

# HMA TWOMEY PATTERSON

## CHARTERED ACCOUNTANTS

Business & taxation advisers · Registered company auditors

### DECEMBER 2008 - NEWSLETTER

#### REVISED CREDIT TERMS:

We wish to advise you of amended credit terms which will apply for invoices dated after **1st January 2009**.

Our terms of 30 days from invoice have not changed. We are, however, changing our credit policies to bring us into line with current market practice.

Invoices beyond 60 days outstanding will incur a Default Payment Fee at the rate of 2.5% per month calculated on the daily outstanding balance.

If invoices exceed 90 days in age, clients will be placed on credit hold and no further work will be performed until all overdue amounts have been paid, unless satisfactory payment arrangements have been agreed.

If at any time you believe you experience difficulty in meeting our Credit Terms, please do not hesitate to contact our Practice Manager – Finance, Bob Beath on 02 69421266 to discuss an agreed payment arrangement.

A satisfactory agreed payment arrangement will not incur any default payment fee.

If you have an invoice dispute, please contact your local office as soon as possible to have the issue dealt with.

**These changes will not present any issues for the majority of our clients who pay within the agreed 30 day terms.**

We thank you for your continued support.

#### ACCLIPSE -HMATP and Banklink Online

This free online service allows you to login to your own personalised secure area on our website to access documents, files, accounting data and financial reports (tax returns and financials).

You can also choose to use your secure area to send us files and documents in a safe and secure environment. (e.g. MYOB backup)

For clients using our BankLink service you'll have access to Acclipse CodeIT which allows you to view, code and add comments to your bank transactions.

To register for this service, click the Client Login button on our home page <http://www.hmatp.com.au/> and complete the [form](#) with your details. Once your application has been received we will contact you with further instructions.

#### THE GLOBAL DOWNTURN – WHAT HAPPENED, AND WHAT HAPPENS NEXT?

How does takeover, nationalisation, and corporate collapse in the US affect us in Australia? In order to look forward, the enclosed Count Report looks back at the past weeks, highlighting the steps that could be taken next.

Also, on page 7 the question is asked “Is human nature to blame for the market crisis?”

The page 4 guide to planning retirement during market downturns explains the ‘bear traps’ to avoid, but also the upsides you should be aware of.

This Count Report also has tips for business owners, insurance myths exposed, and what Australia will do with the Government’s \$10.4bn ‘holiday’ bonus.

We hope you enjoy reading this issue of the Count Report. If you wish to discuss any of the issues raised or you would like to review your current situation, please call to arrange an appointment.

#### CASHFLOW:

One of the most important areas of running a business is managing the cashflow position. While a business can look profitable on paper, if there is not enough money coming in to pay your suppliers and employees, then your business could be in trouble. In times of high interest rates, your suppliers may be putting pressure on you to pay your accounts earlier and your customers may be putting off paying you until the last minute.

Some simple tips to improve your cashflow position are:

- Reduce your debtors
- Encourage your customers to pay within your credit terms
- Prepare invoices in a timely manner
- Discuss quotes & budgets
- Include your bank details on your invoices to encourage use of online banking

- If customers are having difficulty paying discuss and set up a repayment arrangement
- Maintain good Stock Control & manage seasonal stock levels
- Prepare a cashflow budget which shows the estimated cash inflows and outflows of your business. You need to know when the liabilities are due, especially GST and superannuation guarantee liability for your employees. (Set up a separate GST Bank account and put funds aside to assist you meet the GST/PAYG liability each quarter).

### HMA TWOMEY PATTERSON AUDIT TEAM

Did you know that our firm has a dedicated audit division? HMA Twomey Patterson is involved in the audit of a number of different types of entities as follows:

- Publicly listed companies
- Co-operatives
- Government Funded Organisations
- Registered Clubs
- Private Companies (encompassing a variety of business sectors)
- Sporting and community groups
- Self-managed superannuation funds
- Trust accounts (e.g. real estate agent, travel agent, solicitors)

If you or your organisation are interested in a no obligation free quotation, why not give us a call?

### MBF DEMUTUALISATION:

Good News! The ATO has confirmed that the cash payment received by MBF policyholders on 16 June 2008 is NOT subject to income tax or capital gains tax.

### MEDICARE LEVY SURCHARGE:

The thresholds at which taxpayers have to pay Medicare Levy Surcharge (MLS) have changed for the 2008/2009 year.

You will have to pay MLS for any period during 2008/09 that you or any of your dependants did **not** have private hospital cover and you were:

- A single person with no dependants and had a taxable income for MLS purposes greater than \$70,000
- A member of a family and the combined taxable income for MLS purposes of your and

your spouse (if you had one for the whole of 2008/09) was above \$140,000

### FIRST HOME SAVER ACCOUNTS

#### **What is a First Home Saver Account?**

A first home saver account is a savings account designed to offer you a simple, tax effective way of saving for your first home through a combination of government contribution and low taxes.

To open one of these accounts you need to:

- be aged over 18 and under 65 years
- have never owned a home in Australia that has been your main residence.

There are several incentives to open a first home saver account:

- the more money you save, the more the government will contribute (up to a certain limit each year)
- You don't pay tax on any earnings on the account, earnings on first home saver accounts are taxed at 15%, but this is payable by the account provider.

#### **This is what you need to do:**

Make personal contributions of at least \$1,000 for each of four financial years (not necessarily consecutive years) before you can withdraw your money.

Contribute as little or as much as you like every year, up to a maximum cap over the life of the account. The cap is \$75,000 for the 2008-2009 financial year and will be indexed over time.

The government will contribute 17% on top of your personal contributions up to a maximum of \$850 each financial year.

### CHRISTMAS CLOSURE:

Our offices will close on 24 December at 1pm. Our offices will re-open for business on Monday 5 January at 8.30 am. We would like to wish all our clients a Merry Christmas and a safe and healthy New Year.





## Helping you achieve financial freedom

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The articles contained in this newsletter are intended for information only and not for advice. For further information or advice, please contact your nearest office.

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