

CLIENT SOLUTIONS – Autumn 2013

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NASH SOLUTIONS – Practice News



HE CONTINUED ACCOUNTING RIGHT THROUGH HIS COFFEE BREAK... THEN HIS LUNCH BREAK. CLEARLY, MYRON WAS "IN THE ZONE."

Our office welcomes new staff member Courtney Mobbs, our 2013 Reception and Administrative Trainee. Jasmin Hagan whom we trained in 2012 has now commenced her training as an Accountant and is continuing to develop her role in Serviced Office Solutions.

At Nash Solutions our goal is to provide holistic solutions to client problems, to grow our client businesses and investments and to accumulate client wealth for their retirement. We seek to deliver this by providing accurate, timely and proactive advice.

We value our relationship and if you have any like-minded business associates who could benefit from Nash Solutions services then we would be most grateful for your referral.

CLIENT PROCESSING – 2012 Accounting and Taxation Compliance

Tax Lodgement Due Dates

2012 Taxable Individual, Coy and Super	15/05/13#
2012 Fringe Benefits Tax Returns	28/05/13
2012 Non-Tax/ Refund Individual, Coy Sup	05/06/13
Monthly BAS / IAS	21 st next month

Further extension may be available to 05/06/13 where tax payment is made by that date

We request that all business clients forward their 2012 records to us immediately so that we can schedule the processing of your returns for lodgement within the ATO lodgement guidelines.



TAX OFFICE SOLUTIONS- Record-keeping in the retail Café Industry



Guidance to help Cafés meet their tax obligations

Since July 2011 the ATO have been paying particular attention to coffee shops, hybrid cafes, restaurants, food courts, fast-food and takeaway outlets. The increasing focus is due to the high number of cash transactions in the industry increasing the likelihood that income may not be reported correctly.

The ATO will be writing to the relevant small business owners with information to help them comply with tax and reporting obligations. They have developed a record keeping fact sheet specifically for this industry in consultation with key industry associations and business owners.

As a result, businesses in this industry are at high risk of audit or review.

If subject to an audit, good record keeping practices can help to demonstrate that all sales and expenses have been correctly recorded.

Nash Office Solutions

Nash Solutions has a service to assist Cafés.

Services include any or all of the following:

- Administrative assistance for mail, creditor control and payment, invoicing, debtors control and collection, filing
- Secretarial and typing services
- Small business start-up assistance with registrations and record keeping
- Financial records and regular processing
- Book-keeping to a standard that your accountant would accept
- Full business advisory services

Services are available by the hour and at competitive rates.

If you are always neglecting your paperwork, or you have considered a full-time assistant but can't afford it, then **contact Grahame to tailor a cost effective solution for your business.**

TECHNICAL ISSUES – Depreciation for older properties

No matter the age, no property is too old to claim depreciation.

According to BMT Quantity Surveyors a large proportion of depreciation schedules prepared are for pre-owned properties of which a significant number are properties which were built prior to 1985 and see owners claim an average of \$4,042 in annual depreciation deductions in the first five years.

Property depreciation is made up of two main elements: capital works deductions and depreciation of plant and equipment. Capital works deductions are deductions available on the structure, including fixtures that cannot easily be removed.

Depreciation of plant and equipment is available on mechanical and removable items, including those deemed to have an effective life set by the Australian Tax Office.

