



Business Development



Taxation Business



Taxation Individual



Finance



Wealth Creation

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McKinley Plowman fundraising during the last quarter has supported several charities and raised lots of money.

On Friday 24 July 2009 staff wore their slippers at work on **Stress Down Day** to support Lifeline and each donated a gold coin to participate.

On Friday 7 August 2009 staff wore their jeans and made gold coin donations, whilst supporting **Jeans for Genes**: a great cause helping today's scientist for tomorrow's children.

On Sunday 9 August 2009 staff member **Jocelyn Wilmot** ran 10 km to raise money for **WA Breast Cancer**. This is a smaller foundation that caters to the needs of young WA women and their families directly affected by this disease.

New offices, open day

We would like to take this opportunity to invite all our loyal and supportive clients to an open day at our new offices on **Friday 13 November**.

Visit our new office at 5 Davidson Terrace, Joondalup between 10.00 a.m. and 3.00 p.m.

We'd love to show you around!



Temporary Investment Allowance update (TIA)

Just a reminder that 31 December 2009 is an important date for businesses hoping to take advantage of the Government's TIA. Businesses may be entitled to a tax break for new investment in tangible depreciating assets. The rate of the deduction, which is in addition to normal depreciation, depends on:

- the size of the entity;
- investment commitment time; and
- date of first use or installed ready for use.

Small Business

- you have until 31 December 2009 to commit to investing in an eligible asset;
- the asset must be first used or installed ready for use by 31 December 2010; and

- the tax break is worked out using a rate of 50% claimed in the income year in which the asset is first used or installed ready for use.

All Other Business

- you have until 31 December 2009 to commit to investing in an eligible asset;
- the asset must be first used or installed ready for use by 31 December 2010; and
- the tax break is worked out using a rate of 10% claimed in the income year in which the asset is first used or installed ready for use.

For more information regarding eligibility please contact us.



Ingredients for business success

Preparing a plan and then monitoring it, on an ongoing basis, is a very important ingredient for business success.

The other key ingredients for business success include:-

- being concerned about your staff, communicating with staff, letting staff know what your business plan is;
- having concern for customers, establishing databases, having an ongoing communication strategy to keep customers informed about developments within your business; and
- having concern for suppliers, having open and frank discussions with suppliers about your customers' demographics and preferences, arranging to purchase

products suitable for sale within your business and supported by extraordinary service from your suppliers.

The key is to keep on reviewing the plan. When you start in business, find a "difference" in your offerings. Find a "niche market". Try and "learn" from other people. Employ people who are very capable and maybe smarter than you. Know what you are doing and where you are headed in the market place.

Be humble and patient and realise that a business is not a sprint - it's a marathon.

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





Export Market Development Grant (EMDG) Scheme

- ✓ Do your business development activities include seeking to sell your goods or services to overseas buyers?
- ✓ Do you travel overseas to meet with prospective buyers or attend tradeshows?
- ✓ Do you, or are you considering, establishing an overseas office or appointing an overseas agent?
- ✓ Do you provide free samples to prospective overseas buyers?
- ✓ Do you distribute promotional literature overseas, including via your website?
- ✓ Have you registered a patent overseas?

If so, you may be entitled to an Export Market Development Grant.

The EMDG Scheme is the Federal Government's primary financial assistance program for those small to medium enterprises that are seeking to establish an export market for their goods or services. Under the EMDG Scheme, businesses can obtain reimbursement of approximately 50% of certain promotional expenses incurred during a financial year.

Grants of up to \$200,000 each year are available and you can apply for EMDG up to 8 times.

To be eligible for EMDG, you must be able to demonstrate that your business:

- Is an Australian entity ie: must have an ABN.
- Manufactures goods in Australia.
- Provides eligible services (including tourism services in Australia).
- Owns intellectual property or know-how that has originated in Australia.
- Does not have an annual turnover exceeding \$50 Million.
- Is not under insolvency administration.
- Incurred eligible promotional expenditure over the minimum threshold of \$10,000 in financial year.

For more information on EMDG, please contact us.

The deadline for lodging an EMDG Application is **30 November**.



