

Tax Tips -

2007 Year End Planning

Many business clients like to review their tax position at the end of the financial year and evaluate any year-end strategies that may be able to legitimately reduce their tax. The rules for taxpayers who have entered the Simplified Tax System (STS) and taxpayers who account on an accruals basis are different and you will no longer determine your income in the same way as you have done in the past. The following is a list of strategies that may be considered by all businesses before June 30, 2007.

Accelerate Claims

This is where a business taxpayer brings forward the expenditure on regular, ongoing deductible items. This can also include plant and equipment under \$1000 for STS taxpayers.

Stock Value

Conduct a stock take and while doing so identify slow-moving, obsolete or unsaleable stock that should be written off.

Fixed Assets

Review your fixed asset register to identify fixed assets that are no longer in use and should be written off.

Accounts Receivable

Identify and write off any bad debts at June 30. The debt must be written off on or before June 30, 2007 to claim a deduction.

Interest Deductions

Review roll over of bank borrowings to ensure interest payments fall into the current tax year.

Superannuation

Pay any outstanding contributions before June 30 in order to claim the deduction.

Log Book

Ensure that you have kept a log book for a 12 week period within the last five years to establish the business use of any motor cars. If this is not completed any potential tax deductions for motor car expenses may be substantially reduced.

Divert Income

Income producing assets should be held by the taxpayer on the lowest marginal rate. Dividends with franking credits should be received by the taxpayer to whom they are most beneficial. Your business should be conducted under the most appropriate structure.

The discussion above provides a guide to tax planning and is not an exhaustive list. Contact your WHK Thomsons adviser to discuss your individual needs.

Pension Asset Test Increases

Recently announced changes to the asset limit for age pensions effective 20 September 2007 may mean an increase in the fortnightly payment for some already receiving age pension but more significantly may result in many who have been ineligible in the past becoming eligible to receive some pension.

The new asset threshold will lift the maximum asset limit from \$523,500 to \$783,500 for homeowner couples and from \$338,500 to \$494,000 for homeowner singles. Also changing in September will be the asset taper test. Currently the pension reduces by \$3 per fortnight for every \$1,000 over the shadeout threshold whereas in the future the taper test will only reduce by \$1.50 for every \$1,000 over.

Riverland Expansion

We are proud to announce that as part of WHK Thomsons' ongoing involvement in the Riverland we have recently acquired the practice of MSI Tilley Murphy Hughes in Berri. The practice will continue to operate from its current location with the assistance of WHK Thomsons principal Paul Hall.

We already have a large client base in the Riverland and it was seen as an exciting opportunity to expand our presence even further. As part of the WHK Thomsons ethos of providing clients with Total Financial Solutions, a full range of services will continue to be provided by fully qualified accountants and financial planners.

Under-insured: Is it worth the gamble?

Recent statistics highlight that as many as 70% of small and medium businesses are underinsured. Under insurance can spell disaster for businesses that do not take the time to review their insurance each year.

In particular many business people neglect to consider the true replacement value of their buildings and/or contents and equipment in the event of a total loss.

Ask yourself this question: "If my business is hit by incidents such as a fire or storm will my current insurance cover allow me to replace my building(s) and/or contents and equipment?"

If the answer is "No" then you may be gambling with the future of your business and, in turn, the financial stability of yourself and your family. So whether you are taking out your first policy or reviewing an existing one, consider the "Replacement Cost" of your assets in the event of a loss.

Another important insurable event that is often ignored is Business Interruption.

Most people insure their new car worth tens of thousands of dollars without a thought, but overlook to insure the very thing that enables them to purchase the car – their business income.

Business Interruption insurance can cover you for loss of revenue and profit as a result of interruption to trading following insured events. It can provide vital cash for urgent overheads such as wages, rent or loan repayments.

These events may be from the more obvious such as fire or storm, to an interruption to electricity supply, even loss of income if a supplier suffers a business interruption and cannot supply you.

Many businesses do not believe that a loss will ever happen to them. The reality is that losses occur every day to businesses and as many as 70% that suffer loss caused by fire or storm don't recover.

For a full review of your Business Insurance requirements, contact WHK Kennedy & Pollock on 50235464.



Staff Achievements

Congratulations to Stefanie Schneider, Carmel May and Erkan Sahin who recently graduated with their Bachelor of Business from Latrobe University in early March 2007.

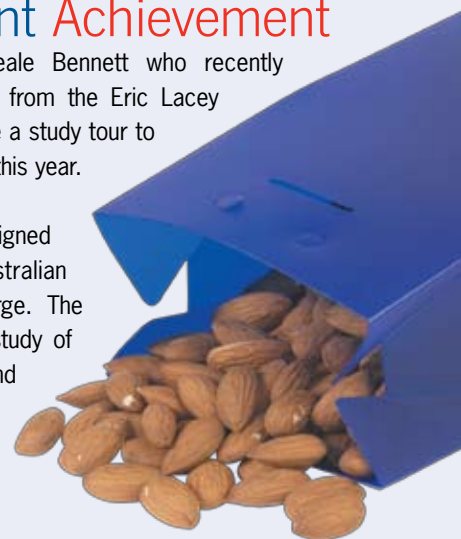
All three are continuing their studies with the commencement of the CPA program.



'Nutty' Client Achievement

Congratulations to Neale Bennett who recently received a scholarship from the Eric Lacey Trust Fund to undertake a study tour to Spain and France later this year.

The scholarship is designed to benefit the Australian almond industry at large. The tour will assist in the study of the latest research and development in almond tree varieties and rootstocks.



Total Financial Solutions

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