



### **HAPPY NEW YEAR!! And welcome to The GFC!!**

By Schon G Condon RFD KSJ

That's the new lingo for the Global Financial Crisis.

Welcome to 2009 and the first issue of "On the Beam" for the year. The first month is over and alas it seems that Christmas was in the distant past which is very sad as it should be a time of year that we can take genuine time to catch up with family, friends and others. This year was an opportunity for some of our staff to meet one of my relatives who had originally gone into business for herself after her employer had financially collapsed. Soooooo, I hear you say?

Well let's actually put this into perspective. Iris went into her first business at the age of 17 after her then employer, who was also responsible for her training as a seamstress, was wound up. He had been pursued to closure by the New South Wales Taxation Office (one of the predecessors of the ATO) who had been instructed to ferociously pursue the recovery of monies due to the State to desperately help a then cash strapped New South Wales Government. At the time there was a significant shortage of jobs and if you were intent on providing for yourself or yourself and your family then your only alternatives were to set up a business or starve. Where necessary, families despatched children of working age to earn a living from almost any source to fund family needs. The year was 1930 and the world was definitively in the midst of a depression. The one we all studied as "The Great Depression," the one that certainly I was told during my schooling would never occur again.

Iris, and on occasions with some of her sisters, went on to run a number of successful businesses and ultimately retired and has since lived on what she saved and her entitlements to Government pensions. Iris alas never married as her fiancé was killed in

New Guinea during the Second World War. Iris is still extremely coherent and quite amazing for her age.

Quite interesting to note that after almost a century many of the fundamentals have not changed, small businesses still don't always pay their tax, the taxation office pursues and shuts down those that don't, and the New South Wales Government is again cash strapped!! However, what we do have is GEERs, sources of alternate work (not necessarily in the same line) and a lot of people trying to work out how we got here.

Somewhere buried amongst everything that is going on at the moment are some things that we as a society need to change so that we really can prevent future occurrences of this, or at the very least their severity. If we do not locate the right ones and change them then nothing will change.

What we must ensure is that this becomes a permanent correction and not merely a speed hump which is quickly forgotten once you have gone over it.

### ***Enjoy the read.***

#### ***Inside this issue:***

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## **“Rules for Being Human”**

By M Scott

It is not very often that you find something on the internet that makes you genuinely stop and think. Recently this past my desk and I thought of how relevant it is to the current climate. It appears it was written by --Cherie Carter-Scott in “Chicken Soup for the Soul”

“You will receive a body. You may like it or hate it, but it will be yours for as long as you live. How you take care of it or fail to take care of it can make an enormous difference in the quality of your life.

There are no mistakes - only lessons. Growth is a process of trial and error and experimentation. You can learn as much from failure as you can from success.

A lesson is repeated until it is learned. A lesson will be presented to you in various forms until you have learned it. When you have learned it (as evidenced by a change in your attitude and behaviour), then you can go on to the next lesson.

Learning lessons does not end. There is no stage of life that does not contain some lessons. As long as you live, there will be something more to learn.

There is no better than here. When your there has become a here, you will obtain another there that will again look better than your here. Don't be fooled by believing the unattainable is better than what you have.

Others are merely mirrors of you. You cannot love or hate something about another person unless it reflects something you love or hate about yourself. When tempted to criticize others, ask yourself why you feel so strongly.

What you make of your life is up to you. You have all the tools and resources you need. Remember that through desire, goal setting and unflagging effort. You can have anything you want. Persistence is the key to success.

The answers lie within you. The solutions to all of life's problems lie within your grasp. All you need to do is ask, look listen and trust.

You will forget all this; unless, you consistently stay focused on the goals you have set for yourself, everything you have just read won't mean a thing.”

## **Thinking about The Taboo**

By Joseph Russo

The other day a friend of mine was involved in an accident that put him in hospital for about a month. It's surprising how much we appreciate life when we are faced with death.

It's not something he wanted, not by a long shot. However, being in that position, lying helpless in the hospital bed, it made him think. – If he were to die, not only does his family lose him, they also have the headache and stress of looking after the family business as well as the prospect of having insufficient financial stability for the family he loves so much.

