

# Sum it Up

BUSINESS & ACCOUNTING NEWS

**FLOR-HANLY**  
commercial & agribusiness accountants

July 2019

## CHARITY SPOTLIGHT Winchester Foundation

Beryl Neilsen and her late husband John saw firsthand the gap and difficulties experienced by country children in the field of education when compared with their city counterparts. They often discussed this and the seed was planted as to how they could help. As we all know, life on the land is not always easy, with droughts, floods, pest activities, capital demands, setbacks, bank pressure, mining companies, government laws etc. Still the plan was always present.

Despite the many setbacks on "Winchester", in 2010 Beryl was able to fulfil their dream and the "John & Beryl Neilsen Winchester Foundation" was founded with her fellow trustees, Cliff Flor and John Formosa. The following year Winchester Foundation became a Registered Public Foundation. From a slow start, the Foundation has been gaining momentum. In 2012 the first 4 tertiary scholarships were awarded. With the drought conditions in Queensland and the knowledge of the Foundation's existence, the Foundation has assisted many families with their ongoing educational expenses. The 2019 scholarship year has resulted in 80 new recipients and 97 reapplying recipients being awarded scholarships. All recipients and parents become "Winchester Ambassadors" to help promote the Foundation.

Scholarships range from primary and secondary school studies, through to university studies. In total, 282 scholarships have been granted from the inception of the Foundation, with a highlight being the annual Winchester Luncheon at which recipients are presented with their scholarships.



To date, 26 recipients have graduated from various universities. Beryl has personally attended many of these graduations.

In 2013, the Winchester Foundation organised and funded 93 students and 14 teachers from Brigalow District Schools to attend the Whitsunday Voices Youth Literature Festival held at Whitsunday Anglican School Mackay. Since 2013 the Winchester Foundation has funded 2,656 students and teachers from more than 22 country schools. The 2019 Whitsunday Voices Youth Festival Literature was recently held from 18th - 19th July. Participating schools were:

Charters Towers School of Distance Education  
Capricornia School of Distance Education

Mistake Creek	Eton
Kilcummin	North Eton
Valkyrie	Bloomsbury
Clarke Creek	Pindi Pindi
Coppabella	Eungella
Nebo	Garget
St. Lawrence	Finch Hatton
Koumala	Pinnacle
Carmila	Oakenden
Swaynville	Homebush

**Scholarship applications for the 2020  
education year open 1st November 2019  
and close 8th January 2020.**

**[www.winchesterfoundation.org](http://www.winchesterfoundation.org)**

Being a Registered Public Foundation, tax deductible donations can be received by the Foundation who in turn will allocate these funds to those in most need of assistance to continue with their education.



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# 10 things to do to make the new financial year a success

- by Tony Olsen, Director



The start of the new financial year is a good time to stop and review your business and financial affairs. Here are 10 things to check:

## 1. Review how last year went

Although the last year is now the past, reviewing your financial performance over that year can give you good insights on how your

business is performing. Did you make a profit? What was the real cash profit? Where did the money go? Did you make enough cash profit to fund your living needs, loan payments etc to give you a cash surplus? If you made a loss, why? How did last year compare to previous years?

## 2. Look at your 30 June balance sheet

Don't bother with the one your accountant prepares each year! It is full of historic costs, depreciation and various "book entries" which are not real assets and liabilities. Instead prepare a "Statement of Assets and Liabilities"; this is like what your bank wants each year. Assets should be at market value and liabilities should be what is owing at 30 June.

Your balance sheet is a "snapshot" of your net wealth at a moment in time. By comparing the photo at 30 June this year compared to the photo taken at 30 June last year you will see if you have gone forward or gone backwards. When doing this consider movements in market values. For example, if cattle have increased in value on a per head basis but you have the same number or less than last year, there is probably nothing to pat yourself on the back about! If your numbers have increased, you have reduced debt or you have increased cash or off farm assets, you are progressing.

