

CPA



A.L.L. BUSINESS

Certified Practising Accountant

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In the coming weeks, we will be implementing our new data input system for clients. The process of recording your transactions in a manual or electronic cashbook or spreadsheet will soon be a thing of the past.

- ◆ BankLink will securely deliver your transaction data from your Bank directly to our computer system each month.
- ◆ Once received, recurring transactions such as bank charges, loan repayments other direct debits will be automatically coded.
- ◆ Other transactions, like cheques etc will be automatically compiled into a listing that can be delivered to you via post, fax, email or as an electronic file for you to provide the details.
- ◆ Accounts are automatically reconciled.
- ◆ Statements are received on the 1st of the month eliminating the wait for the bank to post the statement.
- ◆ Data entry and recording is now removed from your already busy schedule and the bank does the work.
- ◆ No cost to you - we bear the cost. We believe that the time we will save in data entry is worth the small, per transaction cost to us.

Ask us how you can save time and money by using BankLink.

Do you need to make a list and check it twice? We have made the list, now you just need to check it!

Choose from:

- ◆ Business Checklist
- ◆ Individual Checklist
- ◆ Investment Property Checklist
- ◆ Capital Gains Tax Checklist

Making sure that you have included everything makes the process of completing the work you require much more efficient.

Drop into the office to collect yours, or alternatively view the checklists page on our website.

www.allbusinesscpa.com.au

Data Storage or Transfer

A number of clients experience difficulty when transferring their data file from their accounting software onto a CD or archaic floppy disks or even emailing the file.

Purchasing a USB (Flash) drive makes the process much simpler.

They cost less than \$30.00 and are re-usable.

Having one on hand also prompts you have a current backup, if everything goes pear shaped!

Approaching Due Dates

Below we have listed the various important dates for this busy time of the year. If you need any clarification, please contact our office.

14th April 07	Deliver all BAS related information to A.L.L. Business.
21st April 07	March Monthly BAS/IAS due.
28th April 07	January - March 07 BAS/IAS due.
28th April 07	Pay Super contributions to a complying fund to avoid paying Super Guarantee charge.
15th May 07	Last date for lodgement of all outstanding income tax returns.
21st May 07	April Monthly BAS/IAS due.
21st June 07	May Monthly BAS/IAS due.
30th June 07	Pay Super contributions to be eligible for a tax deduction.
14th July 07	Issue PAYG summaries to staff.
14th July 07	Deliver all BAS related information to A.L.L. Business.
21st July 07	June Monthly BAS/IAS due.
28th July 07	April - June 2007 BAS/IAS due.
28th July 07	Pay Super contributions to a complying fund to avoid paying Super Guarantee charge.
14th August 07	Send employer copy PAYG summaries and summary statement to the ATO.

Due Diligence in Business Purchases - Essential!

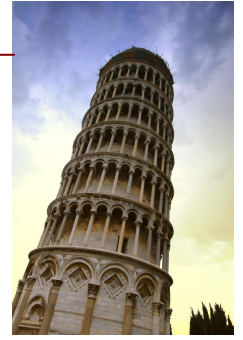
- ◆ More than 80 per cent of potential buyers would have paid too much for a business if they hadn't carried out financial due diligence.
- ◆ One in five respondents to a recent CPA survey, said that 70 per cent of clients didn't go ahead with the purchase after doing so.
- ◆ All respondents said that at least some of their clients would have been out of pocket had they gone ahead with their purchase without undertaking due diligence.



What is Due Diligence? It is when Accountants analyse the financial information supplied by the seller to determine if the business is profitable and represents value for money.

If you are thinking of buying a business, no matter how small, we strongly advise that you contact our office to discuss the benefits, how the process is undertaken and the costs involved.

STRUCTURES - *and we're not talking buildings!*



When we start talking about structures we are not referring to your house or your business premises. But just like your house, we know that if you do not have the right structure for your purpose then it could be costing you money and be uncomfortable.

