

Some business owners just get it. Here's how you can too

What a start to a new year! What will 2013 bring?

Bushfires, floods and tornadoes caused immense problems to primary producers, small business operators and residences all around Australia. The PM announced an election to be held on 14 September; it will be interesting to see what the unprecedented advance notice for a Federal Election has on the business community during the next 8 months. What is likely to happen during 2013?

While some of us are still dumbstruck in the New Year's headlights and still out of routine, now is the perfect time to have a look at your business and ask yourself, "Is this really the best way to get things done?"

The pressures of business issues can often mean strategic planning takes a back seat. But to have a successful business you must plan ahead now. The best way to do that is with our **Strategic Business Review**.

Let us help you strategically review your business operations and look at where you want your business to be in 2013 and the next 3-5 years, and exactly how you and your team can achieve these desired goals and objectives.

To complement your strategic planning efforts, Collins Hume proactively assists business owners to identify government grants for which you might be eligible. In the current economic climate, access to grant funding will be of considerable benefit to a growing number of small and medium enterprise operators who wish to make inroads to improving their business planning, marketing and e-commerce practices.

Government grants present an interesting challenge for business owners. Many admit to not knowing much about government grants, other than R&D. But trying to tap into this resource can be the cause of headaches for those first trying to identify grants for which they may be eligible and then preparing the relevant application.

There are many Australian and State government grants for small and medium sized enterprises. It is estimated that the total business grant market in Australia is in excess of \$5 billion annually so why not check if you're eligible?

Don't just take our word for it; read how we've helped our clients to achieve their goals with strategic business planning in our case studies on our blog at [Proactivity in Equal Measures](#) and [2013 Business Planning](#).

We offer a range of business planning resources which we can apply to your own circumstances. Tap your hidden business potential by calling us on 02 6686 3000 for a limited time to arrange your obligation-free **Strategic Business Review** and get the most out of 2013. More about the Federal government's Enterprise Connect funding on Page 3.



Available grants

Natural disaster

If you have been affected by floods, fires or tornadoes there are Federal and State government funds available to assist eligible primary producers and small business operators to recover the costs of clean-up and immediate restoration of business costs, but not providing compensation for losses. Assistance is currently available for eligible primary producers and small businesses in New South Wales, Queensland, Victoria and Tasmania.

Kick Start Initiative

If you are in the building and construction industry and are contemplating starting a new apprentice, a reminder that the Federal government's Kick Start Initiative is a grant of up to \$3,350 payable to an employer for the employment of a new apprentice within a trade listed in the National Skills Shortage list. This grant closes on 28 February 2013.

If you would like our assistance in submitting a claim for Natural Disaster Assistance or determining your eligibility for assistance from the government, please contact us on 02 6686 3000.

Life is the sun upon your roof and the twitching of the fish in a pan, with ATO thoughts furthest from your mind

Rick Ledingham retired from his roofing business eight years ago to pursue a career as a full time share trader and professional speaker. Success came fast as he travelled nationally and internationally as a key note speaker and mindset coach for one of Australia's largest global trading companies.

As a business owner, the global financial crisis did not overlook Rick – a close call with bankruptcy led him across the border and on a mission to heal his fiscal malaises.

Rick and his family then returned to NSW bringing with them a large capital gains liability from property they had bought years ago which had to be sold to ride out the GFC, triggering some hefty CGT debts.

Rekindling his relationship with Collins Hume, Rick sought out the expertise of [Ian Wunsch](#) to get their affairs back in order. Ian began by bringing their finances up to date and, as their tax lodgements had fallen behind, establishing exactly what their tax liabilities were to get them back on track.

The next step involved Ian's skilful negotiation with the tax office to have these not insignificant liabilities waived. Ian's deft negotiation enabled Rick and his family to keep their house and start over with a clean slate with the ATO.

These days, the Ledinghams are successful business people having pioneered one business on the Central Coast and two businesses in the Northern Rivers. They love to inspire and assist people to succeed in whatever pursuit they have in life.

"We like working with Ian because he's friendly and easy to talk to," says Rick. "There's never any rush; he relates the information to us simply and effectively, and asks us what we're trying to achieve (rather than stating what we should do)."

"Our relationship goes beyond just business; Ian has become a trusted friend. He has sorted out and streamlined our finances by going the extra mile."

