

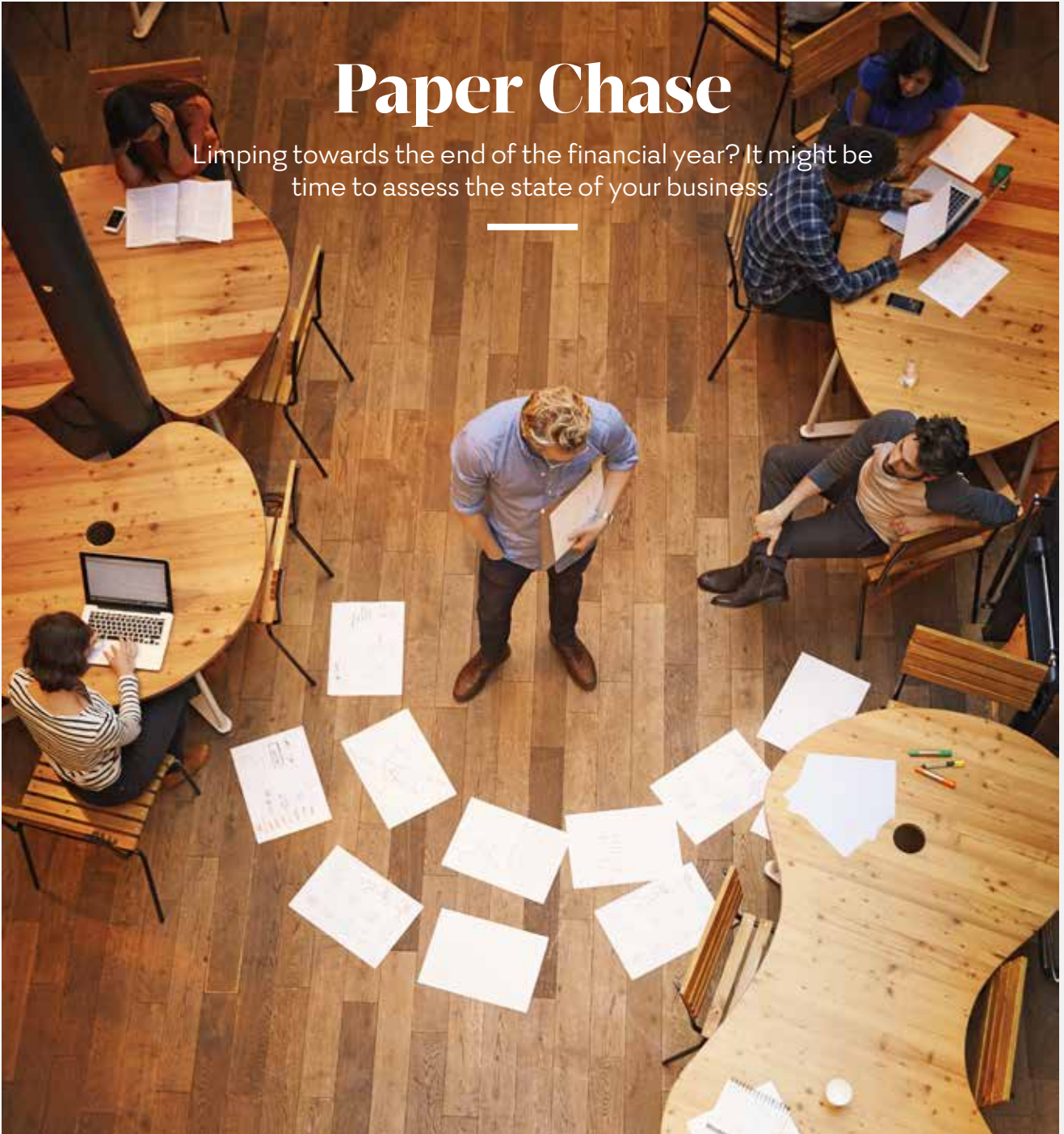
**BUSINESS
TRAVELLERS'
NOTEBOOK**

TAX TIME

GET YOUR BUSINESS IN ORDER WITH THESE TIPS ON PREPARING FOR THE END OF FINANCIAL YEAR.

Paper Chase

Limping towards the end of the financial year? It might be time to assess the state of your business.



Are you filled with dread now that the end of financial year is upon us?

If the pile of receipts and bills, combined with the prospect of facing your accountant, is all too overwhelming, your small business could have a case of the flu.

