

BUSINESS AND TAX NEWS

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Cashflow Planning

A number of business owners that we have the privilege of working with sometimes need assistance with managing the cash flow in their business. Every situation is different and requires a tailored solution, however there are a number of approaches below that you can consider to help you better achieve your business goals:

- Implement strategies to increase revenue including reviewing your margins on existing products or services; developing and implementing a strategic marketing plan; or considering value add to your products. Maintaining exceptional customer service is also vital.
- Put in place efficient revenue collection processes which may include calculating your average debtor days; not delaying invoicing; and putting a debt collection process in place.
- Plugging leaks by managing capital expenditure; keeping equipment in good working order; and considering the possibility of leasing benefits for under utilised assets.
- Manage expense payments and look to reduce costs where possible by reviewing your current processes to

ensure efficiencies are in place; have a good working relationship with suppliers.

- Manage your inventory levels and service mix.
- Consider your financing options and their impacts including your overdraft facilities, bank loans and equipment finance; debtor finance borrowing based on the strength of your business; and sale and lease-back arrangements.

Taking the time now to have a look at your current financial position and putting in place a cash flow plan for the new financial year, and the years ahead, is a great way to continue to achieve the goals that you have set for your business and your family. Keep in mind the Queensland Government, through the Queensland Rural Adjustment Authority (QRAA), currently have Farm Management Grants available to assist eligible Queensland primary producers, or their relatives, offset the costs of professional advice associated with succession planning, so now is a fantastic opportunity to not only review your Succession Plan with us, but also to tailor a business plan for the future.

We're here to help, so give us a call on 4927 4588.



EVANS EDWARDS

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Tax Time Considerations

It's that time of year where we start to think about getting our tax returns done. Depending on your industry and your personal circumstances, there may be a number of things that you can consider claiming as part of your return such as protective clothing and equipment, training, home office expenses, insurance, professional libraries, union and associated fees and travel costs.

Each situation is different, so a tailored and considered approach should be taken. Our dedicated team can most certainly assist to ensure that you get the most value out of your return, so please give us a call to see how.



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Easier GST reporting for food retailers

Many small food retailers buy and sell products that are both taxable and GST-free. Depending on the point-of-sale equipment used, identifying and recording these sales can be difficult for some business owners.

The ATO has introduced a series of simplified accounting methods (SAMs) to make it easier to account for GST and work out the amount of GST that is liable at the end of each tax period.

Business owners can choose from five SAMs. The SAM you choose will depend on your business' turnover, the nature of your business and the nature of your point-of-sale equipment (except for the purchases snapshot method).

These methods help you work out the information you need to correctly complete the GST section of your activity statement. However, they can only be applied to sales and purchases of trading stock. If you decide to use a SAM, you will still need to separately consider other sales and expenses when you complete your activity statement.

There are two broad categories of SAMs that apply:

Businesses with a SAM turnover threshold of \$2 million or less:

Businesses in this category have three choices:

- Business norms: You apply the standard percentages to your sales and purchases.
- Stock purchases: You take a sample of purchases and use this example.
- Snapshot: You take a snapshot of your sales and purchases and use this.

Business with a GST turnover of \$2 million or less:

Businesses in this category have two choices:

- Sales percentage: You work out what percentage of GST-free sales you made in a tax period and apply this to your purchases.
- Purchases snapshot: You take a snapshot of your purchases and use this to calculate your GST credits.

After electing to use a SAM, you cannot change your method of GST accounting in the first 12 months.



Speed up your BAS refund

As in any business, cash flow is a necessity. Having your business activity statement (BAS) refunded to you quickly is important as a small business owner.

Here are a few tips to help speed up this process:

- Ensure information is complete and correct; keep details such as a postal address, bank details and authorised contacts updated. Having a record keeping system in place is the best way to stay on track.
- Submit your BAS on time.
- Lodge all outstanding activity statements: the ATO are unable to process any refunds until they know the extent of the credit or liability.
- Check financial institution details are entered correctly.
- Be careful not to double up by lodging both online and via paper.



LET US HELP YOU
ACHIEVE YOUR GOALS
GIVE US A CALL.