

## MBA NEWS - AUTUMN 2008 NEWSLETTER

### NEWS, REMINDERS AND UPCOMING LODGEMENT DATES



### MBA SET TO EXPAND

At MBA we have always strived to be the best, both for ourselves and for our clients. As part of this push for constant improvement, we are currently in the process of planning the opening of another MBA Business Solutions office in Hastings, which will be run in addition to the existing office in Mornington.

The new office is proposed to be up and running by the start of May 2008 (or not long after) and will be headed up by Jason Beare. Jason will operate primarily from the new office in Hastings but will still be available for appointments in Mornington by prior arrangement.

If anyone has any queries regarding this development and how it affects them, please contact our Mornington office on (03) 5970 8100 and ask to speak to your Client Manager. We are more than happy to answer any questions you may have.

Here at MBA it is our mission is to be a **dynamic** business that provides **extraordinary** service and **complete solutions** for our clients.

Our current team at MBA follow this closely and would like the opportunity to provide our service to new clients.

If you know anyone who would benefit from MBA services, a free introductory voucher can be found with this newsletter.

### MBA BOOKKEEPING SERVICES

At MBA we can provide an internal bookkeeping service to take the administrative burden and hassle of record keeping off your hands. This allows you more time to work on your business or spend more time with your family.

We specialise in record keeping with computer software such as MYOB, Quickbooks and Cashflow Manager and can provide additional services in the areas of Accounts Payable (Creditors), Accounts Receivable (Debtors) and Periodic Reporting (upon request).

Our bookkeepers have full access to our accounting knowledge and expertise to ensure you receive a premium quality service at competitive prices. Please call us on (03) 5970 8100.

### FRINGE BENEFITS TAX (FBT)

The 31st of March is the end of the year in regards to Fringe Benefits Tax. If you are a client with FBT requirements that include motor vehicles, please remember that the 31st March is also the due date for odometer readings.

We have sent letters and checklists recently to all clients that we believe may have potential FBT issues to address. If you have not received your letter and think you need to complete an FBT return please call our office.

### TAX PLANNING TIME

During the coming weeks we will send letters to clients relating to Tax Planning. If you do not receive a letter regarding tax planning and feel you may have an issue that needs to be addressed before 30 June 2008, for example, if you have sold a property and are likely to incur a Capital Gain or have had a substantial increase in your salary, please give our office a call to discuss it further.

### TIME TO LODGE YOUR 2007 TAX RETURN IS FAST RUNNING OUT!

If you are yet to lodge your 2007 tax return, time is quickly running out. Please bring your information in to our office as soon as possible or contact your client manager as a matter of urgency to discuss the matter further.



### MARCH QUARTER ACTIVITY STATEMENTS

A friendly reminder that in order to lodge quarterly Business Activity Statements on time, MBA request that clients sent their information to us as soon as possible. The deadline for lodgement of Business Activity Statements for the March, 2008 quarter is the 28th April, 2008.

If it is impossible to get us the information we require before this date, there is the extension for clients of tax agents available until 26th May, 2008. Please contact us if you wish to arrange this.

## INVESTMENT PROPERTY STRUCTURE



There are a number of residential property investors who do not hold their property in the most tax-efficient and flexible structure.

It is extremely important that any investments such as property or shares are purchased in the

most appropriate structure and in the most appropriate name.

In reviewing the most appropriate purchaser or structure, you will need to take into account the tax deductions from negative gearing, capital gains on sale and land tax implications.

As a result the decision of which name or what structure investments should be purchased under is becoming more complicated.

**The team at MBA have done considerable research into structuring for investments.**

**If you are interested in investing, you must speak to MBA first to ensure you purchase the investments in the most appropriate structure.**

**We also run a number of property investment seminars.**

**Please contact our office to organise an appointment or alternatively, register for our next free property investment seminar.**

## INSTALMENT WARRANTS

The tax office has recently amended the law to allow superannuation funds to borrow money to acquire property as long as it complies with a number of provisions.

The main provision is that the money is borrowed in the form of instalment warrants. The borrowing must be a non-recourse loan, which means no other assets of the fund can be used as security.

