



Business Development



Taxation Business



Taxation Individual



Finance



Wealth Creation

## In this month's issue...

- + Cashflow is King!
- + Flu Busters
- + We're moving to 5 Davidson Terrace
- + Are you prepared for retirement?  
MP+'s top retirement mistakes and concerns
- + Important notice: compulsory residual current devices (RCD)
- + Tax office helps small businesses
- + Changes to foreign employment exemption laws
- + View your consolidated investment portfolio online 24/7
- + Marketing - some questions to consider
- + Equipment finance
- + Staff profiles
- + Staff news
- + BAS lodgement changes

## Flu Busters

- **Citrus fruit**  
contains immunity-boosting vitamin C
- **Carrots**  
contains antioxidant-rich beta-carotene
- **Garlic**  
has anti-viral and antioxidant properties
- **Echinacea**  
stimulates the immune system
- **Ginger**  
has anti-inflammatory and analgesic properties



## Cashflow is King!



Many businesses are finding conditions very difficult at present. Not because they are unable to make sales, but because they are experiencing severe cashflow problems. Some commentators are forecasting that around 12% of small businesses are at risk of failing because of poor cashflow control. If you are giving credit to customers, now is a good time to fully review your credit management systems (if you haven't already done so).

One of the best formats you can introduce is to prepare a short-term cashflow forecast each week, whereby you analyse your anticipated cashflow performance over the next four to five weeks. If this analysis indicates that you are going to have a problem, then now is the time to act to try and rectify the situation by contacting debtors and trying to ensure that payments are made, having discussions with suppliers to slow down payments or presenting a case to your bank for a temporary overdraft facility.

Many businesses are considering alternative methods of getting payment including establishing direct debit facility, confirming

your payment terms to all customers and then being proactive on the due date for payment. If a customer has not paid, immediately contact them to encourage payment on time.

It is a good time to review your systems to ensure that invoices are being dispatched promptly as soon as goods or services are provided.

- Are the invoices in accordance with the customer's requirements? (Otherwise the invoice will be delayed in its processing, which will delay payment).
- Are you preparing a debtors' aged analysis each month and is the analysis being used to chase up any customer who has an amount outstanding for more than your stipulated payment time? If so, these people should be immediately contacted and arrangements made with them for payment.

If you would like a cashflow form to assist you in the short-term management of your cashflow position or any other advice on cashflow management, please contact us.

## We're moving to 5 Davidson Terrace

Thanks to you, our loyal clients, giving us your business and support, we at MP+ have outgrown our current office space. Later this month we will be moving into a new state-of-the-art purpose-built office which offers facilities for one-to-one consultations, training seminars and group meetings, which will allow us to work more efficiently. The new office is only a few minutes walk away from our previous office, so we will still maintain a convenient Joondalup location. We'll be located opposite the Joondalup Health Campus roundabout entrance. Be sure to note our new address.



MURRAY MCKINLEY CPA (FPS), B.Bus. (Acc & Fin) NIGEL PLOWMAN FPNA, FTIA, D.Bus. (Acc)

PAUL MORAN FINANCE BROKER MFAA Broker License No. 2915 MPM Finance Pty Ltd A/TF The MPM Unit Trust Broker License No. 2916  
5 DAVIDSON TERRACE, JOONDALUP WA 6027 TEL: (08) 9301 2200, FAX: (08) 9301 2201

EMAIL: accountant@mckinleyplowman.com.au www.mckinleyplowman.com.au

CORRESPONDENCE PO BOX 635, JOONDALUP WA 6919





## Are you prepared for retirement? MP+'s top retirement mistakes and concerns

Australians may be under prepared when funding their retirement, according to Murray McKinley.

Count Wealth Accountants surveyed its network of more than 450 financial planning firms Australia-wide asking them to rank their clients' top 10 retirement concerns and the top 10 retirement mistakes Australians make in relation to their finances.

Murray McKinley says the results indicate that Australians are concerned about funding their retirement but are not necessarily making the right decisions due to a lack of knowledge and unrealistic expectations about their future lifestyle.

"One of the key trends we are seeing emerge today is a 'new breed' of retirees. Rather than slowing down, baby boomers want to maintain their lifestyle and 'live it up' in their later years. They are living longer and need more capital to have the lifestyle they want. We all hope for a comfortable lifestyle, but in order to achieve it, we need to change our attitudes towards retirement saving."

Murray McKinley says there are still expectations that retirement will fall into place. "Relying on the 9% Super Guarantee is unrealistic. A person hoping to retire on \$40,000 at age 65 will need around \$500,000 in super - well beyond what 9% super can provide over a working life."

According to Murray McKinley, expecting to receive Government assistance is also impractical. "The Age Pension is not guaranteed and in any case, will not provide nearly enough for a comfortable living."

In the survey, 53% of respondents named the number one retirement mistake as failure to seek financial advice prior to retiring - with many of the top ranked errors preventable through professional advice.

"We see retirees who have acted hastily or invested inappropriately without understanding the long-term ramifications or tax consequences. The superannuation and tax system are complex and legislation is constantly in review, so it really does pay to get professional advice before retiring" says Murray McKinley.

