

TWOMEY PATTERSON

Chartered Accountants

Welcome to our Newsletter for March 2006.
Provided to you with information designed to be informative and relevant

FIRM MERGER

Our planned merger with HMA Accounting from Wagga Wagga is progressing well and will take place from 1st July 2006.

We are very excited about the forthcoming changes as it will allow us to offer an even higher level of service to our existing and new clients. The combined firm will also be able to offer specialised expertise in the various areas of taxation, auditing, financial planning, business development and succession planning. The new business will have a combined team of over 50 qualified and support staff.

Along with the current partners of Twomey Patterson, Phillip Miller and David Hodge will also be partners of the new firm, which will be named HMA Twomey Patterson.

OUR WAGGA OFFICE IS RELOCATING

To cater for our merger our Wagga Office will be changing locations. We will be relocating to 1st Floor, Unit 1/185 Morgan Street, Wagga Wagga – also known as Piercy Place. We are hoping to relocate to these premises in June 2006. In the meantime if you would like to know anything further regarding the merger and relocation, please contact our team and they will be happy to assist. Our current phone numbers will remain unchanged.

CASHFLOW MANAGEMENT

Like it or not, cash flow is quite often the “maker” or “breaker” of small business. Big or small, a business’s ability to generate sufficient cash flow to pay its debts as and when they become due and payable is critical to its long term prospects. How well you manage your business cash flow often means the difference between basic survival and prosperity.

One area in which most businesses usually tie up significant amounts of cash is in receivables. In other words, this is money that is owed to you, by your customers and clients. Money tied up in receivables for long periods of time can seriously affect your growth, profitability and even your business survival. Managing your cash flow by implementing a sound debtor collection policy can assist your business to thrive even during difficult economic times.

Many business people are unclear on the difference between cash flow and profit. A business that makes a profit on paper may not necessarily have enough cash available to pay its bills. Making a sale or providing a service to a client, then sending an invoice to them, is only part of the process. Business owners are sometimes concerned that they will offend clients and customers if they request payment of their debts. However, it should be recognised that having a sound debtor collections policy in place will make customers aware that collection of outstanding debts is an integral part of running your business. Having such a policy is vital to enable effective management of your cash flow.

We are able to assist you with undertaking cash flow budgeting of your business, which would enable you to gain a clearer picture of your current and future financial requirements. Please contact one of our qualified staff for assistance with the financial management of your business.

TAX PLANNING

The end of the financial year is fast approaching. **NOW** is the time to review the performance of your business and to put into place strategies to minimise your tax for the 2005/06 financial year. Please phone your nearest office to discuss your personal situation and/or make an appointment to see one of our qualified tax advisors.

FINANCIAL PLANNING NEWS

As most of you will be aware Geoff Twomey, Jenny Officer, Andrew Pryor & Chris Manwaring are all Authorised representatives of Count Wealth Accountants, Australia's largest independent Financial Planning Group.

As such they can provide advice regarding Financial Planning, Superannuation, Home Loans, Business & Commercial Lending & Personal Insurance.

Praemium Portfolio Service

We can now offer you access to an online Portfolio Management Service to monitor the performance of your shares, managed funds and direct investments, such as property.

Listed security transactions and dividend distributions are automatically updated and re-valued on a daily basis.

Realised and Unrealised Capital Gains tax reports enable you to manage Capital Gains within your Portfolio. Income, Growth and Total Performance Reports ensure you can tailor your investment Portfolio to your individual needs. If you would like more information about the Praemium Portfolio Service please contact one of our offices.

BAS & TAX LODGEMENT DATES

Business Activity Statements for the March 2006 quarter are due for lodgement & payment by 28 April 2006. For those clients for whom we prepare BAS's, we would like to obtain all necessary information by 21 April to allow us to meet the April deadline. The ATO has been more active in imposing fines for late lodgement of activity statements and we aim to meet all deadlines wherever possible, but cannot guarantee lodgement by due date if the 21 April receipt of information is not met.

ATO BOOK KEEPING REQUIREMENTS

The ATO has recently released guidelines for book keepers who charge a fee to their clients for preparation of Business Activity Statements. Book keepers and their clients need to be aware that the ATO prohibits any person from charging a fee to prepare income tax returns and provide tax advice if they are not a registered tax agent. The Income Tax Assessment Act however, allows an exemption to this rule for the provision of BAS related services if the book keeper meets certain requirements. For book keepers who satisfy the exemption criteria, BAS services include:

- 1) Preparing and lodging an approved form for a client which relates to GST, PAYG withholding, PAYG instalment and FBT obligations,
- 2) Giving advice regarding these obligations, or
- 3) Dealing with the ATO on behalf of the client in relation to these obligations.

The exemptions under which book keepers may charge for the provision of BAS services are if they are:

- 1) a member of a recognised professional organisation,
- 2) working under the direction of a tax agent, or
- 3) a payroll services provider preparing a BAS only for PAYG withholding obligations.

It should be noted that employees who are preparing their employers activity statements in the course of their normal duties are also exempted.

If you would like further information regarding the above guidelines, they can be downloaded from the ATO website at www.ato.gov.au or you can consult one of our qualified staff who would be glad to assist with your enquiry.

The Twomey Patterson team would like to wish you & your family a Happy and Safe Easter.

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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