



Kumfs®

stylemeetscomfort

Client News

Kumfs Stepping Out

Kumfs has just opened their second company-owned store in Hong Kong 9 months after the first store opened there in August 2007. Now the Mangere based footwear manufacturer sells to nearly 700 retailers worldwide including 41 company owned and franchised stores, 19 of which are in Australia with another due to open in mid May. Their first store in United States is in Fresno, California and they have plans to open more stores in America this year.

Kumfs was founded in the 1940s by New Zealand podiatrists Mervyn Adams and David Robertson. They identified that many foot problems in women were due to wearing European shoes that

were designed for narrow feet. On that basis, they went on to make comfortable, casual shoes for women and have grown the range to now encompass orthotic-capable footwear as well as foot-friendly fashionable shoes for the modern woman.

Some of the secrets to Kumfs' success have been their conviction for using orthopaedic knowledge to ensure that shoes are crafted to fuse design with optimum comfort and fit. All their stores offer a professional fitting service and a 30 Day No Risk Wear Test which means that customers are able to bring their shoes back within 30 days and Kumfs will fix the problem, exchange the footwear or refund the customer.

The combination of quality materials and construction, fashionable design, comfort technology and orthotic-friendly footwear

developments have made Kumfs arguably the most recommended fashion footwear brand by foot professionals in both Australia and New Zealand.

Their sales figures have reflected this with a 14% increase in sales during the last financial year and with plans for more stores underway, they are aiming to grow even further in 2008.

Kumfs have been a valued client of Cairns Slane for almost 40 years, John Philips (now a consultant at Cairns Slane) having acted for the companies in the group since the late 1960s as well as for Mervyn Adams and David Robertson until their deaths in 1982 and 2004 respectively.

www.kumfs.co.nz

Voluntary Administration in New Zealand

When things go really wrong in business, a complete reorganisation is often required or even liquidation.

A new procedure called voluntary administration was started late last year when the Companies Act 1993 was amended to include a transitional status, taking the company out of the hands of existing management, placing it into the hands of an administrator, and leading either to a reorganisation of the company, or its liquidation.

The object of the voluntary administration regime is to maximise the chances of the company continuing in existence or if that

is not possible, to deliver a better return for the company's creditors than would result from an immediate liquidation.

If a company goes into voluntary administration, all action and claims against it are paused for a prescribed period. At the end of that period, either the company is reorganised under a deed of company arrangement, or it is placed into formal liquidation.

Voluntary administration is commenced by the appointment of an administrator by either the company's directors, a liquidator, the Court or by a substantial charge holder. The administrator

operates the company, reports to creditors and considers all possible courses of action for the company. At the end of a prescribed period, a 'watershed meeting' is held where the creditors determine whether to put the company into liquidation or to continue the company in a reorganised form.

To date a number of companies have taken advantage of the new legislation, including Icon Digital Entertainment Limited (the owners of the Sounds stores), which ultimately went into liquidation.

What Have My Parents Got to Do with My Will?

Let's assume for a moment that you have the perfect estate plan in place ...

- Your Will creates testamentary trusts for your spouse, children and grandchildren for maximum tax effectiveness and asset protection
- You have documents that implement a succession plan for your companies, trusts and business partnerships
- Your life insurance is under control and you know it will benefit your family in the most efficient way
- You've named guardians for your children if they are under 18
- You've even made an Enduring Power of Attorney so that legal, financial, medical and lifestyle decisions can be made for you if you lose capacity.

Whew! You've put a lot of thought into these documents. Surely now you can rest easy – you've covered all bases and there's not a thing left to do. Right?

Wrong! In some cases, even a carefully tailored estate plan can be thrown into disarray by external factors. An example we commonly encounter is when a client receives a substantial inheritance from their parents.

Estate planning can be a touchy issue. Because it can be awkward to discuss the topics of death and inheritance, many people avoid raising the issue with their parents. But it is important for you and your parents to make sure appropriate plans are made for the future.

If you own a business or work in a profession where asset protection is an issue, it is vital to ensure that your parents' estate plan has taken your circumstances into account. Otherwise, a large part of your parents' hard-earned wealth could potentially disappear into

the hands of your creditors. But if your parents undertake some careful estate planning and establish testamentary trusts, these unwanted consequences should be avoided and your parents can make sure that after their death their assets will be protected for the benefit of you and your family.