## 3. Review your goals

It is a good time to review both your business and personal goals. If you never have, take some time out with your spouse and family to write down what you would like to do and achieve over the next year and over the long term. Where do you want this business of yours to be in 5, 10 or 20 years time? What would you like to achieve over the next twelve months that would be a step towards the long-term goals?

Remember that goals that are not written down are just dreams! We all have dreams but very few convert them to goals and go about achieving them!

## 4. Reset/set direction – a five-year plan

We encourage clients to put together a five-year financial model. This is like a "big picture" budget. It helps business owners play around with what is possible over

the next five years and consider the impact of different decisions, prices or yields.

## 5. Prepare a budget for the next twelve months

It never ceases to amaze me how many businesses both rural and commercial don't do this! This is basic business 101! Knowing your numbers is crucial. Budgets are a tool to guide you through the next year. Knowing now what the next year may bring will help you make decisions. Things will change and you will need to adjust as you go as circumstances change. They are never meant to be set and forget!

## 6. Review your estate planning

It is important you regularly review your wills and your estate planning to make sure what you have in place is still suitable.

## 7. Review your insurance cover

Do you have enough life insurance cover? Do you have enough total and permanent disability cover?

Consider your general insurance, is it sufficient? Review your last insurance schedule to make sure everything is on it. Perhaps you have items on it you don't really need to cover i.e. can you wear the risk of those items being destroyed? A careful review can sometimes save you money!



"Having the money tree has really helped out."

## 8. Review your trading entities

Talk to your accountant and solicitor about the appropriateness of your structuring. Consider the tax impact. Consider asset protection. Consider their suitability for your long-term plans (i.e. succession) Have you outgrown them?

## 9. Review your banking arrangements

Talk to your bank manager about your banking needs. Is there a better way to structure your finances to meet your needs?



## 10. Consider cloud accounting software

Depending on the quality of your internet, you should be seriously considering cloud accounting if you haven't already embraced it. Cloud accounting programs such as Xero give you the ability to have up to date records and keep your finger on the pulse! Once set up properly it can also save you a lot of time. Cloud technology is rapidly advancing all the time. There are also "add on" software such as the farming budgeting software Figured that "talk" to Xero that may help you manage your business.

Of course, the list could go on, however I believe if you address all of these, your business should be on track for a great future.

## Welcome to our New Staff

We'd like to welcome new staff member Kelly Fleetwood to our team. Kelly has over 17 years' experience in accounting administration and a broad knowledge across the accounting field. She joined our team in February as Executive Assistant for Tony Olsen. You may have already spoken to or met Kelly with her bubbly and friendly personality!



## Quad Bike Safety

A farmer who allows a worker - or in fact anyone who has been given permission - to use an unprotected quad bike may bear common law liability for an injury, following a recent court decision.

The Queensland District Court ruled in favour of a farm worker who had broken his leg in trying to prevent a quad bike from tipping over during cattle mustering. The judge decided that the quad bike was inadequate for use in mustering, and there was a foreseeable risk of injury which the (farm) did nothing to control adequately. The judge said that the failure to provide a Crush Protection Device (CPD), seatbelts, an alternative vehicle (e.g. a side-by-side) or to conduct a safety audit were all parts of the breach. The operator was awarded \$400,000.

*They're called the farmer's friend, but research indicates that 15 to 20 people are killed and more than 1,000 are seriously injured each year in quad bike accidents.*



## Linking your myGov account and the ATO - the benefits and pitfalls

- by Penny McGuinness, Manager & Senior Accountant



Your myGov account is a secure and simple way to access online Government services. Deciding to link your myGov account with the ATO is optional and can be beneficial if you wish to access ATO online services.

There are benefits to accessing the online service, such as lodging and viewing your activity statements, managing PAYG Instalments, making a payment or a payment arrangement as well as viewing your tax and activity statement account balances.