Effective quotes and proposals

Consider these questions:

- Do you use printed quotation forms?
- Do the printed quotation forms contain the terms and conditions of the quotations and sale of product?
- Have you had the terms and conditions checked by your solicitor?
- Does the presentation of the quotation form comply with your business's desired image?
- Do the forms look professional?
- Are brochures and other sales aids current?
- Do you include customers' testimonials?
- Do you follow-up quotations by telephoning the customer?



Investment allowance - as a sales aid

- Are you selling plant and equipment, motor vehicles etc?
- Are you highlighting the investment allowance benefits to encourage prospective customers to order before 31 December 2009?

Please refer to the article on page 1 for more information on how the allowance works.



Employers: ensure all your employees are registered for long service leave

Under the provisions of the Construction Industry Portable Paid Long Service Leave Act 1985, employees in the Construction Industry have access to a portable long service leave Scheme funded by compulsory contributions from employers.

Every employer engaged in the Construction Industry must register with the Board. Registration is compulsory by law and there are penalties for non-registration.

Construction Industry work covers work on buildings whether commercial, industrial, or domestic, new or existing and includes the installation, maintenance of or repairs to fixtures or works for the use on any buildings. It does not include work in an employers' workshop or factory.

The Construction Industry includes the on site construction, erection, installation, reconstruction, re-erection, renovation, alteration, demolition, maintenance of or repairs to any of the following:

Buildings, roads, fences (other than farm fences), installation and major alterations to lifts and escalators, railways, airfields or other works for the passage of persons, animals or vehicles; breakwaters, docks, jetties, piers, wharves or works for the improvement or alteration of any harbour, river, or water course for the purposes of navigation; works for the storage or supply of water or for the irrigation of land; works for the conveyance, treatment or disposal of sewage or of the effluent from any premises; works for the extraction, refining, processing or treatment of materials or for the



production or extraction of products and by products from materials; bridges, viaducts, aqueducts or tunnels, chimney stacks, cooling towers, drilling rigs, gasholders or silos; pipelines; navigational lights, beacons or markers; works for the drainage of land; works for the storage of liquids (other than water) or gases; works for the transmission of wireless or telegraphic communications; pile driving; structures, fixtures or works and the preparation of sites for any other above works; on-site fabrications, erections or installations of plant, plant facilities or equipment for any of the above buildings or works; works for the generation, supply or transmission of electric power.

Work not included in the Construction Industry include work on ships, maintaining or repairing lifts or escalators, routine or minor maintenance or repairs by employees for an employer who is not substantially engaged in the Construction Industry.

For more information please contact us or log onto

<http://www.lslboard.com.au/employers.html>



Trauma can happen to anyone

Barry White – Stroke
 Barry Sheen – Cancer
 Delta Goodrem – Hodgkinsons Disease
 Dana Carvey - Angioplasty
 Richard Pryor – Multiple Sclerosis
 Joh Bjelke Petersen - Dementia
 Daniel Johns – Arthritis
 Christopher Reeve – Tetraplegia
 Laurence Tureaud (Mr T) - Cancer
 David Niven – MND

Kylie Minogue – Breast Cancer
 Martin Lawrence - Coma
 Michael J Fox – Parkinsons
 Paul Eddington – Skin Cancer
 Patrick Swayze – Pancreatic Cancer
 Stephen Hawking – MND
 Hazel Hawke – Alzheimers
 Horatio Nelson – Loss of right arm & eye
 Wayne Goss – Brain tumour
 Larry Hagman – Liver transplant

Trauma Insurance can help you cope financially with the effects that a Trauma event can have on your life. Trauma includes conditions like cancer, heart attack, stroke, coronary bypass surgery and angioplasty. It can remove the financial stress and pay for changes you may need to make to your lifestyle.

Trauma insurance pays a lump sum, which you can use to:

- Pay for expensive recovery costs including rehabilitation & medication

(some cancer drugs cost upwards of \$60,000 per year)

- Pay for changes to your lifestyle (e.g. refit your home)
- Pay off your mortgage
- Enable your partner to reduce their working hours to look after you, or alternatively to get a carer
- Use the lump sum to provide an ongoing income

If you would like to discuss Trauma cover further please contact Stacey on (08) 9301 2200 to make an appointment.