Ian Wunsch says, "I think there are probably numerous business people out there who are totally uneducated about proper provisioning for tax debts that potentially owed. The ground work to resolve issues and obtain good outcomes can be arduous, but the look of relief on clients' face makes it all worthwhile."



Ian's strategies and attention to client service have allowed Rick to now set about rebuilding a renowned professional speaking business, coaching leaders of global multi-million dollar corporations, as well as take on some extra business opportunities.

In doing so, Rick can now choose which of his businesses takes priority, or juggle to suit whilst he focuses on his family, including mentoring and helping his son become the family's sixth generation roofer.

The happy end to the story, we're very pleased to report, is that Rick remains financially fit and healthy. This allows him to allocate his attention to business or personal life, as he deems appropriate, and always with our help and support.

Call us on 02 6686 3000 to find out how we can help you.

Enterprise Connect program expands

The Federal government's Enterprise Connect program has expanded and now includes support for eligible companies operating in the printing and publishing industries

Enterprise Connect has reported that, up to 30 June 2012, 17,000 businesses nationally have accessed Enterprise Connect's services, and that Enterprise Connect has funded over 3,000 Tailored Advisory Services grants worth over \$33M to eligible small medium enterprises.

Enterprise Connect offers assistance to companies operating in the manufacturing, clean energy, resources (mining, gas and oil), creative industries, defence, tourism sector (tourist accommodation, tourist attractions, wineries, operations of tours, travel agency services), printing and publishing industries. Enterprise Connect has a special support program for businesses with turnovers in excess of \$750,000, operating in the remote and very remote area of Australia.



R&D tax incentives important reminder

With a 45% refundable tax offset (equivalent to a 150% deduction) up for grabs it's a wonder why more businesses don't claim the R&D Tax incentive. This generous tax deduction is available to businesses with a turnover below \$20 million (a 40% tax offset, equivalent to a 133% deduction is available to all other eligible entities).

Let's say your business makes organic fertilisers. Your annual turnover is \$10 million but has a tax loss. The company has spent \$1 million on research and development in 2011/2012. Assuming the research and development undertaken by the business meets the criteria, the organic fertiliser business will receive a refund of \$450,000 when it lodges its 2013 tax return.

But, there are a couple of things you need to do first. You need to apply to access the R&D Tax Incentive through AusIndustry before 30 April 2013. Once AusIndustry processes the registration, a number is issued that will be disclosed on the company tax return. The business's tax return cannot be lodged before the claim is made.

If you would like to discuss the potential for submitting an application for support under Enterprise Connect, or to find out how you might be eligible for R&D tax Incentives, please contact us for further information on 02 6686 3000.

SMSFs: failing to pay the minimum pension

Tax office clarifies what happens when trustees fail to pay minimum pension for a member for the financial year

Where this occurs, the pension is considered to cease from the START of that financial year. This means that any amounts that may have been taken during the year will be treated as superannuation lump sums for both income tax and SIS Regulations purposes. The fund will not be entitled to treat income or capital gains as Exempt Current Pension Income (ECPI) for the year.

If the pension standards are met in the following income year, then this will result in the commencement of a new pension in the following year. The trustee will need to revalue assets at market value and recalculate the minimum pension payment required at the start of that year. The trustees may also be required to recalculate the tax components of the member's account.

The Tax Commissioner has some discretion where the trustees made a genuine mistake and the underpayment was small - no more than 1/12th of the minimum required or, where the matter was outside of the hands of the trustee. For the Commissioner to give his discretion, trustees need to make a catch up payment as soon as practicable and treat the payment as if it had been made in the previous financial year. Call us on 02 6686 3000 if you have any concerns.

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Surf the Wave to Success 2013!

BOOK NOW for Collins Hume's exclusive International Business Development Conference in November 2013

Collins Hume Accountants & Business Advisers is proud to present our third International Business Development Conference 'Surf the Wave to Success' in conjunction with Baker Afflick Moffrey Chartered Accountants.

To be held on a privately owned island in the pristine surrounds of the Telo Islands, and hosted by Peter Fowler one of Australia's premier Business Strategists and nationally recognised Young Business Leader, the key objective of this conference is for attendees to achieve a work and play balance that will lead to greater success in their business.



Conference Packages and Pricing

For a full list of conference package and pricing options, please phone Peter Fowler at Collins Hume on 02 6686 3000. Peter will be able to help you determine the best conference booking options to suit your needs.