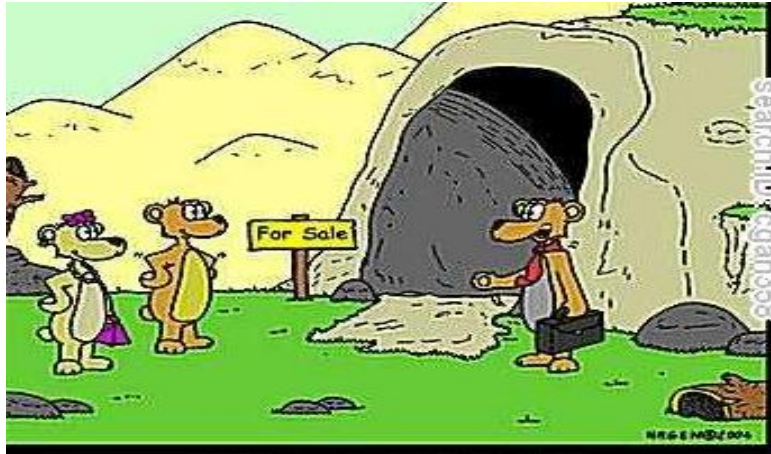
Generally, the capital works component of a property is strictly qualified by age. Legislation states that for any residential property which commenced construction prior to the 18th of July 1985, the owner will not be able to claim capital works deductions. For commercial buildings this date is the 20th of July 1982. Depreciation of plant and equipment is not limited by age; it is the condition and quality of each item which contributes to the depreciable amount.

Specialist quantity surveyors identify a large proportion of available deductions on older properties through plant and equipment depreciation deductions. On average, 15% of the total construction cost of a residential property is made up of plant and equipment. This includes items such as carpet and hot water systems, as well as less obvious items such as garbage bins, mechanical exhaust and door closers. These plant and equipment items are rarely the same age as the building, usually being replaced or updated over time. The greater amount of plant and equipment items identified, the higher the depreciation claim.

Another important part of maximising claims on older properties is identifying any additional works, extensions or internal refurbishments which have taken place over the life of the property. Even if the work were completed by a previous owner, any structural addition completed after the qualifying dates can be claimed as capital works, further increasing deductions. A specialist quantity surveyor will be able to identify and estimate costs of all additional works, extensions or internal refurbishments on older properties.

Substantial depreciation deductions may be claimed by engaging a tax specialist to assess an investment property, no matter the age.

Contact us for more information.



**This is a good investment:
Three million years old, and still in perfect condition!**

BUSINESS & COMMERCIAL NEWS – Caution using comparison websites

Electricity Price Comparison Websites

If you type into an Internet search “lowest electricity prices”, or “best energy deal” you will find a large number of electricity prices comparison websites.

Most of these websites are not as impartial as they would have you believe. In fact, most of them gain commissions for referring you to a new electricity retailer.

Some problems with the comparisons are:

- If you are on an electricity contract with your current provider you may already receive a discount. Often this is not taken into account in the comparison;
- If one electricity retailer is paying more for referrals than another the search results or recommendations may be affected;
- They often fail to disclose details of the new electricity contract which makes it difficult to make a like-for-like comparison.

Insurance Comparison Websites

The Australian Securities and Investments Commission has issued a warning to insurance comparison sites and researchers, in a bid to tighten up the practices of service providers on the periphery of the financial services industry.

In light of the recent growth in the number of comparator websites, such as Choosi and iSelect, ASIC said it expected the operators of these sites to ensure they were complying with their obligations under consumer protection laws.

According to the regulator, while comparison sites can play a valuable role and assist consumers in shopping around, sites that contain misleading or inaccurate information can also cause detriment by steering consumers towards unsuitable or more expensive products.

Specifically, ASIC said it had already identified a number of issues with insurance comparator sites, including:

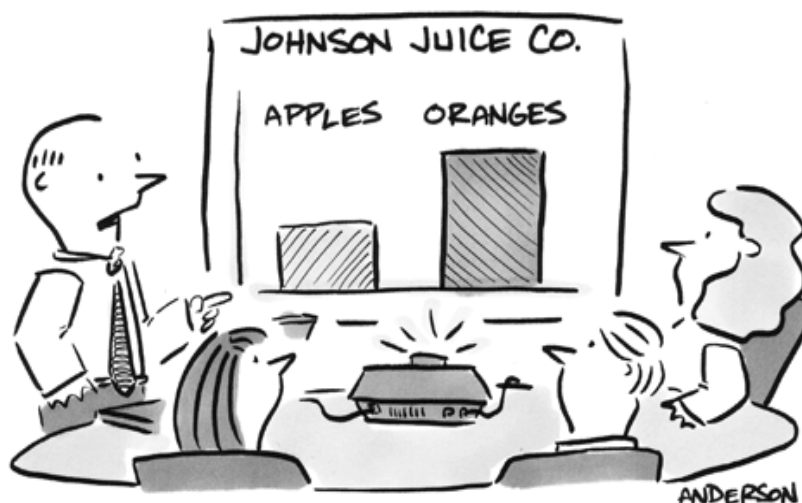
- Insufficient disclosure relating to website operators who were related to the issuer of the insurance brands being compared;
- Comparisons provided on the basis of price without any warning that different products may have different features and levels of coverage;
- Operators of websites not being appropriately licensed or authorised to provide financial services, particularly in relation to sites which allow consumers to obtain or compare insurance quotes.