Changes to super caps

Changes to the concessional contributions caps came into effect on 1 July 2009. Any super contributed over a cap amount is subject to extra tax.

The cap amount and how much extra tax your member pays once they exceed the cap depend on whether the contributions are concessional or non-concessional.

The concessional contributions cap has been reduced to \$25,000 (indexed) for contributions made in 2009–10 and later financial years. The transitional concessional contributions cap (not indexed) has been reduced to \$50,000, is for those aged 50 years or older and is available until 30 June 2012.

The non-concessional contributions cap for the 2009–10 and later financial years is now six times the concessional contributions cap. It will therefore remain at \$150,000 in 2009–10.



Christmas parties, gifts and FBT

Yes, the festive season is just around the corner. Employers generally want to spread some good cheer but are usually unaware of the Fringe Benefits Tax (FBT) consequences of their generosity.

The potential FBT consequences of your Christmas party can be tricky because of the different ways FBT can impact on different types of people, costs and situations.

Whether you're likely to have an FBT problem depends on:

- where and when you have your party;
- who comes; and
- how much it costs.

We can't cover all the possibilities, but here are some outcomes for you to consider.

Celebrating on site

If you hold your party on a work day at your business premises and only your employees attend, costs such as food and drink are FBT exempt, regardless of what the cost is per head for each employee.

However, if you also invite your employees' associates (eg, family) and perhaps some clients then it gets a bit more complicated:

- what you spend on entertaining your employees' associates are taxable fringe benefits and you'll need to work out whether you have an FBT liability; and
- what you spend on your clients may be exempt from FBT altogether.

Celebrating offsite or not on a work day

If your party isn't held on a work day or on your business premises (eg, you head off to the local restaurant), the FBT alarm bells can really start to ring loud and clear.

However, if you keep your costs under \$300 per head for your employees and employees'

associates – you may be able to reduce your FBT liability by relying on the minor benefit exemption.

Calculating whether you come in below the \$300 minor benefit threshold can be tricky. For example, the cost per head includes the cost of food and drink and other items like:

- the cost of transport to venues; and
- taxis home.

Thinking about giving gifts?

Give some careful thought to how you give gifts to your employees at Christmas time:

- if you are also handing out gifts to your employees at the party, the ATO now considers them separately from the cost per head with regards to the party - you may be able to rely on the minor benefits exemption for a Christmas gift of less than \$300 in value, which is considered to be a separate benefit from the party itself;
- if you don't hand out gifts at the party but at some other time, it's possible that you may still be able to rely on the minor benefit exemption at that time if the value of each gift is less than \$300; and
- as an alternative, if the gifts you give are products that you would normally sell to members of the public, there is another exemption of \$1000 per annum for each employee that may apply (called an in-house exempt property benefit).

What's tax deductible?

- Generally the cost of providing a Christmas party is income tax deductible only to the extent that it is subject to FBT. Any costs that are exempt from FBT (eg, the exempt minor benefits and in-house exempt



property benefits noted above) cannot be claimed as an income tax deduction.

Clients & Christmas Goodwill

- entertainment in the form of food and drink for immediate consumption you provide to your clients is usually exempt from FBT regardless of whether provided at a social or business function, on or off your premises.
- the costs of entertaining clients are also not income tax deductible.
- gifts to clients of a celebratory nature (eg, a bottle of wine or whisky) are considered to be business promotion expenditure and are generally tax deductible, provided they do not constitute the provision of entertainment.

Please contact us if you are unsure how this may apply to you and your Christmas celebrations.

