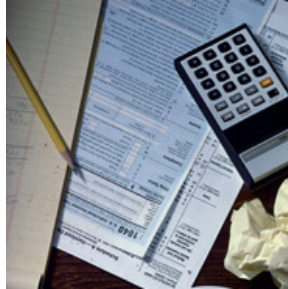




Tax Time 2008

It's that time of year again - the time when MBA seem to send you a lot of checklists and paperwork - otherwise known as Tax Time!



You should have all received a copy of our checklists recently.

Our checklists are designed to assist you in gathering the information you need to provide us in order to complete your tax returns.

If you have misplaced your checklist or would like another copy, they are available to download from our website: www.mbabusinesssolutions.com.au. Alternatively, you can call our office and we will send you another.

At MBA we understand how everyday life can be very busy. We therefore strive to make the tax time process as 'painless' as possible.

We also understand that it is not always convenient to contact us during business hours. We try to make it easier for you to communicate with us at a time, and in a way that suits you.

We encourage you to use email to 'talk' to us. This way you can send your message when it suits you and be assured that we will respond promptly to your query.

Our answering machine is also on every night and over the weekend - so you can leave us a message at the time you think of your query rather than having to wait for office hours. Once again all messages are responded to in a prompt manner.

In addition to the above methods of communication, we have a convenient after-hours way of delivering documents or letters to us. Located on the front wall of our building is a letterbox. It is able to hold envelopes as large as A4 size, so if you are passing our office after business hours and need to drop some documents

off to us you can simply place them in the locked letterbox and know we will get them safely!

Our Hastings Office

Our plan for the new MBA office in Hastings has finally come to fruition.

From 1st July we will be operating in High Street, Hastings in addition to our Mornington office.

Richard Amer is managing MBA Hastings and is now available for appointments. If you would like to make an appointment please call 5979 3045.

Alternatively, you can contact our office in Mornington on 5970 8100.

Richard will still be available for appointments in the Mornington Office, which Jason Beare will continue to manage.

Congratulations Melinda!

Our bookkeeper, Melinda Kalkbrenner, recently received a Diploma of Accounting and has received the Top Student in Accounting award.

If you would like to utilise Melinda's award-winning bookkeeping skills, contact our office to discuss or arrange an appointment.



James Carroll

James Carroll, after nine years of service, left us in June. We wish him well for his future endeavours.

Those clients that had James as their client manager will have recently received a letter regarding this change, and details of their new client manager.

Here at MBA we promote a 'team approach' and the departure of James has not changed the level of service we pride ourselves on.

If anyone has any queries, please contact our Mornington office on (03) 5970 8100 and ask to speak to your new Client Manager. We are happy to answer any questions you may have.

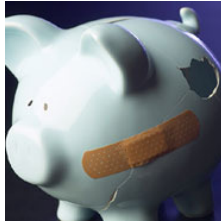


mba

m. mba business solutions

2008 – 2009 Federal Budget Announcement

In May the Labour Government delivered its first budget in thirteen years, and we at MBA feel one or several of the following highlights may be of interest to you.



Tax Cuts

There will be tax cuts worth \$46.7 billion over the next four years. An adult can earn up to \$14,000 from 1st July 2008 and pay no tax. The 40% tax threshold will increase from \$75,001 to \$80,001.

Child Care Rebate

The rebate will be increased from 30% to 50% but will now be means tested.

Education

Families eligible for Family Tax Benefit Part A will be entitled to a refund of up to half of the cost of their children's education expenses (not including School Fees).

The maximum refund is \$375 per primary school student and \$750 for every secondary school student.

Senior Australians

From 1st July 2008, senior Australians eligible for the Senior Australians Tax Offset will pay no tax on income up to \$28,867 for singles and \$24,680 for each member of a couple.

Medicare levy Surcharge

From 1st July 2008 singles can earn up to \$100,000 and families up to \$150,000 before paying the 1% surcharge.

Purchasing a New or Existing Business?

During this time of year, many business owners and individuals alike ask themselves what their prospects are for the financial future, and consider buying a new or existing business.

When purchasing a new or existing business, you need to take extreme care before entering into any arrangement.

You should gather as much background information as possible to help you to make an informed decision.

Some questions you should ask include:

- Is there a benchmark formula for valuing this type of business?
- What are the future prospects of the industry or business?
- What accounting systems are currently used by the business and are the records adequate?
- What is the existing staff structure?
- What is included in the contract price? For example Goodwill, Stock, Assets etc.
- Is there any potential developments in the area that could possibly impact the business?

If you see a business that you would like to purchase, contact your client manager and they can provide you with a comprehensive checklist and more specific advice.

SMSF – What is the Sole Purpose Test?



A recent ATO survey found that many Self Managed Superannuation Fund trustees could not explain what the sole purpose test is, had no investment strategy, or hadn't taken any action when their



m b a

m. m b a business solutions

auditor notified them they were in breach of the law.

The object of the sole purpose test is to ensure that regulated superannuation funds (SMSFs) are maintained for the purpose of providing benefits to members upon their retirement, or their dependants in the case of the member's death before retirement.

The ATO has found many circumstances in which retirement savings – through an SMSF – have been used for very questionable purposes.

In one situation, the ATO found a fund with 98 percent of its assets in cash, which it used to make an undocumented loan to a member's failed business venture, losing the full amount of the investment.



As a result of examples like these, the ATO is planning on auditing 11,000 SMSFs this year alone, targeting trustees and their understanding of their basic legal obligations, as well as targeting SMSF auditors to ensure that they are correctly auditing SMSFs and identifying breaches of the SIS (Superannuation Industry Supervision) Act.

Luxury Cars and Income

Tax investigators have decided to target drivers of luxury cars who declare little or no income in their tax returns.



In a major operation the Tax Office said it would collect data on the sales of new and second-hand vehicles costing more than \$57,000 between 1st July 2005 and 30th June 2007 and cross match it against taxpayer records.

The investigation will target people who declare little or no income, but

whose acquisition of assets would indicate 'conspicuous wealth'.

Activity Statements Reminder

A friendly reminder that in order to lodge quarterly Business Activity Statements on time, MBA request that clients send their information to us as soon as possible.

For employers, it is also time to complete PAYG Payment Summary documents and the Workcover Rateable Remuneration declarations.

This is the perfect chance to tie the preparation of all three sets of documents together to ensure the figures in each agree.

Please call us should you have any questions or require any assistance.

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!

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
E team@mbabusinesssolutions.com.au



Liability Limited by a scheme approved under Professional Standards Legislation