Use the end of financial year as a line in the sand to assess the overall health of your business, starting with the numbers. Now is a great time to look for ways to improve and grow areas of your business and bolster income.

USE THE END OF FINANCIAL YEAR AS A LINE IN THE SAND TO ASSESS THE BUSINESS'S OVERALL HEALTH.

If you've adopted a cloud-based accounting system, start by extracting financial reports, advises head of accounting for Xero, James Solomons. "Once upon a time, small businesses had to ask their accountant for spreadsheets months before the end of the financial year. By the time they paid their accountant for the time it took to prepare these huge reports, there wasn't much fat left over for any financial advice," says Solomons.

"But cloud systems have changed all that, freeing up



time for your accountant to give you advice to help make your business more profitable."

While you're in front of your accountant, spend time talking about your business and explore new income-generating ideas, Solomons says.

Also, make sure you get up to date with tax legislation and how it applies to your small business, says Andrea Michaels (pictured below), a tax and superannuation law expert and managing director of Adelaide's NDA Law.

"Most small businesses fail to consider the opportunity to defer income for a later year, or write off bad debts they've been carrying. They forget to double-check to see if they have made all the right super payments to staff, and forget to take into consideration all their earnings, such as property, shares and so on," says Michaels.

If they've got a self-managed super fund or trust in place, small business owners should also consider whether or not they have calculated all earnings and tax liabilities correctly.

Another thing to keep an eye out for is potential tax reform, which Michaels says is the biggest challenge facing Australian businesses. She urges businesspeople not to take their eyes off the ball. "You or your business could be affected by changes



such as negative gearing or capital gains tax, so it's worth reviewing with an accountant to ensure your structure is right. It could end up saving you a lot in the long run," says Michaels.

Additionally, if you're thinking of launching an e-commerce platform, it might be worth knowing about the research and development (R&D) tax offset. There's also a deduction for small businesses to buy assets under \$20,000.

"If you're working in a specific area where keeping up to date with technology and equipment is important, the tax write-offs for small businesses [with less than \$2 million turnover] will be of interest," she says.

MONEY MATTERS

Research conducted last year by Bibby Financial Services revealed that cash flow is a major issue for small businesses, with nearly half surveyed finding it more difficult to manage their cash flow than in the past. In fact, a quarter of Australian small businesses are forced to tackle cash flow concerns by ceasing to trade with those customers who consistently pay late.

Damian Arena is the CEO of IODM, a Melbourne software company that automates the accounts receivable process. Debtors expect to get a reminder if they're even a day late ➤

TRICKS OF THE TRADE

Try these apps to track expenses while travelling.

- 1 **Concur for Mobile**, which links to Concur Expense and Triplt Pro, lets employees manage anything expense and/or travel-related from their mobile phone.
- 2 **Locomote** allows you to take photos of receipts with your phone, and create a report based on itinerary dates and incurred expenses to track claimable ones.
- 3 **Shoebos** scans and organises your receipts, invoices and documents securely online.
- 4 **Expensify** lets you build expense reports to send to accounts.
- 5 **Concur** will sync with your company credit card, so all charges are automatically saved.
- 6 **Trail Wallet** allows you to set daily travel budgets, which is great when you need to adhere to company business travel policy.
- 7 **When you're travelling overseas**, XE Currency converts local money back to Australian dollars.



these days, so send that overdue reminder, he says. Also make sure you conduct credit checks from time to time on your debtors and avoid doing business with late payers. "Everyone is time poor and we're all tightening up our wallets, so adopting efficiencies such as automatic email reminders within your accounting system will make a big difference to cash flow, which is the fuel of your business," he says.

"ACCOUNTING EFFICIENCIES MAKE A BIG DIFFERENCE TO CASH FLOW."

If you're considering selling your business at some point, now is the time to begin looking at how to implement a succession plan, says managing partner of UHY Haines Norton, Michael Coughtrey.

"There are some valuable capital gains tax concessions that may be able to be accessed upon the sale of a business. In most cases, planning for a business sale is best done well in advance, even three to five years beforehand," he says. "Having various structures for your business such as entities and ownership structures adds to the complication and therefore

the need for advance planning, so talk it through with your accountant ahead of time."

With finances sorted, think about how to start the new financial year in better shape.

For example, investigate some of the more streamlined processes and systems you've been meaning to implement. Project manager tools such as Basecamp and Trello can keep you on top of your workload and allow you to share projects among staff.

