

Welcome to 2010! We hope you all had a rewarding and relaxing break over the holiday period and have come back ready to take your business to the next level. With the beginning of any calendar or financial year, a number of new laws begin or end. This year is no exception, with the investment tax break no longer available for assets purchased after 31st December 2009.

In this edition of Nexis News, we also discuss the new National Tax Agent Services Regime, preparing for the end of the FBT year, and introduce a number of Nexis's new value add services which will assist our clients in strategising for the future.

End of Investment Allowance

The 31st of December 2009 saw the end of the Government's investment allowances for eligible new assets. Whilst any asset purchased after this date will no longer be eligible for an additional tax deduction, action may still be required by you to access the allowance for assets purchased between 13th December 2008 and 31st December 2009. Specifically, for any assets which are not yet installed and ready for use, these must be installed by 31st December 2010. When providing us with your tax information for any of the 2008, 2009 and 2010 financial years, it is important to ensure the dates on which assets are purchased and then installed are also provided to us. These dates can impact on the amount of the investment allowance available to your business.

Tax Agent Services Regime

On 1st March 2010, the new National Tax Agent Services regime will come into force. This regime imposes new requirements on tax agents and anyone who provides BAS services for a fee. This may have a number of impacts on your tax work. Specifically, if you use a BAS agent to lodge your BAS, who is not a registered tax agent, they may need to update their registration. Also, tax agents will be legally bound to ensure the information provided by clients is reasonable. Where this is not the case, we will be unable to lodge your returns. Whilst we expect this will generally have a small impact on our clients, some additional information and questioning may be required in relation to some of your accounts.

The end of another tax period fast approaching

Get your Fringe Benefits Tax return in order NOW!

Fringe Benefits Tax (FBT) is often seen as the forgotten little brother to the other Australian taxes. However, the lack of focus from businesses can have serious consequences. Firstly, planning opportunities may be missed resulting in a higher FBT liability. In addition, the ATO is well aware that FBT is overlooked and focus some of its compliance and data matching activities directly to FBT. Finally, poor record keeping can result in increased accounting costs as accountants attempt to understand the transactions which may be subject to FBT.

With less than two months until the end of the FBT year, the following steps can be taken to minimise or eliminate FBT costs for the 2010 FBT year:

- Identify the benefits (outside of salary and wages) which have been provided to employees and directors.
- Review accounts and note details for items purchased for, and payments made on behalf of, employees.
- Review kilometre readings on cars and ensure that targets are met by 31st March 2010. (Remember, FBT on cars using the statutory formula method reduces at 15,000, 25,000 and 40,000 kilometres)
- Consider making contributions, or receiving contributions from employees, towards benefits provided to reduce or eliminate the FBT. (Note that GST will be payable on any such contributions)

New Service Offerings

We are excited to announce a number of new services which Nexis is able to offer. We have partnered with a national advisory group, BStar, and have developed a number of business tools that can be used by you to better understand your business and to give you control over your bottom line and your returns.

Valuations

Thinking of buying or selling a business? Do you know what the business is worth? Want to know how much the business could be worth and how to reduce the "value gap"?

Our Valuations provide a fast, reliable, cost-effective and scientifically proven approach to valuing businesses. By working through a number of key factors which influence the value of a business, we can provide both formal and informal valuations which give you an accurate value of a business. Whether your valuation needs are due to an impending sale or purchase, due to a relationship breakdown, or simply for information, we can

provide a valuation which suits your needs. In addition, we can analyse the valuation result to provide you with clear advice and a structured plan as to how the value in your business can be improved.

Staff Value Programs

Do you want to retain the best staff in your business? Suffering from a high staff turnover?

Our Staff Value Program addresses the need of a business to attract, retain and motivate its brightest and most talented staff. By marrying the needs of the business owners with the needs of staff, we develop a tailored, comprehensive program that establishes an effective staff incentive program and improves staff performance, productivity and attitude. This program has been proven to increase staff motivation and retention and it has been successfully implemented in various businesses of different industries across Australia and New Zealand with great results.