"People are living up to a third of their lifetime in retirement - a significant length of time to leave up to chance. Getting advice will minimise the chances of making poor decisions and ultimately prolong your retirement income."



Murray McKinley is an Authorised Representative of Count Financial Limited, an Australian Financial Services Licence Holder (No. 227232) and Australia's largest independently owned network of financial planning accountants and advisers.

### Important notice: compulsory residual current devices (RCD)

New regulations have now been passed making it **MANDATORY from August 9, 2009** that all residential premises in Western Australia being newly rented, or existing leases being renewed, are required to have 2 RCDs installed. (An RCD is an electrical wiring device that disconnects a circuit whenever it detects that the electric current is not balanced between the energised conductor and the return neutral conductor.)

**The regulations provide that a new lease agreement cannot be entered into or renewed after 9th August unless the property complies with new regulations which is mandatory.**

**SMOKE ALARMS:**  
It is anticipated that hard wired smoke alarms in residential properties being sold or made available for lease will come into effect in October 2009.



### Tax office helps small businesses

The Australian Taxation Office has announced that they will offer a 12 month interest holiday on \$6.5b in tax debt owed by SMEs and defer all tax payments by some SMEs.

**The tax breaks will be available to small businesses with annual sales of less than \$2m.**



Eligible SMEs will be able to enter into interest-free payment arrangements with the Australian Taxation Office for the next 12 months. SMEs with turnovers under \$2m, who have cashflow problems, will be able to defer their July quarterly tax payments for two months.

These offerings from the Australian Taxation Office confirm that there has been a significant slowdown in cashflow amongst small/medium enterprises as a consequence of the difficult times being experienced by many business operators.

If you would like to avail yourself of the offer from the Australian Taxation Office, please contact us so that we can complete the necessary application for you.



## Changes to foreign employment exemption laws

The Government will target the income tax exemption for foreign employment income, with effect from 1 July 2009. The exemption will apply to income earned as an aid worker, a charitable worker, under certain types of government employment or on projects that are in the national interest.

The measure forms part of a package of measures to improve fairness and integrity in the tax system.

Currently, certain foreign employment income earned by Australians working overseas for a continuous period of 91 days or more is exempt from income tax. The original intent

of this measure was to relieve double taxation, however, in practice little foreign tax may actually be paid on the foreign income concerned.

Instead, foreign employment income will generally become taxable and taxpayers will be entitled to a foreign income tax offset for foreign tax paid on the foreign employment income. This will relieve double taxation for those individuals.



## View your consolidated investment portfolio online 24/7

MP+ can offer a unique online service to clients, My Net Wealth®, via our website [www.mckinleyplozman.com.au](http://www.mckinleyplozman.com.au)

My Net Wealth® allows clients to view their consolidated investment portfolio information and total net wealth position online, at any time. By logging into MP+'s website, clients can see how their overall portfolio is performing, including any managed funds, shares or other investments which they may have.

My Net Wealth® provides our clients with much more flexibility. Instead of waiting for statements to arrive in the post, or visiting fund manager websites separately, clients can view their entire portfolio in one go. They can see what transactions have taken place and additionally, read investment commentaries and market forecasts.

Murray McKinley says, "Logging into our website is much more than just surfing the web – it is an interactive tool allowing you to monitor your investments more closely and stay informed."



## Marketing - some questions to consider

- Have you developed an advertising strategy?
- What percentage of your turnover do you spend on advertising?
- How does your advertising expenditure percentage compare to others in your industry?
- Do you personally appear in advertisements?
- Have you developed an advertising strategy for special events during the year e.g. Christmas?
- Do you measure the results of various advertising campaigns?
- Do you enquire where new customers heard about your business?
- Do you use key words in your headlines, including "you", "easy", "love", "guarantee" and "free"?



## Equipment Finance

Do you have time to check with Esanda, CBFC, Macquarie Leasing and Westpac to ensure you're getting the best deal on your vehicle/ truck/ equipment finance - **we do.**

Take advantage of the government's investment allowance scheme of up to 50% tax deductions.

Consider the following information on vehicle/truck/equipment finance facilities. Let us help you finance your next purchase and make sure it is structured correctly.

### The right equipment and vehicle finance

We can look at finance options which best suit your current business needs.

We can help you and your business obtain access to additional funding for expansion and new equipment.

### I want to lease equipment for my business

If leasing your equipment is the way you want to go, standard leasing and commercial hire purchase can provide you with the solution you require.

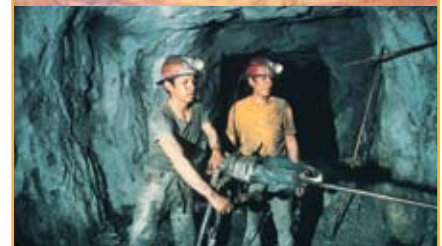
### I want to salary package my vehicle

If you want to salary package your vehicle, we can arrange a Novated Lease in conjunction with our financial planning division.

### I want short term finance for equipment

We recommend looking at Revolving Limit or Chattel Mortgage options to provide you with a short term finance solution from 1-5 year terms.

