



## Welcome to the April 2016 Newsletter

### Sick of Reports that have lots of numbers and mean nothing?

Have a look at the following site along with the demo company and reports. This can be easily adjusted for your business

<http://www.fathomhq.com>

**User Name:** Kristy@hiscoxpartners.com.au

**Password:** Hiscox2016

If you think it could be of benefit to you please give us a call to discuss further, or send us an email.

Price wise we think you will be pleasantly surprised

It is not time consuming, but does help you understand your business

### Interim Accounts

Are you a business operator, self-employed, or just concerned about this year's tax liability?

Do you know where you stand in relation to your 2016 tax assessment? Don't wait until after the 30<sup>th</sup> June to find out that measures could have been taken to reduce your tax liability.

Preparing interim accounts can let you know where you stand in advance. This information can then be used to successfully reduce you upcoming tax liability through tax planning strategies.

### ***So, what are interim accounts?***

They are a full set of financial statements prepared by our qualified accountant's to a specified date, part the way through a financial year. This then gives an accurate picture of profit to date. This can then be used to "project" the net profit for the remaining portion of the financial year. From the projected income, taxable incomes can be calculated, which can then be used for tax estimates.

Once a tax estimate has been calculated, you will have an accurate picture of what this year's tax assessment will be and then can proceed with tax planning strategies. Tax planning strategies are a process of organizing the affairs of a taxpayer so that the liability of the taxpayer to income and other taxes is reduced.

There are many methods of tax planning strategies available to taxpayers.

Each taxpayer's situation can be considered independently, and the most appropriate method can then be recommended by the accountant and then applied by the taxpayer. If you have any questions about interim accounts please contact Simon at [simon@hiscoxpartners.com.au](mailto:simon@hiscoxpartners.com.au)

### **Fringe Benefits Tax**

The end of the FBT year is quickly approaching and now is good time to review your record keeping for FBT purposes. There is a general requirement by the ATO, that you must keep records that are adequate to enable your fringe benefits tax liability to be assessed. Some examples of records you may need to keep are invoices, receipts, travel diaries, log books, odometer records and employee declarations.

#### ***Log Books***

A log book is required when you use the operating cost method to value a car fringe benefit for the first time. Log book records contain a record of business use and are usually maintained for a continuous 12-week period that is representative of the car's business use.

Log Books must contain:

- The dates on which the journey began and ended
- The odometer readings at the start and end of each journey
- The kilometers travelled
- The purpose of the journey (stating 'business' is not enough – a reason must be recorded.)

You can keep your log book for up to five years. **You will need to keep a new log book after the fifth year or when there is a major change in the pattern of use.**

#### ***Motor Vehicle Declarations***

We will be sending your motor vehicle declarations shortly. These are to be completed as of the 31<sup>st</sup> March 2016. Please return completed declarations by the 1<sup>st</sup> June 2016.

**If you do not receive your FBT letter and it may apply to you, please contact our office.**

Warm Regards, Simon, Ben, Andrea, Luke, Nicola, Kahlia, Kristal, Kristy, Rebecca, Calin and Emily