

April 2009 Newsletter

What to look for in your business to avoid catastrophe!

In these difficult times it makes abundant sense to look at key indicators in your business to see if you are heading for some rough times.

Often clients plough on regardless, hoping to turn things around or ride out the difficult times, but the smart owner prepares and plans for this by "knowing the numbers".

One of the benefits is that your business will come out of the trough faster and in a better position to take advantage of the upswing when it eventually returns.

If you want some help in protecting your business and your assets, or you simply want to understand these vitally important issues, give us a call.

Some of the key drivers of your business that you should be monitoring are:

1. Compare your debtors balance to your creditors balance. If what is owed to you is getting closer to what you owe, cash flow could be getting tighter.

2. How long is it taking to collect money from your debtors? If that is increasing, do something about it.

3. Has your gross margin percentage slipped?

4. Has sales volume declined?

5. Has the average value of each sale dropped?

6. Which way is your bank account balance moving, up or down?

7. Review your stock buying habits and prices. Is there old stock you should sell off at reduced prices to improve cash flow?

8. Could you send staff on leave to reduce your liability to staff in the event of terminations or resignations?

These are just a few tips to consider if you are worried about the current performance of your business.

If you want some more hands on assistance, please do not hesitate to contact our office and we will be happy to point you in the right direction.



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Going Green

Is your business affected by the emissions trading scheme to come into effect on 1 July 2010?

Businesses will be restricted as to the volume of greenhouse gases they can generate. If a business uses less than its allocation it can sell carbon credits to other businesses that need more. The overall objective is to lower greenhouse gases in accordance with the Kyoto Protocol targets.

Companies that produce between 50 and 124 kilotonnes of greenhouse gases will have a

requirement of strict compliance reporting to the government.

Whilst your company's output may not fit into this category, it may be affected if it supplies a company that falls under the reporting regime. Some of you may have to account for your carbon footprint by recording and reporting on direct and indirect use.

An example of direct use would be pollution from your factory; indirect use may be the fuel used on flights taken by staff on

business trips.

Whilst the impact of this may be a few years away, and the details of the compliance regime not yet released, it doesn't hurt to be on our game regarding upcoming issues.



How to Win Friends and Influence People

Book Review

Some people find self-development books helpful. Some people find them nauseating. There is a reason why Dale Carnegie's book *How to Win Friends and Influence People* is a timeless classic.

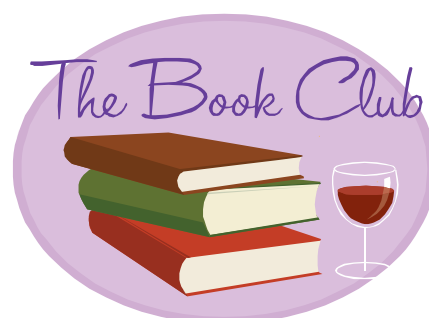
Written in 1936 in a colloquial style, some of the book's contents might seem obvious to some, but it never hurts to be reminded of the interpersonal skills and behaviors that will assist us in dealing more effectively with others.

Carnegie focuses on fundamental interpersonal approaches such as listening skills, understanding others' motives, making people like you and refraining from criticism. He addresses the human needs of feeling important, liked and appreciated.

Could you improve your business relationships? Could you communicate more effectively? Would you like to be a better parent?

As the weather cools down, it's a great opportunity to curl up with a great book and a glass of wine. You might even learn a thing or two!

Sheridan Honey



Self Managed Super Funds

Self Managed Super Funds (SMSFs) (formerly known as "DIY Super Funds") :

- Have fewer than 5 members; and
- All of these members are trustees or directors of a corporate trustee.

Self Managed Super Funds have many advantages over retail super funds and wrap accounts/master trusts. These include:

- the costs are limited to accounting and compliance fees, which for larger account balances are often cheaper than retail super equivalents;

- You can invest in direct real estate as an investment (some restrictions apply),
- You get to choose the investments for yourself or take the advice of a financial planner.
- A SMSF may borrow money to acquire certain assets (some restrictions apply).

The main advantage of a SMSF is that its members are able to exercise greater control over the day to day investment decisions and tailor the fund to suit their needs.

Many clients have been disgruntled by the recent performance of their existing retail super funds and have felt helpless as investment decisions are out of their hands.

If control is what you are after, perhaps you should consider a SMSF.

Talk to our Business Services Manager, Jennifer Lilburne for more information.



Community Involvement

Many of us talk about being becoming more community focused, and the all too recent fires not so far from home gave me this opportunity to get involved recently. I was able to attend a working bee at the Marysville Golf and Bowls Club, the idea being that getting the club going again is just one small but important step in rebuilding the devastated township. The club house is one of only a handful of buildings in Marysville not destroyed by the devastating fires on the 7th February and as such it has

become even more of a community meeting place than before, so it is really important to get it up and running again.

The working bee was attended by 25-30 people from all walks of life, some attended for a few hours some for the whole weekend, but all who attended went away knowing that whilst the task of cleaning up and rebuilding is a massive one, that we did something positive that helps contribute to the rebuilding of this

community.

For those who meant to donate but haven't yet, The Australian Red Cross is still taking donations up until 17th April, 2009. For those who would like to help the club further see the club's web site for details and photos of some of the affected areas

<http://www.marysvillegolfandbowls.com.au/>

Shaun Thatcher

Upcoming Dates

It's **FBT time** again so if you've received a letter, please make sure you return your information to us by the due date.



Between now and 30 June we need to look at your business results together to see whether you need assistance in **legally reducing your tax and planning** for the 2010 year. Send in your July 08 – March 09 results now and we can get started!

Meet our Team Members

- Carly Thorpe

Carly's been with us for 6 years now, originally on reception, but has moved up through the administration ranks. She now takes care of many tasks such as compilation of client reports and the maintenance of all your company registers.

Carly's had some excitement recently with the purchase of a block of land and the commencement of building her first home.

At the start of March she married Coree, in a romantic ceremony in Fiji, during which the groomsman tore off in a golf cart to retrieve the wedding rings he had left beside the pool!

Carly is always a bright contributor to our team and you can be sure she will chase up any queries you might have.



Investment Allowance for Business Asset

Part of the government's stimulus package is an investment allowance available for depreciating assets purchased for use in your business.

This will take the form of a one-off tax deduction of 30% of the cost of eligible new depreciating assets acquired under a contract, or started to be constructed, after 13 December 2008 and before the end of June 2009 and installed ready for use by the end of June 2010. A 10% deduction will apply for assets acquired between 1 July 2009 and 31 December 2010. New expenditure on existing assets may also qualify.

Small businesses will be able to claim the deduction for eligible assets costing \$1,000 or more. Small businesses must have a turnover of less than \$2 million a year to qualify. For other businesses, a minimum expenditure threshold of \$10,000 applies.

PCM Footy Tipping Competition

After 3 exciting rounds the top of the ladder is looking a little crowded with 7 tippers in the top two spots!

The current ladder is as follows :

- Martk - 18 points
- Here Comes the Blues - 18 points

- Zadok - 16 points
- Fitzzy7098 - 16 points
- Demon1960 - 16 points
- Redredrose - 16 points
- Jess - 16 points



Joke Corner

If an accountant's wife can't get to sleep, what does she say?

"Tell me about work today dear"