ON THE ROAD

If you travel for business, there are a number of ideas to incorporate into your routine next financial year. It's worth considering whether you need a separate bank account or credit cards, which makes tracking expenses easier, says managing director of software

company Appscore, Alex Louey (pictured, top left).

"I also create a separate folder in my inbox for all travel-related emails, like hotel and car rental bookings.



THE ROYAL TREATMENT

THIS MONTH'S TOP TIMEPIECE.

ROYAL OAK COLLECTION

The Royal Oak first made its mark on the watch world in 1972 when it was released dressed in stainless steel rather than a precious metal as was the fashion. This year, Audemars Piguet made headlines again releasing the iconic model with an 18-carat yellow gold case when the market was awash with platinum and silver. The face still sports its signature blue dial with 'Grande Tapisserie' pattern, offset by hexagonal screws in the bezel and yellow gold applied hour-markers. The gold case houses the company's selfwinding manufacture calibre 3120. \$57,800. www.audemarspiguet.com.



Then when it comes time to create an expense report, I know there's only one place where it will all be saved," adds Louey.

Regular business travellers can track expenses in one of the several travel expense apps on the market, too.

Shop around, bearing in mind that some allow you to add car mileage to an expense claim, track frequent traveller points or provide automated trip sharing. Some apps also

enable you to import expenses automatically into the company's accounting system.

Co-founder of Wealth Enhancers, Sarah Riegelhuth, is a regular traveller. She flows all expenses through her credit card to earn frequent flyer points, and keeps a track of what she's spending when travelling for work.

Loyalty programs are everywhere, so study your options depending on destination and most convenient accommodation. Riegelhuth books via www.hotels.com, because after every 10 nights, you get a free night. "You may as well be building up the points and credits to save money on another trip," she says.

"You can end up with so many receipts when you're travelling, so you need a system. Even taking a photo of each receipt and storing them in a folder on your smartphone will work, if you want to keep it simple." »

Balance the Scales

For our gourmet issue, Deborah Hutton shares her philosophy on food and how to make the right choices.

Anyone who knows me well would know that I'm a foodie with a healthy appetite. In my younger years of modelling, it was especially challenging to maintain a healthy weight to fit into sample sizes when I was constantly being tempted by mouth-watering food.

It's a matter of balance (isn't it always?). When making choices about what to eat, choose the good stuff, love every morsel, then get moving to balance the scales.

Life is too short to consume bad calories and bad wine. If you are going to enjoy life to the fullest, you need to be selective. For example, if I decide to devour the odd hamburger, it won't be your average drive-thru variety. I want a gourmet experience; a burger filled with quality ingredients and made with care — because if I am going to indulge, I want every one of those calories to count.

The same is true for dairy. I limit my intake of butter, milk and cheese but, when I do want those things, I make sure I get quality butter and full cream milk. Why would you choose margarine and lite milk when taste is at stake? I say, go the real deal and savour every bite.

This reminds me of a birthday party I organised for a good friend years ago. We shared a love of fine food and wine but also enjoyed the odd naughty treat, so we decided to hire a stretch limo (it was the mid-'90s), pack blankets and wine, and head south of Sydney for lunch from a famous takeaway joint where people travelled for miles to indulge in the hamburgers and shakes.

On the drive down, we popped the cork on a beautiful bottle of champagne and checked out the scenery along the way. When we arrived, we found a little park overlooking the water, set out our blankets and dug into the food. Forget the thick shakes, I'd brought along a bottle of Grange Hermitage. As we sat around in the sun eating fresh burgers and hot chips, and drinking Grange, I thought to myself: life doesn't get any better.

Good food continues to occupy my thoughts. I love inviting people over, cooking up something delicious and having a laugh. It's fair to say I overindulge every now and then, and wake up the following morning wondering why I ate that extra piece of roast chicken or drank that last glass of pinot. But as I stagger to the gym, bleary-eyed,

IF I DECIDE TO DEVOUR THE ODD HAMBURGER, I WANT A GOURMET EXPERIENCE; A BURGER FILLED WITH QUALITY INGREDIENTS.

knowing the hard work is about to begin, I think about the beautiful food I had the privilege of sharing with loved ones and the faces of my friends enjoying themselves, and I know that this is one of life's greatest joys.

Again, it comes down to choice — think about what makes you the happiest. Hold that thought, then turn it around and think about what you can live without. It's all about finding the right balance between the two.

Check out Balance on Virgin Australia IFE and at www.balancebydeborahhutton.com.au. 