Business Life Plans

Are you Growing or Going? Have you considered how to Grow your business? Have you started to prepare your business for you to Go? Do you have a set of prioritised goals for your business and yourself?

Our Business Life Plans address these questions and more. Business Life Planning is a proven process which enables you to develop clearly documented strategies and action plans taking into account all aspects of your life. By attending a one-on-one workshop and considering your past, present and future position, a detailed report is developed which documents your journey, life changing events, financial performance, comparisons to best practice, growth and succession goals, action plans and time lines. Our Business Life Plan will also ensure you have adequately considered succession and/or transition plans for your business.

Other Value Added Services

In addition to our new services, we can also assist you through a number of our existing value added services

Choosing a Business Structure

One of the most important decisions to be made regarding your business is determining which structure will work best for your business. A number of important factors need to be considered and weighed-up to ensure you get a business structure that is right for you. By choosing the right structure, you can minimise your tax bill, provide flexibility to grow your business and protect your assets.

Choosing a structure is not only relevant for businesses in the start up phase, but also for established businesses. A business structure should be regularly reviewed to ensure that the current structure is not holding your business back.

Nexis can assist with a review of your current structure and growth plans ensuring appropriate changes are made to your structure as required.

Benchmark your business to become a Market Leader

Benchmarking is a process where “best practice” processes, operations and products are identified, created and delivered. The objective of benchmarking is to understand and evaluate the current position of your business in relation to best practise. This can be used to identify strengths and weaknesses, highlight opportunities and eliminate threats of the business. Once found, Nexis can advise you on how to improve the performance of your business to assist you to become the market leader within your industry.

Create KPI's and reap the rewards of knowledge.

Key Performance Indicators (KPI's) are quantifiable measurements that reflect the critical success factors of your business. They help business's define and measure progress

towards achieving its goals and objectives and provide insight on which to make informed and appropriate decisions.

KPI's are different from business to business and need to be customised for your business. They must be monitored regularly and improved so that you can achieve your goals. At Nexis we can create a KPI report that will enable you to monitor the performance of your business. Through the knowledge gained from this report and constant improvement, you will reap the rewards of achieving your goals and objectives.

How Healthy is your Business?

A Business Health Check is a crucial two page report that highlights where your business is healthy and growing and where your business needs serious attention because it is failing. This easy to understand report will highlight every area of your business that needs improvement to help your business thrive. It covers all the areas of a business including profitability, debt and interest coverage, efficiency, return, leverage and cash measures. The health check will highlight the key areas of your business that need attention so that we can immediately work together to ensure your business continues to grow.

Focus on Property Investment Seminars

Nexis Accountants in conjunction with Pacific Eastcoast are pleased to invite you to the Focus on property presentation that will be held on Thursday 25th February 2010. Enclosed with this newsletter is an invitation to this presentation.

Property investment has many advantages which include potential capital growth, rental returns, a relatively secure investment and significant tax advantages. Nexis in conjunction with a number of property advisors can help you secure high quality

investment properties that will assist you in building your wealth portfolio.

We will be holding a number of similar seminars throughout the year. If however you wish to speak to one of our property advisors one on one, please call our office at any time to organise your personal investment property appraisal.

Request for New Clients

The best compliment you can pay us is to recommend us to others.

As with any successful business, continual growth is an extremely important factor. Over the past 5 ½ years, we have worked hard to build a solid foundation for our business and have assembled a team of high quality professional staff. We are now looking to grow our business further with new service offerings and new clients.

If you know of any other businesses that need assistance with any accounting, tax, or business services, please let us know.

If you require any further information on any of the topics discussed in this edition of Nexis News, please contact us on (02) 6264 8000.

“Rich people always have a certain degree of debt. Apparently it helps to reduce taxes.”
– Felix Dennis (Author of “How to Get Rich”)