Even if you are not one of these "at risk" people, it can be a huge benefit to you and a great comfort to your parents if their estate plan has been made with your situation in mind.

Call us if you want to know more. You might also like to ask your parents to arrange an appointment with us!

THE NEW PROPERTY LAW ACT

On 1 January 2008, the Property Law Act 2007 came into effect. It replaced the 1952 Act, as well as amending other legislation, and has been described as the largest single change to property law in the past 55 years.

In the area of leasing there are a number of new and amended rules. Some of these rules will apply only to leases which come into operation on or after 1 January 2008 – others will apply to all leases existing as at 1 January 2008, regardless of their terms.

Landlord's Consent

Where a tenant asks a landlord for permission to assign or sublet premises, or to a change of the permitted use of the premises, the landlord cannot unreasonably withhold consent and must respond in writing within a reasonable time. If a landlord does withhold consent or imposes a condition on that consent, the landlord must give reasons for withholding or imposing the condition, if the tenant makes a written request for those reasons.

It is permissible however for a lease to absolutely prohibit assignments, subletting and changes of use. Doing so will give landlords greater protection of their position and investment in retaining control of who their tenants are and what the permitted business use is at their premises. Where a lease expressly does this, landlords will be free to consider such requests in their absolute discretion and not be bound by the obligations of reasonableness under the new Act.

Insurance

Where a landlord is required to maintain building insurance and the tenant negligently causes damage to the premises, the landlord is now unable to recover the cost of the repairs from the tenant. This rule does not apply if the damage was intentional or was the result of an unlawful act.

Distrain

Landlords used to have the right to levy distraint against their tenants – being the right of landlords to enter the premises and seize and sell the tenant's goods. The new Act abolishes the right of distraint for rent and other amounts payable under the lease, even if the lease provides for it. In practise, distraint had always been a difficult remedy for a landlord to implement properly.

Cancellation of Leases

Landlords wishing to terminate a lease due to a tenant's default now must follow a stricter set of rules, again regardless of the express terms of the lease. There are new notice requirements and the Act stipulates not only new timeframes that relate to the serving of notices but also as to the content of the notices.

All landlords will need to be aware that the new Act has introduced some significant changes in the area of leasing. Certain express terms in existing leases will no longer apply. If you would like any more information on the new Property Law Act and its impact on your lease, please contact us.



What you can do for the Zoo and the Animals

Leaving a bequest to the Auckland Zoo Charitable Trust helps to ensure wildlife survival for future generations.

The Trust was established in 1992 and is chaired by Penny Whiting. Volunteer Trustees assist with the planning and funding of significant capital works programmes that complement the conservation, research and education initiatives of the Zoo.

Its mission is to provide support for the Zoo to upgrade and expand current facilities and exhibits; to provide the means for the Zoo to advance national and global animal welfare and conservation through research and exciting visitor experiences.

The vision of the Zoo Trust is to help the Zoo to highlight the interdependence of human and animal welfare. This is achieved by activities that will inspire and empower people to take positive action for protecting wildlife and the environment for future generations.

"...until we can turn the tide of human-induced animal extinctions, good Zoos will continue to be essential to the survival of many species."

Gerald Durrell,
Author and Conservationist.



Ring-tailed Lemur

Photograph by Larry Dixon



Auckland Zoo
Charitable Trust

STAFF NEWS

In May 2008 Susan Tracy becomes an Associate of Cairns Slane having joined the firm in 2007.



Susan Tracy
Associate

Since being admitted to the bar in 1980 she has accumulated experience in property law, estate administration, trusts, succession planning, wills, contracts, leases, business and company law.

Sue brings a wealth of experience to her role in the firm, having acted in large property and business sales and purchases; administered complicated estates; undertaken all the leasing work for multi-storied buildings; and drawn a wide variety of contracts.

Her current areas of practice include estate planning, particularly family trusts; drafting wills; relationship property agreements and related documentation. Susan also advises on property matters including acquisitions and sales of both commercial and residential properties, financing documentation and commercial contracts.

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