More generally, these websites target the unsuspecting consumer looking for a quick life cover over the internet. The problems with this approach include:

- Incomplete needs assessment;
- Insufficient life cover;
- No Total and Permanent Disability and Trauma cover;
- No income Protection Insurance cover;
- No consideration of whether insurance should be taken inside super to gain tax benefits and cost savings;
- No consideration of who should own the policy – wife, kids, estate;
- Lack of disclosure about costs and fees;
- Lack of real comparison between companies and policy wordings to ensure the most appropriate cover is obtained.

Only a qualified Financial Planner can discuss the subjective and emotional aspects of this decision and so ensure you match the right cover for your actual circumstances.

Call Suzanne today to prepare a comprehensive analysis of your needs and policy suitability.



"I think you'll agree that this comparison, though unpopular, has some real merit."

FINANCIAL PLANNING – Economic Updates

We remind clients that we provide a full range of financial planning services including investments, savings and retirement plans, life and income protection insurance, superannuation, super pension and Centrelink age pension analysis using our 'DomaCom Guided Planning System'.



Economic Update Summary

Australia – Domestic inflation rose 0.2% over Q4 2012 falling short of market expectations taking the annualised CPI to 2.2%.

The Australian unemployment rate remained at 5.4% over January despite the slight downward movement of the participation rate. The number of full-time jobs dropped 1.2% while part-time jobs increased 4.3% over the month.

The Reserve Bank of Australia held the official cash rate steady at 3.0% at its first meeting of the year in February despite the recent run of subdued domestic data.

Europe – Eurozone unemployment remained stubbornly high at 11.7% over December. Manufacturing activity improved to an 11 month high in January to 47.9 from 46.1 despite remaining in contractionary territory.

Early repayment by European banks on the three-year Long Term Refinancing Operation funding of £137 bn was widely viewed as an indication of improving fundamentals across Europe. However, political uncertainty threatens the recovery of the Eurozone where Spanish (30 bps to 4.6%) and Italian (35 bps to 5.45%) bond yields spiked over the month.

United States – The initial US Q4 2012 GDP estimate disappointed markets as it shrunk at an annualised rate of 0.1%. This is largely attributable to reduced defence spending and sluggish growth in corporate inventory as the disruptions from Hurricane Sandy took effect.

The US jobless rate edged up slightly to 7.9% in January. The US Senate approved the bill to temporarily suspend the federal borrowing limit until May 2013. However, uncertainty lingers over the automatic spending cuts associated with sequestration due to take effect in March 2013.

China – The recovery in China continued to gain traction. The Chinese inflation rate hit a seven month high at 2.5% as Q4 2012 GDP grew at a better than expected 2.0% bringing annual growth to 7.9%.

The HSBC Chinese Manufacturing Purchasing Managers Index (PMI) for January rose for the third consecutive month to 51.9 from 51.5 in December signalling modest improvement in Chinese operating conditions.

Investment Outlook by asset class

Australian Equities – Australian Shares ended January on a positive note as the S&P/ASX 300 Accumulation Index returned 5.0%. All sectors finished higher with IT (+14.7%), Consumer Discretionary (+8.6%), Financials ex Prop (+7.0%), Energy (+6.0%) and Industrials (+5.7%) being the stronger outperformers.

The S&P/ASX Small Ordinaries Index also fared well returning 4.2% over January.

International Equities – International Share Markets moved higher in January as positive news on the world economy continued to drive investor optimism.