Tax structures are designed to reduce your tax burden and eliminate risk to assets in the case of litigation or bankruptcy. Tax structures can be used to provide income for your family members while reducing your total family tax liability. We recognise that paying tax is an integral part of Australia's social structure, but legally reducing the amount of tax you pay is a key element of successful wealth creation.

The right tax structure is not only important whilst your business is operating, but is also a key element when it comes to the sale of your business. Individuals, Partnerships and Trusts have access to more of the discounts and concessions when it comes to capital gains tax on disposal, whilst a business conducted through a Company does not.

The main business and tax structures are:

- 1. SOLE TRADER** - Simple, easy and cheap, with little or no cost to establish, but if anything goes wrong you bear the loss or liability.
- 2. PARTNERSHIP** - Two or more (people or entities) working together with a view to a profit, and again costing little to establish. An agreement should be drawn up before commencing, as whilst all benefits are split, one party can end up liable for the debts of the other, with personal assets at risk.
- 3. COMPANY** - A separate legal entity from the shareholders, losses are trapped for use against future profits whilst profits are taxed at only 30% but you cannot personally use the profits unless paid out to you as wages or dividends and then taxed at your individual marginal tax rate. There are strict rules against taking money out as a loan or drawing.
- 4. TRUST** - Can be a discretionary trust where entitlement to income and capital is up to the discretion of the trustees, or a unit trust where income and capital is allocated according to set percentages or unit holdings. Trusts have the benefit of protection to your personal assets not in the fund and should you as an individual be sued or go bankrupt they cannot force the trust to pay funds held by it to your creditors. We can help set up a way that can greatly protect your assets. Trusts can also save tax by distributing income splitting to other family members.

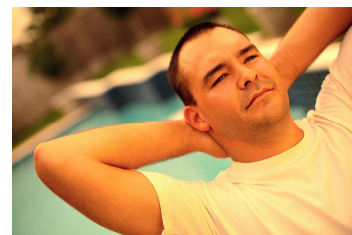
One structure may be perfect for one person, but your circumstances are unique, and what works for them may not be best for you. Likewise, the structure that is appropriate for you right now, just like the house you live in at the moment, may not be right for you forever, so your needs should be reviewed.

To discuss your current structure, or to find out the best structure for your circumstances, please contact our office for an appointment.

Superannuation Reforms - Effective 1 July 2007 (Proposed)

Superannuation Benefits

- No tax will be payable on superannuation benefits paid from age 60 (either lump sum or pension) where tax has been paid on earnings & contributions.
- Reduced tax payable by persons under 60.
- Reasonable Benefit Limits (RBL's) will be abolished.
- Persons over 65 who have retired will no longer be forced to take their superannuation benefits.



Superannuation Contributions & Earnings

- Self employed will receive a 100% tax deduction.
- Age based limits will be replaced with a single limit of \$50000 pa. \$100000 pa. applies for persons over 50 at 11 May 2006 until 30 June 2012.
- Tax deductible contributions extended to age 75.
- Co-Contributions will be extended to post tax contributions of the self employed.
- Undeducted contributions will be limited to \$150000.00 p.a. or \$450000.00 in one year but no more in the next two.
- A transitional cap of \$1 million applies for the period 11 May 2006 to 30 June 2007.

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Personal Contributions to Super

- ◆ Is your assessable income less than \$58,000?
- ◆ You may be eligible for the government co-contribution.
- ◆ The government will match every \$1 you contribute with a co-contribution of \$1.50 up to a maximum of \$1500.
- ◆ The Maximum co-contribution is payable when your assessable income is under \$28,000 and a reduced rate is paid until your assessable income reaches the cut off limit of \$58,000.
- ◆ To be eligible you must make your personal super contribution by 30 June 2007.
- ◆ The co-contribution will be calculated by the ATO and paid directly to your fund once you have lodged your Tax Return.

Disclaimer: This is not advice. Clients should not act solely on the basis of material contained in this publication, as it does not take into account your own personal situation. Items herein are general comments only and so do not contain or convey comprehensive advice. Changes in legislation occur quickly, therefore we recommend that our formal advice be sought before acting in any of these areas. This publication is issued as a helpful guide to clients and for their private information.