A fund can borrow money if:

- the money is borrowed to purchase an investment asset; however, the asset must be allowed to be purchased through your superannuation fund;
- the asset is held on trust so the fund acquires the beneficial interest;
- the fund has the right to acquire legal ownership by making payments; and
- the rights of the lender against the fund for default are limited to the asset.

Basic features of the arrangement include:

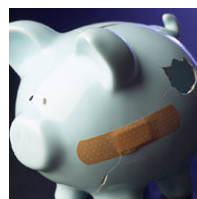
- the legal title to the property is held by a security trust;
- the beneficial title to the property is held by the Self Managed Superannuation Fund (SMSF);

- the loan is on a limited recourse basis (the lender's recourse is limited to the asset being acquired), and the borrower may require personal guarantees from members;
- the property is rented out and rents paid directly to the SMSF;
- the SMSF makes loan repayments directly to the lender; and
- when the mortgage is paid out, the property can remain property of the trust or can be transferred to the SMSF free of Capital Gains Tax and GST.

**Please note that normal superannuation fund acquisition rules apply. These arrangements can be complicated in nature and, due to the limited recourse nature of the loan, incur a higher interest rate.**

**DO NOT UNDER ANY CIRCUMSTANCE ENTER INTO SUCH AN ARRANGEMENT OR PURCHASE PROPERTY IN THE NAME OF YOUR SUPERANNUATION FUND WITHOUT DISCUSSING IT FIRST WITH YOUR CLIENT MANAGER OR FINANCIAL ADVISER.**

## FIRST HOME SAVER ACCOUNTS



The new Federal Government made a pre-election commitment to provide a simple and tax-effective way for people to save a large deposit to purchase their first home.

Federal treasurer Wayne Swan has released a discussion paper on the proposed features of the First Home Saver

Accounts (FHSA's).

Proposed features include:

- low taxes and a Government contribution on the FHSA every year of up to \$5,000 on individual contributions;
- individual contributions of up to \$10,000 can be made into the account each year; and
- contributions can be made by a third party such as an employer on behalf of the account holder.

Regulations and arrangements include:

- contributions having to be made from after-tax income;
- the initial contribution must be at least \$1,000, and the annual contribution must be a minimum of \$1,000 over four years;
- individuals will only be able to access their accounts for purposes other than purchasing their first home only in cases of terminal illness, extreme financial hardship or on compassionate grounds; and
- the account holder must not have had a previous account of this nature or previously built or purchased a home in Australia.

## THE MBA TEAM

There have been some recent changes to the MBA team.

Joan, after seven years of service, left us in February, and Brad resigned from MBA in January.

Amy has returned from Mackay in Queensland to rejoin the MBA Team. Amy has been a qualified accountant for almost three years and is soon to become a fully qualified CPA.

Kelly joined the MBA Team in January and is part of the administration department. Kelly has over three years experience in administration and brings with her a variety of skills from her previous positions.

We have also employed two casual members of staff while they are in their final six months of accounting study at University. They are Irena and Tamara.

So, there are several new faces as MBA continues to grow and continue its high level of client service.

**If you have any questions, or would like further information, regarding any of the articles in our newsletter please do not hesitate to call us!**



**m. mba** businessolutions

a 342 Main Street  
Mornington, Victoria 3931

p P O Box 504 Mornington 3931

t (03) 5970 8100  
f (03) 5977 2098  
w [www.mbabusinesssolutions.com.au](http://www.mbabusinesssolutions.com.au)  
e [team@mbabusinesssolutions.com.au](mailto:team@mbabusinesssolutions.com.au)



**If you would like to place a free advertisement in the next edition contact the office at MBA.**



**Free Introduction to  
MBA Business Solutions**

This Voucher entitles the holder to one FREE meeting\* of up to one hour in length to discuss:

- The services MBA offers.
- Your needs and circumstances.
- How MBA can match services provided to your needs.

**Value: \$198 (incl. GST)**

Simply call our office on (03) 59708100 to arrange an appointment with one of our qualified accountants and **make sure you bring this voucher with you.**

\* Offer applies to new or potential clients only. Advice of a specific nature provided during or after the free Introductory Meeting may be charged at our normal hourly rates. The scope of the Free Introduction is limited to the services specified above.