The broad MSCI World ex Australia Index rose 4.6% in unhedged terms and 5.6% in fully hedged terms. More specifically, based on the relative performance of the S&P Developed ex-Australia Large mid cap indices, global growth(+3.5%) continued to lag their Value (+5.2%) counterparts in A\$ terms.

Property – Real Estate Investment Trusts (REITs) had a positive month; Domestic REITs (as measured by the S&P/ASX 300 A- REIT Index) rose 4.4% and Global REITs (as measured by the FTSE EPRA/NARIET Global Developed Index) gained 3.9% on a fully hedged basis.

Fixed Income and Cash – Bond markets fell over the month as upbeat global sentiment lessened the appeal of safe-haven assets. Ten-year yields rose across the globe. Japanese ten-year yields did, however, fall slightly as investors expect the Bank of Japan to take bolder action to ease monetary policy.

Australian Sovereign Bonds fell over the month as markets expected further monetary easing by the RBA. Global Bond returns posted negative movements over the month.

Currency – The Australian dollar rose against all major currencies over the month with the exception of the Euro as markets anticipate the ECB to leave interest rates on hold. The A\$ offset the December falls over January increasing 0.5% against the US\$ finishing at US\$1.04. The A\$ appreciated 3.0% relative to the Pound Sterling, soared 6.0% against the Japanese Yen while falling 2.4% against the Euro. On a trade weighted basis, the local currency appreciated 0.8% over December.

FINANCE

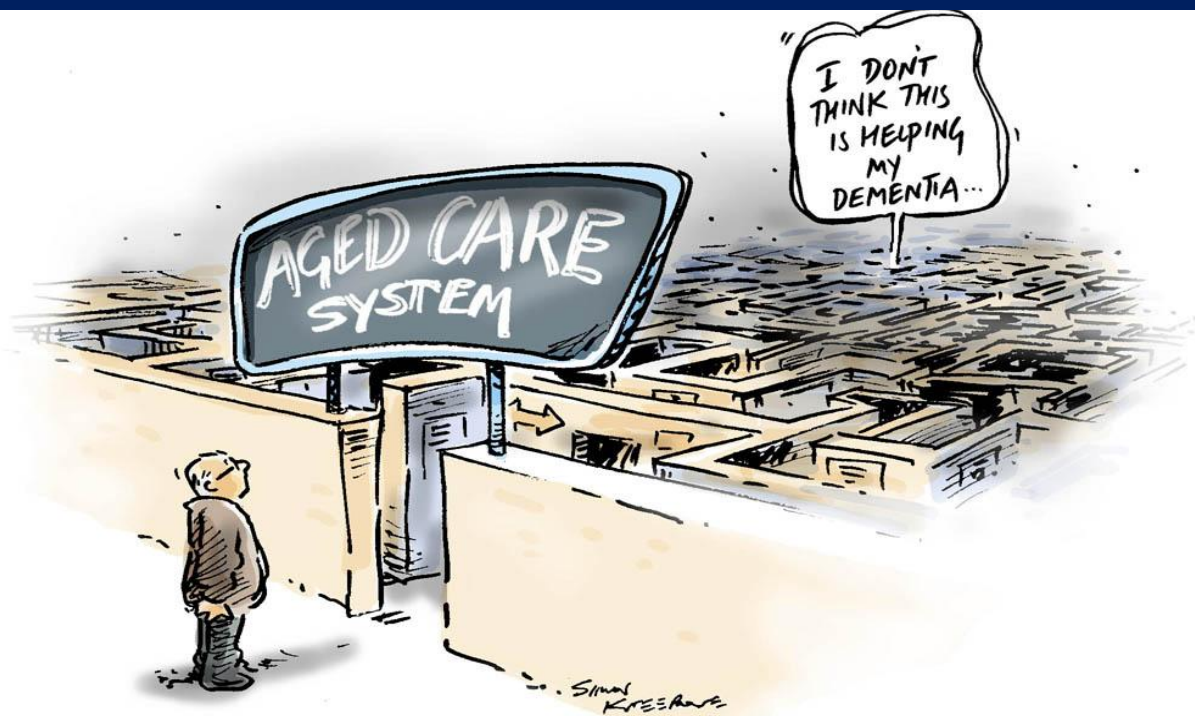
Thinking of buying a new vehicle?