Conference packages include conference fees, session materials, tailored reports, accommodation, all meals and pre-conference preparation carried out by Peter's team prior to departure including an industry market research report valued at \$845 and a benchmarking report valued at \$285. This conference is potentially tax deductible - we'll be happy to discuss your eligibility when you speak with us.

Book by 6 September 2013 to avoid disappointment as places are strictly limited. Call 02 6686 3000 or visit www.collinshume.com.au/services/events for more information.



Resort Latitude Zero

For more information on Resort Latitude Zero's facilities, venue or location visit www.resortlatitudezero.com. We look forward to you joining us in November!

Packages

Option 1 Conference

- Resort stay 7 Nights
- 10 Nov - 17 Nov 2013

Option 2 Master Class

- Resort stay 11 Nights
- 6 Nov - 17 Nov 2013
- Includes 4-day post-conference debrief and warm down

To book or for more information call Collins Hume on 02 6686 3000 or email Peter Fowler at peter.fowler@collinshume.com.au.

Book by 6 September 2013 to guarantee your registration as places are strictly limited.



"Relaxed atmosphere. Relaxed discussion. This conference is by far the best conference I have ever attended. Obviously the location was great, but the advice on why businesses should plan ahead was the best outcome for us." Marc Salmon, Director, Cavvanba Consulting



"This event made me realise we need to constantly work on improving our business and not get bogged down on day to day activities. I have heaps of ideas that I will implement straight away when I return to the office. Everything about this event was awesome... even the surf!" Nick Breen-Kurucsev, Director, Public Image Productions

2013 Conference Sponsors



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Director's Duties Update

Recent cases reconfirm that directors and senior managers, irrespective company size, face heavy penalties if they breach their duty of care and diligence in the company's operations

The court cases confirm that officers, under the definition contained within the Corporations Code, includes directors and the company secretary and can include senior management, such as the executive management team or other people who contribute to making decisions.

The cases have also emphasised the necessity for the accurate preparation of the minutes for the Board of Director meetings and, in particular, **highlighting the names of any directors who vote against a motion.**

Another company's directors were severely criticised for approving misleading financial accounts which related to misclassification of liabilities in the company's financial accounts. Liabilities which should have been treated as current liabilities (i.e. debts repayable in the next 12 months) were treated as long term liabilities. The court decided "the directors have a responsibility to read, understand and focus on the financial statements before approving:

- Directors should be financially literate and ask appropriate questions to satisfy themselves on the accuracy of financial accounts.
- That the directors cannot uncritically rely on other people"

The court also emphasised that the directors need to read management reports and make their own decisions.

Another very important issue that relates to small medium enterprise companies is that each director has the same legal responsibilities and that one director cannot safely opt out of their responsibilities. A court, in all probability, will assess that an "opt out" director is equally liable with the director who has been performing the director's duties.

It is now an appropriate time to revisit risks of 'trading whilst insolvent'. Directors must ensure that the company is not incurring debts that the company cannot pay for in the normal course of business.

Taxation laws have also been updated whereby directors can now be responsible for paying PAYG tax deducted from a company's employees' wages and superannuation payments on a personal basis.

There is also onerous responsibility under the Workplace Health and Safety laws. Directors and officers need to satisfy themselves that there are no inherent risks in the workplace to employees or visitors. Directors cannot delegate this responsibility and need to physically inspect premises to ensure that risks are eliminated.

If you would like to have a discussion regarding your responsibilities as a Company Director, phone us on 02 6686 3000.



SS Strategy sets sail!

New LinkedIn Group for Building Partnerships. Guiding Strategy.

Ahoy business owners! Visit Collins Hume's new LinkedIn Group **SS Strategy**, so called to match our own sea-going vessel which forms part of our philosophy.

Sometimes being in business can feel like you're Robinson Crusoe on a desert island. We're all about small and medium sized business owners sharing ideas, asking questions and provoking thought in a positive way. If you have an issue that you've been thinking about for a while and would like to garner input, or an idea that's worth bringing up from Davy Jones' locker, then feel free to use our group as your sounding board.

Visit <http://lnkd.in/gCCPX> to join the discussion.

The material and contents provided in The Strategist are informative in nature. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, seek professional advice from Collins Hume.