

Brought to you by : Jill Of All Trades

We would like to thank all our fabulous clients, software, network & affiliate partners for their support in 2011. It was an amazing year and we could not have achieved this milestone without you.

Massive plans for 2012, the first being a trip to Auckland NZ on Feb 3 to attend Xerocon NZ " Moving The Needle" . Am excited & looking forward to meeting the people behind the Add-Ons that integrate with Xero like: Vend, WorkflowMax, iPayroll, Web Widgets, Spotlight Reporting, simPro, Unleashed, Silicon Avenue & Tradevine.



The financial news your business needs.

Summer 2012

BUSINESS Bulletin

Surviving tough times!

With Europe in the grip of a debt crisis, the first part of 2012 is tipped to be economically turbulent.

The flow on effect in Australia was recently acknowledged by the Federal Government in its recent midyear economic fiscal outlook (MYEFO), where it slashed projected domestic economic growth for 2011/2012 and 2012/2013. With tough times ahead, Business Review Weekly recently interviewed 16 entrepreneurial businesses that thrived through the recent Global Financial Crisis. Reproduced below, are some of the lessons they learnt; lessons which your business may need to consider putting into practice over the coming months:

Cashflow is crucial

Cashflow keeps the business moving and gives you the ability to service debts. In this regard, your accountant or bookkeeper may be able to help you produce a cashflow forecast.

Have cash in the bank

If you're running tight on debt, get rid of it. Only have debt on assets that help the business grow.

Don't live in fear of the next downturn

Have a budget and a plan. Do a "what if" analysis – list the top five things that could go wrong and how you can prepare for them. There's only so much you can control, so focus on the things that really affect you.

Reduce Costs

Find new ways of reducing costs without affecting efficiency. Reduce overheads, and find ways of being more productive such as embracing new technologies.

Reminder Dates

January 23
Due date for December monthly Activity Statements

January 28
Due date for Superannuation Guarantee contributions

January 31
Due date for TFN report for closely held trusts

February 21
Due date for January monthly Activity Statements

February 28
Due date for 2nd Quarter Activity Statements

Get your hands dirty

When times get tough, business owners and senior management may have to roll-up their sleeves and get back into selling.



Data

Get enough data around your business performance, especially about the profitability of each particular market or sector.

Study the marketplace

On a similar note, study the marketplace so you are aware of what customer preferences are. This will allow you to concentrate on projects that will satisfy the customer.

Stay upbeat

Don't get bogged down by bad news. Try to be informed through different avenues, such as your own business network.

Relationships

Start forming relationships with financiers so you can go to them for funds when needed.

Invest

Invest in new products and new ways of doing things. Entrepreneurs across the world are investing in the future regardless of how badly the global economy is performing today.

What's The Taxman Thinking? Natural Disasters

Have you been affected by a natural disaster?

Moving into peak bushfire season, and with floods hitting various parts of Australia at exactly this time last year, the Tax Office is currently reminding taxpayers of the various assistance it offers if you or your business is affected by a natural disaster. The assistance takes several forms:



Lodging returns and Activity Statements

If you are unable to lodge your return or Activity Statement by the due date, the Tax Office can give you more time to lodge, without penalties. The Tax Office will usually announce a general extension on a postcode basis. However, if this general extension is not long enough for you or your postcode is not covered, then you should call the Tax Office on 1800 806 218 to arrange more time to lodge.

Making payments

Businesses experiencing financial difficulties as a result of a disaster can ask for more time to pay, interest-free! This includes amounts owing on Activity Statements. Also be mindful that many businesses have the option of varying their instalment rate should there be a significant change in anticipated income.

Answering correspondence

Although following a natural disaster, the Tax Office usually stops sending correspondence to affected areas, if you receive Tax Office correspondence and are not ready to deal with it, then in the words of the Tax Office "don't worry about it". Ring them on the above number and they will come to an arrangement with you.

Business Tip

Delay Asset Purchases

Don't rush into pre-30 June asset purchases!

Small business taxpayers will soon benefit from more generous depreciation rules which will ultimately improve cashflow by allowing bigger deductions in earlier years following the purchase of a depreciating asset (e.g. office machines, furniture, equipment, cars etc.). Commencing 1 July 2012, small business taxpayers (i.e. those with an annual turnover of less than \$2 million, including the turnover of affiliates and associated entities) will benefit from the following two measures:

1. Increased instant asset write-off threshold

From 1 July 2012, small businesses will be able to write-off depreciating assets costing less than \$6500 (up from \$1000) in the income year in which they start to use the asset or have it installed ready for use. In view of this measure, if you are thinking of purchasing a low value asset between \$1000 and \$6500 for your business, to get a cash flow advantage you may wish to delay the purchase until after 30 June 2012.

2. Special rules for cars

From 1 July 2012, a small business can write-off as an immediate deduction the first \$5000 of a car in the income year in which they start to use it (new or second-hand). The remaining value of the car is depreciated as it is now - through the small business general depreciation pool at a rate of 15% in the first year and 30% in later years. Again, in light of this measure, it may pay to delay the purchase of any business-related vehicle for another few months (until after 30 June).



How to create good culture?

Workplace culture is crucial.

The talent pool for many industries can be very shallow. In order to attract and retain quality staff, workplace culture is crucial. The 'feel' in a workplace can often be as important to employees as salary or career path. In many instances you can draw ideas and inspiration from your staff as to how they want the culture and environment to develop.

Here are some ideas you can implement off your own bat:

- 1 Take some time out occasionally to undertake a team building activity (e.g. bowling, canoeing or horse-riding). Staff particularly appreciate these activities when they are undertaken on work time e.g. Friday afternoons!
- 2 Take your staff, particularly senior staff, out to lunch
- 3 Celebrate milestones – whether it is a birthday, an employment anniversary, or just the end of a busy period, use the goodwill surrounding such events to create positive vibes in the workplace
- 4 Have a lunchroom where staff can gather and interact; it can be very isolating, and staff can get stale, eating lunch at their desk
- 5 Friday night drinks in the boardroom
- 6 Have a staff suggestion box or an electronic folder, where staff can make suggestions about how to improve the workplace or work practices

