. Geraldton is a Mid West boomtown which offers exciting prospects for continued growth.

Tasman Nolan who was a Senior Manager in the Bunbury office relocated to Geraldton in mid-September to take up a position in the new Geraldton practice. Tasman has given the Bunbury office wonderful support since he joined the AMD team in February 2009.

For Michael and Debbie, the merger with AMD allows the practice to become part of the largest regional accountancy firm in WA.

"The practice will continue to provide assistance to clients helping them to grow, succeed and prosper," Debbie said. "And with greater resources we can provide a larger range of services, especially in agriculture and small business."

AMD team members in the Geraldton office:

Michael Ross – Director and practising CPA for 28 years

Debbie Ross – Office Manager

Tasman Nolan – Senior Manager and CPA

Renee Underwood – Accountant

Kathleen Twomey – Clerical Assistant

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.

Client Focus

Overflow Industrial Success

Succession planning has allowed award winning Bunbury company Overflow Industrial to seamlessly transition from a small niche business run by a two person ownership team into a multifaceted organisation owned by second generation family members and long term employees.

The transition has been a success, as recognised at this year's South West Small Business Awards when Overflow Industrial received both the Integrated Management Award and the Small Business of the Year Award in the category of 20 to 50 employees.

Overflow Industrial has also basked in the glow of national awards for major projects.

The company's work with RCR Tomlinson was recognised when a ground breaking mobile mineral sands mining unit, designed and built in Bunbury and transferred to an Iluka Resources site in the Murray Basin in Victoria, won the Australian Engineering Excellence Awards for Materials Handling in 2009. Another unit that went to Jacinthe Ambrosia in South Australia won the same award this year.



Located in the Davenport Light Industrial Area, Overflow Industrial designs and constructs electrical and instrumentation systems for customers in the engineering, chemical, mining and resource, water, power and manufacturing industries.

Back in 1989 Mike Golden and Barry Baker moved 'down south' from the mining industry in the State's North

West and formed Overflow Industrial Pty Ltd to market their engineering skills to local industries.

Mike and Beth Golden settled in Capel to raise their children and today two of those children are part owners of the business. Son Michael Golden, Managing Director and majority shareholder, has taken the business to new heights, strategically developing capability to add value and depth to the services and products.



Overflow's capacity to deliver cost effective end-to-end electrical solutions from point of concept through to onsite installation and commissioning gives its clients the unique experience of professional delivery of "big company" product with the care and consideration you'd expect from a small family business.

AMD Chartered Accountants Partner Steve Down has been the Company Accountant and an integral part of the company's growth for more than two decades. He assisted with the succession planning that allowed a smooth transition of ownership five years ago.

"We have always tried to use local businesses and build strong affiliations based on excellent products and services," Michael said.

"I have great respect for the people who work for me and am grateful for their commitment – I consider them like family and am proud to represent them."



Photographs from top: Overflow Industrial's Bunbury Office, giant mining equipment the company has worked on and the company's present and past ownership team with some of their recent awards.

Two Changes To Management Board



Two role changes came into effect from August 1, 2010 within AMD Chartered Accountants.

Shaun O'Callaghan, right, took over as Chief Executive Officer from Cliff Anderson and Tim Partridge, left,

took over as Board Chairman from Stephen Down. Rotation of these roles is a part of AMD's internal management plan and Shaun and Tim are enjoying their new roles, looking forward to the challenges which lie ahead.



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In the Office

New Arrivals

AMD Bunbury Office
Abbey Adcock
Coralie Bashford
Kylie Spence

AMD Mandurah Office
Jordan Fricker
Natalie Calver

Engagements

Tara Castrilli from AMD to Corey Dillon on October 25, 2010.

Births

Congratulations and best wishes to **Natalie and Jason Wetherly** on the arrival of their second daughter Maddison Rose. Maddison was born on October 31, 2010 weighing 3.5kgs and was 53cm long. She is a sister to Charlotte.

AMD Chartered Accountants is one of the largest accounting, audit and business services firms within regional Western Australia, with offices in Bunbury, Geraldton and Mandurah working with local businesses and industries helping them grow.

AMD provides a range of integrated services tailored to meet your individual, business and industry needs. AMD works with you, helping you plan for your future and to realise your goals.

Congratulations

Maria Cavallo has been awarded a 'Highly Commended Award' from the National President of the Institute of Chartered Accountants Australia. This is a result of Maria's contribution as a young CA promoting the Institute of Chartered Accountants, including presentations at schools, universities and not-for-profit organisations, as well as her role on boards for community groups and organisations.

Holly Cowley was crowned Mrs Philanthropy Australia in August 2010 at the Mrs Australia Quest finals. Holly will be going to Abu Dhabi next year to represent Australia in the Mrs Globe final. The projects Holly is involved in at the moment are Project Dovetail and the Women in Need Foundation. Other recent projects include SOS Mauritius which provided sponsorship for 92 orphaned children.



Holly Cowley and Maria Cavallo.



Cliff Anderson

Cliff Keeps Regional Focus

AMD Chartered Accountants Partner Cliff Anderson recently travelled to Adelaide for the annual meeting of the Regional Australia Advisory Committee (RAAC).