It's typically been a taboo subject. No one likes talking about death and very few people plan for it – however inevitable death is. However, one thing is for certain; if you are currently running a business, at some point you will leave it. Be it the sale of the business, retirement, or misadventure, it is important to have a succession plan.

Planning the next business phase in advance can help you achieve the best out of the business and help enable you to meet your future needs and requirements.

## **Our First Graduate**

During February we will say goodbye to Kayla Hinde. Kayla joined us in July 2007 as a filing clerk bringing with her a unique personality and style. After 12 months she was promoted to Administration Assistant. Kayla has completed her Business Certificates III and IV during her employment and has been nominated by the Australian Business College as student of the month for the high quality of her assessments. Kayla is leaving us to pursue her interest in travel.



## ***Dissolution of a Company***

By Padmini Saheb

### **Members Voluntary Liquidation versus Deregistration**

Many times accountants are asked by their clients to dissolve a company very quickly and in the most inexpensive manner.

Generally it is the deregistration of a company pursuant to Section 601AA of the Corporations Act that would be the answer. In order to initiate the deregistration procedures the directors of the company need to declare the following in an application (Form 601) to the Australian Securities and Investments Commission ("ASIC"):

- a) all the members of the company agree to the deregistration; and
- b) the company is not carrying on business; and
- c) the company's assets are worth less than \$1,000.00; and
- d) the company has paid all fees and penalties, payable under this law; and
- e) the company has no outstanding liabilities; and
- f) the company is not a party to any legal proceedings.

Pursuant to Section 601AA (4) unless ASIC has reasons to suspect that the declaration made in Form 601 is untrue, the application will be granted subject to ASIC's discretion. When two months have passed since the gazette notice, ASIC may deregister the company.

The timeframe can be around four months and will cost less than \$800.

If the company does not comply with the above declaration, one has to consider dissolving the company by way of a members voluntary winding up.

If a company is solvent and wishes to wind up its affairs voluntarily without application to the Court, it must do so by passing a special resolution of its members. This decision must be made by at least 95% of the members at a meeting convened by the directors for this purpose.

Before a meeting of members can be called, the directors are required to complete a Form 520 - Declaration of Solvency and its attached statement of assets and liabilities.

This declaration must be:

- i) Adopted at a formal meeting of the directors.
- ii) Adopted prior to dispatching the notices of the meeting of members.
- iii) Filed with the Australian Securities & Investments Commission before the notices of the meeting of members are sent.
- iv) Be made within a five week period of the passing of the resolution for winding up.

A director who signs the declaration of solvency must have reasonable grounds for his believing that the company has the ability to pay its debts in full within a period not exceeding twelve months after the commencement of the winding up.

The winding up process will take between six to 12 months depending on tax issues and obtaining a tax clearance before distributing the surplus to the shareholders of the company and calling the final meeting. The company is dissolved by ASIC three months after the receipt of the Return of Final Meeting.

If for any reason the Company needs to be Re-instated after deregistration, Company deregistration under Section 601AA, full operational and financial control of the Company will immediately revert to the Director and/or such other persons who hold office. Deregistration under Members Voluntary will revert full operational control to the Liquidator.

The costs of dissolving a solvent company depend on various issues. Should you wish to discuss any aspects of the above procedures to dissolve a company please contact the staff at Condon Associates on (02) 9893 9499.

## Welcome

The New Year brings new beginnings and in January we welcomed a number of new staff members into the Condon Associates team, Stuart Cunningham from New Zealand joined us as a Manager and Bruce, Edward and Maggie are our graduate intake for 2009. We look forward to helping them meet the challenges that lay ahead as their insolvency careers develop.



## Christmas Celebrations 2008



*Smiles on the faces of a happy team – some of the staff at our Christmas function*

## A Helping Hand

We were recently contacted by one of our bankrupts seeking some assistance resulting from him and his family being within the area of the Victorian Fires. It was a great feeling that we, in our own little way, could contribute. To all those in any way connected with those caught up in some way our hearts, thoughts and prayers remain with you.

### Condon Associates

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