However, linking your myGov account to the ATO will have other flow on effects that you should be aware of and consider. Establishing the link will mean that you will receive your personal ATO correspondence directly to your myGov inbox and Flor-Hanly will not receive copies in the mail nor will we receive any notification that correspondence has been sent to your myGov inbox. To avoid missing any important notifications or correspondence it is essential that you monitor your myGov inbox regularly and contact Flor-Hanly if you receive any correspondence that you wish to discuss. This has been identified as a significant issue to tax agents and the ATO is currently working on a viable solution. We will keep you up to date on any progress in this space. In the meantime, if you have linked your myGov account and you would prefer Flor-Hanly to receive all future ATO correspondence, you can unlink your myGov account as follows:

- Go to the Services page on your myGov account
- Select the Unlink icon next to the ATO online account

Due to privacy laws, we cannot access your myGov account to make these changes for you. However, feel free to call us if you have any queries in regards to these myGov steps.

The screenshot shows the myGov 'Services' page. At the top, there are navigation links for Home, Services, Inbox, and Account settings, along with a Sign out button. Below this, the user's name 'HANNAH CUSHWAY' and the date '11 January 1984' are displayed, along with the last sign-in time. The 'Your services' section shows three linked services: Medicare, myGov, and Centrelink. Below this, there is a section for 'Link another service' and 'Inbox messages'. Under 'Inbox messages', there is a table of linked services:

Service	Linked on	Action
Centrelink	Linked on 23 Oct 2014	Unlink
Australian Taxation Office	Linked on 23 Oct 2014	Unlink
Medicare	Linked on 23 Oct 2014	Unlink

## Quick Tax News

### • Changes to the small business instant asset write-off

Under changes that are now law, Small Business Entities (SBEs) with an aggregated turnover of under \$50 million may claim an immediate deduction for the business-use portion of each depreciating asset (new or second hand) costing less than \$30,000 (GST Exclusive) purchased and first used or installed ready for use from 7.30pm (AEDT) on 2 April 2019 until 30 June 2020. The previous thresholds were a deduction for assets costing less than \$20,000 purchased before 29 January 2019 and a deduction for assets costing less than \$25,000 purchased between 29 January 2019 and 7.30pm (AEDT) 2 April 2019.

### • Single Touch Payroll (STP) for small employers

All employers from 1 July 2019, no matter their size, will generally be required to comply with the STP reporting obligations.

• **SMSF membership increases** - The proposal formerly put forward to allow self-managed super funds to increase the number of members from four to six has now been shelved.

• **Tax scammer alerts** - The ATO has warned taxpayers to be alert for scammers impersonating the ATO, as it appears they have changed tactics. *“Scammers are using an ATO number to send fraudulent SMS messages to taxpayers asking them to click on a link and hand over their personal details in order to obtain a refund. Taxpayers should be wary of any phone call, text message or email asking you to provide login, personal or financial information.”*

• **Common errors to avoid when claiming personal super** - The removal of the 10% maximum earnings condition from 1 July 2017 means that more individuals may now be eligible to claim a tax deduction for ‘Personal Super Contributions’ (PSCs), provided they satisfy the other conditions for deductibility. Previously, individuals who worked for an employer at any time during an income year generally could not make deductible PSCs unless **less than 10%** of their income was from employment.

## Fraud Alert!

We are hearing stories every week about scams where hackers are sending fake emails to business customers advising that the business bank account details have changed. Please take care when depositing or transferring funds using account details provided by email (by us or anyone else) without first verifying the account details by telephone call to a trusted telephone number.



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## Have you setup your Client Portal login?

We offer you an efficient and secure way to send, receive and sign important documents. With just a few clicks, you can quickly and conveniently view the confidential documents we send you, electronically sign your tax returns and other documents and upload any document you like from anywhere, anytime. Using the Flor-Hanly Client Portal offers you a greater level of online security than sending documents via email or standard post, and because the portal can accept any size document, it's much faster too. To get started, simply give us a call. Further details are available on our website.

**DISCLAIMER** - Information provided in this column is of a general nature. It does not take into account your personal financial circumstances. Tailored professional advice should be sought before acting on any of the information contained.



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