This committee deals with the regional and rural issues

being experienced by members of the Institute of Chartered Accountants in Australia (ICAA).

The committee meets via telephone link up on three other occasions throughout the year and refers issues to the ICAA Board.

Tax Talk

Changes In Taxation That May Affect You

Paid Parental Leave

The Federal Government's new Paid Parental Leave (PPL) scheme received Royal Assent on July 14, 2010 and will apply from January 1, 2011.

PPL will provide eligible working parents with 18 weeks of pay at the National Minimum Wage (currently \$570 per week before tax).

The scheme is open to parents of children born or adopted after January 1, 2011 and either parent or carer of the child (though not both parents) will be eligible. The eligible parent is referred to as the 'primary claimant'.

In order to be eligible, the primary claimant must have:

- Worked at least 10 months out of the 13 months preceding the actual

or expected date of birth or placement of his/her child;

- Worked at least 330 hours during this period (on a casual, part-time or permanent basis);
- Had an adjusted taxable income of \$150,000 or less in the income year preceding the child's date of birth or placement, or the date of claim (whichever occurs earlier).

If the primary claimant is eligible for both the baby bonus and the PPL, they can elect to take the baby bonus instead.

Compliance Activities – Cash Economy and Benchmarking

The ATO has renewed its focus on businesses operating in the cash economy. Its focus will be on business that may be understating income or

paying wages and other remuneration in cash in order to avoid superannuation, PAYG (withholding) and payroll tax obligations.

Benchmarks are used by the ATO to identify businesses that may be operating in the cash economy. The ATO benchmarks are financial indicators, such as the cost of goods sold margin, achieved by other businesses in the same industry.

Businesses that fall outside the benchmark for their industry may receive a letter asking for the relevant taxpayer to provide reasons.

High Court allows deduction for Self Education Expenses

A recent case to determine whether expenses incurred by a student undertaking University studies can be claimed as a tax deduction has been settled by the High Court.

The case involved a student who was enrolled in a full time teaching course. She received youth allowance and was employed part-time (not as a teacher). A \$920 deduction for self education expenses was claimed. The claim was based on the fact the education expenses had to be incurred in order for the student to continue to receive youth allowance. The Court ruled in favour of the student, allowing a deduction for self education expenses.

The decision goes against the ATO's view that self education expenses are generally only deductible if directly related to a student's current employment. We expect more comment from the ATO on this issue, however, if you or your children receive youth allowance, we recommend keeping a record of all education expenses.

*Peter Manolas
Taxation Partner*

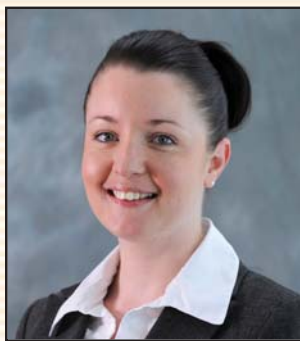


Peter Manolas CPA, M.Tax, B.Bus (distinction), FTIA

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.

■ Team Profiles



Katherine Kaurin, B.Bus, CA

Katherine joined the AMD team as a Graduate in June 2000. Katherine is a qualified Chartered Accountant and her experience includes seven years working in our Tax Consulting Division.

Katherine is the Senior Manager of our growing Superannuation Division, attending to our clients' superannuation regulatory requirements and providing various technical and strategy advice in this area since 2007. Katherine loves to travel and is always looking for new destinations and places to explore.

Dylan Harper, BS

Dylan has been a member of the AMD team since April 2009, working within our Audit and Assurance Division. He is studying towards a Master of Accounting at Curtin University of Technology, having previously completed a Bachelor of Science in 2006 at the University of Western Australia.

Through his work with AMD Dylan is gaining practical experience to complement his studies. He intends to enter the Chartered Accountant program on completion of his Masters. Dylan is a keen footballer, playing with local team South Bunbury Football Club.



Melissa Taylor, B.Bus

Melissa graduated from Edith Cowan University in June 2009 with a Bachelor of Business degree majoring in Accounting and Finance. She worked in West Perth as an Accountant before moving to the South West in January 2010 to join AMD's Tax Consulting Team.

Melissa is undertaking professional studies to become a qualified Chartered Accountant. In her spare time she enjoys shopping and catching up with friends.

Steven Florance, B.Bus

Steven started working with our Taxation Division in May 2009 after graduating from Edith Cowan University with a Bachelor of Business degree.

He is currently working towards qualification as a CPA. Steven enjoys playing football for the mighty Bunbury Bulldogs Football Club and cricket for the recently formed Hay Park Cricket Club.



Our Services

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

- Accounting and Compliance
- Audit and Assurance
- Bookkeeping
- Business Services
- Corporate Services
- 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

Quotable Quips

"You cannot discover new oceans unless you have the courage to lose sight of the shore."

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BUNBURY

Unit 1, 28-30 Wellington St,
Bunbury WA 6230
Telephone: (08) 9780 7555
Fax: (08) 9721 8982

MANDURAH

197 Mandurah Terrace,
Mandurah North WA 6210
Telephone: (08) 9535 5889
Fax: (08) 9535 8840

GERALDTON

156 Durlacher Street,
Geraldton WA 6530
Telephone: (08) 9964 5888
Fax: (08) 9964 5899

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