Contact Paul Moran or Martyn Noakes to arrange finance for your next business vehicle or asset purchase.





## Staff profiles



**Jacquelyn Kallmeyer**  
Office Junior

Star sign: Sagittarius  
Favourite food: Chocolate  
Favourite celebrity: Elvis Presley  
Favourite movie: I don't have one favourite, there's so many to choose from  
Dream job: Not having to work at all, although MP+ is a pretty good second best



**Witsava Shawcross**  
Para Planner

Star sign: Taurus  
Favourite food: Thai & Japanese  
Favourite celebrity: Denzel Washington  
Favourite movie: Happy Gilmore  
Dream job: Fighter pilot or professional soccer player



**Margaret Robinson**  
Tax Accountant

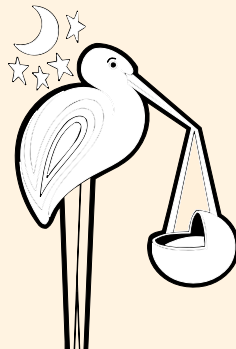
Star sign: Virgo  
Favourite food: Anything I don't have to cook myself  
Favourite celebrity: Alan Rickman  
Favourite movie: Shawshank Redemption  
Dream job: Retirement

## Staff news

On behalf of everyone at MP+ we would like to wish **Carol Green** a very happy retirement. As Carol leaves our profession she takes with her the respect and the gratitude of all her friends and colleagues. To have worked with someone as passionate, enthusiastic and capable as Carol, has been an honour.



Para planner **Sofija Vujicic**, and her partner Greg, welcomed into their family a son, Jaxon, born 8 January 2009. Jaxon weighed 3.485 kg, was 52 cm long and had lots of black hair! Sofija is planning to return to the financial planning team at the end of 2009.



## BAS lodgement changes

Do you lodge your BAS through us?

Many clients have us lodge their quarterly BAS. As accountants we generally get an extension for lodgement and therefore the BAS payment can be delayed approximately four weeks.

Due to changes in legislation we are no longer able to simply input and lodge activity statements without first reviewing the source records.

Although we will attempt to minimise costs, please be advised that normal hourly

rates will apply. Please contact us if you require an estimate at the likely cost.

As an alternative, we suggest clients register on the ATO business portal. This will enable the BAS to be lodged electronically with a 2 week extension (free of charge)!

Go to: [www.ato.gov.au/onlineservices/content.asp?doc=/content/00120841.htm](http://www.ato.gov.au/onlineservices/content.asp?doc=/content/00120841.htm)

## Business Development Services

- Track your financial performance with monthly, quarterly or annual Financial Statements
- Know what your competitors are doing with Industry Benchmarking
- Create a visual analysis of your financial performance using Key Performance Indicators
- Know where your business is heading through Budgets for profit & loss, balance sheet, cash flow, break even & key ratios
- Know the likely outcome of a proposed action with Optimist: What if review
- Plan to succeed with a written Business Plan. Government funding is available
- Increase your sales with our Marketing workshop & reports
- New business Start ups & Due diligence to ensure that you get what you pay for
- Develop Strategies and milestones and achieve results faster with our Client Advisory Board
- Quantify the potential of your business and the effect of minor change with our Business Diagnostic Report
- Our Business Mastery Program is internationally renowned and ensures your business succeeds

## Taxation Services

- Tax returns for individuals, business and corporates
- Forward tax planning with interim financial statements, projections, tax estimates & tax minimisation strategies
- Business structures: setup & review
- Setup of in-house accounting systems to account for income tax, GST requirements and profit performance
- All areas of GST, PAYG, CGT, FBT and Employer obligations
- ATO objections, appeals & audit representation
- International tax planning and advice

## Finance

- Home Loans: we have access to over 20 different lenders
- Investment Loans: we can offer access to investment loans or lines of credit for residential property purchases or wealth creation strategies
- Commercial Loans: we can provide the right solution
- Business Loans: facilitation of first business and franchise loans, expansion of existing loans
- Vehicle and Equipment Finance: assistance with hire purchase, lease, chattel mortgage or novated lease financing
- Debtor Finance: remove your property as security from the bank and create personal wealth, succession planning or equalise partnership contributions
- Insurance Premium Funding: a facility which will allow you to spread your insurance premium over 12 months

## Wealth Creation\*

- Superannuation: minimise your tax bill now, and maximise your choices in retirement
- Personal insurance is an essential part of every financial plan. It is used to protect your wealth, your lifestyle and provide for your loved ones
- Investment planning and advice for managed funds, shares & property
- Secure your future with Retirement planning
- Accredited remuneration advisers for Salary packaging
- Take care of your future. We establish, maintain and advise on eliminating tax and fees for Self managed superannuation funds
- Save time, stay on-track! My Net Wealth®, is a unique service that allows you to access your Managed Funds and share investments online, 24 hours a day, 7 days a week
- Successful investors know that the only way to ensure they achieve their personal financial goals is with Regular reviews
- Negative gearing advice including ownership and borrowing structures
- Gear investments for greater leverage with Margin Lending
- Full Share broking service with direct to market facilities, instant market information and research

\* These services are provided as an Authorised Representative of Count Financial Limited