



Welcome to Accountants Minute. I'm Peter Towers, Managing Director of ESS BIZTOOLS.

Accountants – The PPSA and the PPSR can Send Businesses Broke!

Have you introduced your clients to a risk management strategy? Do you know that \$120M has been lost already by Australian businesses in court cases relating to the Personal Property Securities Act (PPSA)? This is primarily due to those businesses not having registered their assets on the Personal Property Securities Register (PPSR). According to "marketplace rumour", a further \$200M has been lost by businesses when they finally got some legal advice and were told that they had no case and, therefore, paid up or lost their assets.

We believe that accountants/advisors, as "trusted advisors", have an obligation to counsel and mentor your clients about the very significant risks that they are taking in their businesses if they are ignoring the PPSR. In fact, it's basically the same as having no insurance covers at all. Compared to what an insurance cover costs, this is the cheapest insurance going in Australia – about \$5 to register a transaction for up to 7 years.

ESS BIZTOOLS supplies accountants/advisors, like yourself, with a due diligence system to assist you in conducting a review with your clients on their preparations for registrations on the PPSR. This legislation covers:

- debtors
- stock
- vehicles
- plant and equipment
- builders plant
- Intellectual Property
- loans

In fact, every asset that a business has, except land and attachments to land, is covered.

Even terminology being misunderstood can cause a massive loss. I'm aware of a situation where over \$400,000 was lost by a business because, unfortunately, someone mixed up the terminology "grantor" and "grantee" and had put the wrong terminology on the registration process. Therefore, the business missed out.

The other real risk is liquidators preferential payment claim letters. I'm told that a lot of businesses around Australia are receiving these. Most of those businesses could've had protection if they had registered that customer on the PPSR.

In fact, ESS BIZTOOLS' PPSR Due Diligence System is the only system of its kind available in Australia, to assist accountants/advisors to offer risk management protection to your clients. Why wouldn't you avail yourself of it?

For an investment of under \$550 for a year, you could utilise the PPSR Due Diligence System time and time again with different clients. Our recommendation is that you should be conducting a PPSA and PPSR due diligence review with your clients at least once a year. That process would take 2-3 hours and you will be earning professional fees, anywhere from \$500 to \$1,000 from undertaking the task. In turn, you might be saving your clients from going broke!

A complimentary copy of an article, **"PPSR – Operational Issues in Risk Management"**, is attached with this transcript.

We will be presenting a webinar, featuring **"PPSR Review - a Risk Management Priority for Clients"**, on Wednesday 20th July 2016 at 12pm AEST. [Click here](#) to register to attend, free of charge.

I don't think I would be very happy if a client came to me and said that he/she had lost \$500,000 because stock that he/she owned which had been on consignment in someone else's warehouse and that business had a liquidator appointed and the liquidator has seized that stock. Would you? Therefore, I urge you to, in the first instance, attend our webinar or visit our website, www.essbiztools.com.au, to obtain more information the PPSR Due Diligence System.

If you have any questions on how the ESS BIZTOOLS' products can assist you in providing advice to your clients on PPSR risk management, please don't hesitate to contact me.

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