We remind clients that car dealers play many tricks with new car prices, trade values and in-house finance in order to spruik up their 'deal' and at the same time extract maximum profit. We are in a position to advise you on how to get the best actual deal when trading.



Find your new car and then contact Suzanne for advice before you commence negotiations with the dealer.

SPECIAL TOPIC – Aged Care – the value of advice



Contributed by Suzanne McCarthy, Financial Planning Client Services Manager

The costs associated with aged care facilities are complex and can vary significantly depending on a person's circumstances.

Moving into an aged care facility can also have a significant impact on social security benefits. Negative outcomes can often result when decisions are made without seeking advice.

Aged Care facilities are classified as low-level care, high-level care or extra services. A person's care needs, as assessed by the Aged Care Assessment Team will determine which facility will be appropriate.

Aged Care Assessment Teams (ACAT) are located in public hospitals, geriatric or community centres. They may include health professionals such as doctors, nurses, social workers. Apart from approving aged care accommodation, the ACAT can also provide information about home and community care, respite care and other aged care initiatives.

The fees payable by residents consist of entry costs (include the accommodation bond or charge) and the ongoing costs (include the basic daily care fee, income tested fee and extra service fee). These fees are assessed after Centrelink Income and Assets Testing. Careful planning around what to do with the family home, how to fund the accommodation bond and where to invest to meet cash flow requirements can produce substantial financial benefit by helping to reduce aged care costs and increase social security benefits.

There is no single solution to advice in aged care as individual circumstances can require very different solutions to achieve positive outcomes. Often decisions are not made by the person entering aged care, but by family and others, and often under duress.

We can assist you in making the best decision if you contact us prior to the Aged Care Assessment.

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Acknowledgement: We wish to acknowledge Mercer Investments (Australia) Limited as the source of the information used in the preparation of this newsletter. The economic and investment analysis content of this newsletter is based on their latest published Market Valuation & Economic Review for July 2012.

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“Cashflow is critical for business growth and survival. Is your business generating the returns you require and is it maximising your wealth?”

Nash Solutions Business Services can assist you with:

Accounting, book-keeping and day to day business administration services

Taxation advice, including:

- Year-end tax planning
- CGT and business rollovers
- GST
- Negative Gearing

Small Business advice, including:

- Structuring
- Incorporation and company secretarial services
- New business start up
- Business acquisitions and valuations
- Business Sale

Tax return and BAS preparation

Superannuation, including:

- Self Managed
- Employer Superannuation Funds
- CGT rollovers on sale of business

Business analysis, including:

- Financial Analysis
- Management accounting

Business planning, including:

- Financial Analysis
- Management accounting

Financing, including:

- Review of current finance arrangements
- Equipment and motor vehicle finance

Computerised Records, including:

- Accounting related assistance generally
- MYOB software and computer support
- Banklink

Audits

- Self Managed Super Funds
- Clubs and Associations
- Companies

“Savings plans are necessary to ensure sufficient funds are available for your retirement. Will you live the comfortable retirement you dream of?”

Nash Solutions Financial Planning Services can assist you with:

Children’s education plans, including

- Imputation Bonds

Direct Share Investment

Superannuation, including:

- Individuals
- Employer group policies
- Self Managed Superannuation Funds

Personal Insurance, including:

- Life
- Total & Permanent Disablement
- Income Protection

Finance, including:

- Debt consolidation
- Housing & Commercial Loans
- Investment Loans
- Vehicle, Plant & Equipment

Wealthvue retirement and lifestyle planning analysis

- Income streams and capital drawdowns
- Centrelink benefit planning and analysis for age pension retirees

Estate succession planning

Aged Care Planning

“3 in every 4 Australians will be diagnosed with a serious illness during their working life and will spend many months off work. Will your family live in poverty?”