Staff profiles



John Budrovich - Accountant Manager

Star sign: Scorpio
Favourite food: Pasta (with a nice glass of red)
Favourite band/singer: Ian Moss (at the moment)
Favourite sport to watch: Rugby Union
Dream car: A sporty black Mercedes Benz with 'BUDROVICH' number plate
Favourite holiday destination: Can't go past Margaret River with family or friends and a nice glass of red



Jo Truslove - Administration Assistant

Star sign: Virgo
Favourite food: Curries & Italian
Favourite band/singer: Black Eyed Peas
Favourite sport to watch: Rugby
Dream car: Mercedes Benz in White Gold
Favourite holiday destination: I would settle for just about anywhere nice & warm, just to be pampered



Jan de Bruto - Accountant

Star sign: Libra
Favourite food: Ice cream
Favourite band/singer: MGMT
Favourite sport to watch: Women's beach volley ball
Dream car: Volvo S60R
Favourite holiday destination: Bali

Staff news

We extend a warm welcome to the newest members of our teams. We introduce **Stephen Martin** who joins as a Senior Accountant, **Sandy Karuthasami** who joins as a Senior Superannuation Accountant. **Ann Smythe** has joined the financial planning team and **Ilana Kalmin** has joined the tax team.

Stephen has five years experience in public practice in firms in South Perth & the City followed by two years experience at a mining & construction company. He has a Bachelor of Business with a major in accounting as well as a Graduate Diploma in Chartered Accounting. In his spare time Stephen likes to play sport, mainly soccer, golf & tennis as well as spending time with his family.

Sandy qualified with a Bachelor of Commerce in Accounting & Finance from Curtin University and is currently doing the CPA program. His background is four years experience in Self Managed Superannuation Funds. In his spare time Sandy plays basketball, tennis, soccer and likes watching movies.

Ann began work in the life insurance industry in 1988 with Colonial Mutual and during her career has gained accreditation with most of the larger life insurance companies. She has a Diploma in Financial Planning and Integra Certificate IV also in Financial Planning. Ann set up her own practice offering superannuation, insurance and investment advice but has recently sold this business. She enjoys keeping fit in her spare time and the joys of being a grandmother.

Ilana studied a commerce degree in SA and completed a CPA in the USA. She worked in accounting and insurance while in SA. Ilana migrated to Perth five years ago and has four children (two girls studying law at UWA and twin boys in year 11). She did three tax courses with H&R Block and worked for them for three tax seasons. Ilana enjoys the gym, walking at the beach and reading.

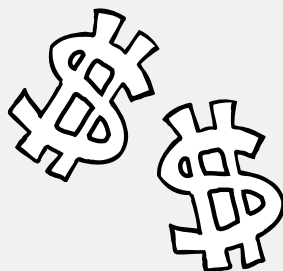
Joke

One day, an employee received an unusually large pay cheque.

She decided not to say anything about it. The following week, her cheque was for less than the normal amount, and she confronted her boss.

"How come," the supervisor inquired, "you didn't say anything when you were overpaid?"

Unperturbed, the employee replied, "Well, I can overlook one mistake – but not two in a row!"



Business Development Services

- Track your financial performance with monthly, quarterly or annual Financial Statements.
- Identify areas for improvement with Industry Benchmarking.
- Create an easy to understand visual analysis of your financial performance using Key Performance Indicators.
- Achieve the big business competitive edge with cfo2go. Your own Chief Financial Officer with a full time focus and part time cost.
- Know where your business is heading through Projections for profit & loss, balance sheet, cash flow, break even & key ratios.
- Know the likely outcome of a proposed action with Optimist 'What if' Financial Modeling.
- Plan to succeed with a written Business Plan.
- 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 12 month Business Mastery Program is internationally renowned to coach you to success.

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.
- Effective Asset Protection creates a plan for the future which delivers maximum asset control, tax flexibility and asset security.

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- Maximise your investment possibilities and wealth creation strategies with access to competitive Investment Loans.
- Find the right solutions for your property development and investment with our Commercial Loan facilitation.
- Establish your new business and franchise competitively with a choice of Business Loans or expand your existing situation.
- Benefit from access to cost effective hire purchase, leasing, chattel mortgage or novated leasing for Vehicle & Equipment Finance.
- Create personal wealth, equalise business partnerships, provide for succession planning and remove your property as security from the bank with Invoice Financing.
- Free Health Check of your existing loans to ensure facilities are competitive and structured correctly.
- Business competitive Tendering process to let the banks bid for your business.

Wealth Creation Services *

- Get Wealth Creation advice from independently owned Financial Advisers.
- 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.
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- Transfer UK Pensions to Australia tax effectively.
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- 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.
- Time spent preparing a Succession Plan is vital to the future of your business

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